

**Testimony of**  
**Assistant Secretary of Commerce for Manufacturing and Services**  
**Nicole Y. Lamb-Hale before the**  
**Senate Committee on Commerce**  
**Subcommittee on Competitiveness, Innovation and Export Promotion**  
*Implementation of the Travel Promotion Act of 2009*  
**April 5, 2011**

Chairwoman Klobuchar, Ranking Member Blunt and distinguished members of the subcommittee, thank you for giving me the opportunity to speak before you about the efforts the International Trade Administration and Department of Commerce are taking in implementing the Travel Promotion Act and encouraging travel and tourism in general. In the United States, travel and tourism is a \$1.3 trillion sector of the economy, supporting 7.7 million American jobs.

The news regarding travel and tourism continues to paint a positive picture for the United States. Secretary of Commerce Gary Locke announced on March 16, that a record breaking 60 million international visitors arrived in the United States in 2010, shattering by 17 percent the previous record set in 2000. These international travelers spent more than \$134 billion during their visits, a 12 percent increase from 2009. For the year 2010, the United States had a surplus of nearly \$32 billion in travel and tourism, an increase of 50 percent over the 2009 surplus. In addition, seven of the top 10 countries generating overseas visitation to the United States posted new records: Australia, Brazil, France, Italy, India, South Korea, and the People's Republic of China. These markets combined for a record 26 million overseas visitors, surpassing the record set by the same group of countries in 2000.

The latest travel and tourism figures underscore the importance of travel and tourism to strengthening the U.S. economy. Travel and tourism plays a critical role in the Department of Commerce's (Department) export promotion strategy. This effort directly supports President Obama's National Export Initiative goal of doubling exports by the end of 2014.

The Travel Promotion Act of 2009 (TPA), and its creation of the Corporation for Travel Promotion (CTP), enhances the competitiveness of the travel and tourism industry and promotes U.S. travel and tourism exports. Many other nations operate aggressive programs that actively market their countries as desirable destinations around the world. The CTP will help the United States join the game and encourage travelers across the globe to visit our country.

The following is an overview of the Department's efforts to support the TPA through the establishment of the Office of Travel Promotion (OTP), to build a relationship with the CTP, and to collaborate with the Departments of State (State) and Homeland Security (DHS).

### **The Office of Travel Promotion**

The OTP has been established and is currently housed in my unit of the International Trade Administration (ITA), the Office of the Assistant Secretary for Manufacturing and Services. ITA's Deputy Assistant Secretary for Services has been named the interim Director of the OTP. The Department has actively communicated to apprise the travel and tourism industry of our progress on the TPA's implementation.

As set forth in the TPA, the functions of the OTP are to 1) serve as a liaison to the CTP and support and encourage the development of programs to increase the number of international visitors to the United States for business, leisure, educational, medical, exchange, and other purposes; 2) work with the CTP, the Secretary of State, and the Secretary of Homeland Security a) to disseminate information more effectively to potential international visitors about documentation and procedures required for admission to the United States as a visitor, b) ensure, with DHS and State, that arriving international visitors continue to be welcomed with accurate information and in an inviting manner, c) to collect accurate data on the total number of international visitors that visit each state, and d) to enhance the entry and departure experience for international visitors through the use of advertising, signage, and customer service; and 3) support state, regional, and private sector initiatives to promote travel to and within the United States.

The establishment of the OTP in ITA leverages ITA's longstanding and unmatched expertise, knowledge, and industry contacts in the travel and tourism sector, much of which resides in ITA's Office of Travel and Tourism Industries (OTTI). Even before the TPA was enacted, ITA was already actively pursuing many of the functions and responsibilities assigned to the OTP by the TPA, primarily through OTTI.

## **The Corporation for Travel Promotion**

The TPA established the CTP as a non-profit corporation with the purpose of promoting the United States as a travel destination. In accordance with the TPA, the Secretary of Commerce appointed the 11 members of the CTP's Board of Directors (Board) in September 2010, following consultation with the Secretaries of State and Homeland Security. ITA played a key role in the process of selecting candidates for the Board. The initial search for applicants was well-publicized and included notices in the *Federal Register*, as well as notices to trade associations and the general public through ITA's industry listserv and the OTTI website. Our search produced many extremely well-qualified applicants.

