

UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

November 5, 2021

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

Dear Secretary Raimondo:

We are pleased to submit the following recommendations regarding the establishment of a new five-year goal for international visits and spending for the United States.

International travel plays a critical role in the US economy. In 2019, 79 million visitors to the US spent \$233 billion in the US economy, representing 27% of US services exports and 9% of all US exports. Because visitors to the US spend more than US residents spend abroad, the US realized a \$51 billion travel trade surplus in 2019.

This economic engine has stalled due to the pandemic. Travel exports (visitor spending) fell 64% to just \$83 billion in 2020 and registered 71% below 2019 levels in the first eight months of 2021. The latest forecasts from Tourism Economics predict a prolonged recovery period through 2026 in the absence of any remedial action.

However, as the US reopens, decisive actions can be taken that could accelerate the recovery of this important export by a full two years. This letter outlines these recommended actions and associated international visitor volume and spending targets over the next five years.

We recommend a five-year visitor goal of 90 million in 2026, in tandem with a travel & tourism export goal of \$279 billion. Achieving these goals is contingent on three major recommendations which, together, would accelerate full recovery by two full years (2024 instead of 2026) and produce a benefit of 10 million visitors and \$36 billion in exports in 2026¹.

U.S. International Inbound Travel Scenarios

	2019	2020	2021	2022	2023	2024	2025	2026	2026 vs 2019 growth
Visits Scenarios ('000s)									
Goal Scenario	79,442	19,445	21,643	51,889	68,553	80,044	85,235	90,050	13.4%
Downside Scenario	79,442	19,445	21,215	49,602	63,468	72,058	77,121	80,039	0.8%
Opportunity	-	-	429	2,286	5,085	7,985	8,114	10,011	
Tourism Exports Scenarios (\$ billion)									
Goal Scenario	\$ 233	\$ 83	\$ 79	\$ 172	\$ 213	\$ 246	\$ 258	\$ 279	19.4%
Downside Scenario	\$ 233	\$ 83	\$ 77	\$ 165	\$ 197	\$ 221	\$ 229	\$ 243	4.0%
Opportunity	\$ -	\$ -	\$ 2	\$ 8	\$ 16	\$ 25	\$ 29	\$ 36	

¹ Forecasts are based on the Tourism Economics Global Travel Service model, which factors in the economic outlook, inflation, exchange rates, and travel patterns for 190 countries. Unique policy conditions are introduced to the model under each scenario to derive the "goal scenario" and "downside scenario". Given the uncertainty that is intrinsic to both the health and economic environment assumptions underlying these forecasts, it may be worthwhile revisiting the goal in two years.

In order to build international travel back better and to achieve these goals, we recommend the following:

1. Rebuild visa processing services

Short-term:

- Re-open US consulates and embassies by January 2022 for visa processing with a prioritization of high-volume locations.
- Expand resources with supplemental appropriations for overtime and staffing to process the backlog of visa applications.
- Modernize visa adjudication through video conferencing programs, allowing certain visas renewals to take place within the U.S., and remote review of visa applications.
- Implement expedited group appointments and processing for tours, conventions, and trade shows.
- Increase the caps for temporary and seasonal worker visas to ensure adequate workforce levels.

One objective of these short-term recommendations would be to reduce visa processing wait time to under 15 days which would produce significant benefits to the recovery of international visitation.

Medium-term:

- Expand the Visa Waiver Program. Given the proven economic benefits of the program, we recommend adding Brazil, India, Colombia, Argentina, Dominican Republic, and Ecuador. This may require waiving existing qualifying thresholds for visa rejections and overstays. However, the economic payoff from greater opening to these visitor markets and the security benefits of the Visa Waiver Program warrant this policy adjustment.

2. Ensure funding for US destination marketing and communications

Brand USA has proven to be a critical driver of US competitiveness and will be pivotal for the US to rebuild its share of international travel exports. Brand USA can also play an important role in educating foreign visitors about the new vaccine and testing requirements for entry. However, its funding has collapsed in the absence of ESTA fees. We recommend that at least \$250 million of surplus ESTA fees credited to the Travel Promotion Fund be immediately allocated to Brand USA. This will enable Brand USA to accelerate the international travel recovery through a renewed welcoming message to the world alongside clear communications of health & safety protocol.

State and city destination marketing organizations (DMOs) complement Brand USA's marketing programs. As many of these organizations have experienced severe budget declines, Commerce should ensure that DMOs are aware of the \$240 million in competitive grant funding through the American Rescue Plan and work to approve eligible projects as quickly as possible.

Alongside these organizations, we recommend that Commerce take a leadership role in coordinating government communication across agencies and platforms regarding border policy, vaccination requirements, and other health & safety guidelines for international visitors. This consistent and clear communication can then be amplified by the private sector and will be critical as these guidelines evolve and are eventually relaxed.