The members of the Board represent various regions of the United States, and each individual has experience and expertise in a specific sector of the U.S. travel and tourism industry as required by the TPA. The CTP's Board has filed articles of incorporation in the District of Columbia, established officers (chair and two vice-chairs), and received \$2.5 million from the Department of Treasury for start-up costs. The Board is intent on hiring the Executive Director for the CTP in the immediate future, and it is actively working to define its annual objectives, marketing plan and strategy, and annual budget. Mr. Stephen Cloobek, the Chairman of the CTP Board, will speak more specifically on what the CTP is doing to meet the legislative goals of the TPA.

In fulfilling the OTP's liaison duties, the interim OTP Director and staff have formed a strong relationship with the Board of the CTP. The Board holds monthly Board meetings (either in person or via conference call), and the interim OTP Director and staff have participated in each one.

## **Collaboration with the Departments of Homeland Security and State**

ITA, through the OTP and OTTI, has worked closely with DHS to support DHS' efforts to implement the Electronic System for Travel Authorization (ESTA) fee collection system, which collects the Federally-sourced funds for the CTP.

Through the interagency Tourism Policy Council (TPC), ITA has partnered with DHS and State to disseminate information regarding the implementation of the ESTA fee and to explore ways to facilitate the entry process for foreign visitors into the United States.

DHS and State have been actively engaged in meeting the challenges posed by an increase in demand for visas and an increase in the number of travelers to the United States. The Department of Commerce is working with both DHS and State on an interagency team led by the National Security Council's Interagency Policy Committee to more effectively communicate to industry and travelers the efforts the Departments are making to better serve the traveling public. These efforts include making visa processing more efficient, secure and customer-friendly, as well as the shifting of resources to the visa sections in our embassies abroad and to the U.S. ports-of-entry to ensure that the entry experience is efficient and welcoming. These efforts will also support and complement the work of the CTP in promoting international visitation to the United States.

### **Report to Congress on the Office of Travel Promotion**

As required by the TPA, Secretary Locke provided a description of the OTP's work to date with the CTP, the Secretary of State, and the Secretary of Homeland Security to the Senate Committee on Commerce, Science, and Transportation; the Senate Committee on Homeland Security and Governmental Affairs; the Senate Committee on Foreign Relations; the House of Representatives Committee on Energy and Commerce; the House of Representatives Committee on Homeland Security; and the House of Representatives Committee on Foreign Affairs. The report was transmitted to Congress on March 11, 2011.

### **Travel Promotion Key to the National Export Initiative**

With a relatively small and strategic federal investment in export promotion, we can build upon our aggressive efforts as part of the National Export Initiative (NEI) to help American companies sell their American-made goods and services overseas.

The FY 2012 budget request for the ITA includes an increase of \$78.5 million to support NEI related efforts, which will support a projected \$4.4 billion in additional exports and 22,000 new jobs. The NEI also involves ITA's continued work to assist companies and create trading opportunities by identifying, overcoming, and resolving trade policy issues and barriers and ensuring that our trade partners fully meet their obligations under our trade agreements. These efforts mean leading more trade missions; helping U.S. companies win more foreign procurement bids; and providing more business to business matchmaking services to U.S. companies. The budget will be critical in successfully

implementing the goals of the Travel Promotion Act as well by bringing more foreign visitors to the United States and more foreign buyers, distributors, and partners to U.S. trade shows.

## **Conclusion**

The Department of Commerce will maintain consistent and open communication with the CTP and its Board, and with staff at DHS and State, leveraging both the OTP and OTTI. We will continue coordination with DHS and State through the NSC's Interagency Policy Committee and the Tourism Policy Council, and we will work with the TPC's Travel Facilitation sub-committee to consider the recommendations of the Travel and Tourism Advisory Board for improving the U.S. entry process. Additionally, we are collaborating closely with the Department of Treasury and the CTP to establish procedures for making disbursements to the CTP in accordance with the TPA. This collaboration will ensure the smooth transfer of funds to the CTP under the TPA on an ongoing basis.

The potential of the TPA to create new opportunities for U.S. travel and tourism exports plays a critical role in supporting the President's National Export Initiative and stimulating the U.S. economy. This is an exciting time for the United States to engage in the global marketplace and proactively compete for international visitors. After all, more international visitors to the United States means more people eating in our restaurants, staying in our hotels, shopping in our malls, visiting our attractions and learning about our values and culture.

Chairwoman Klobuchar, Ranking Member Blunt, and distinguished members of the subcommittee, thank you again for inviting me to speak. I will be happy to answer any questions that you have.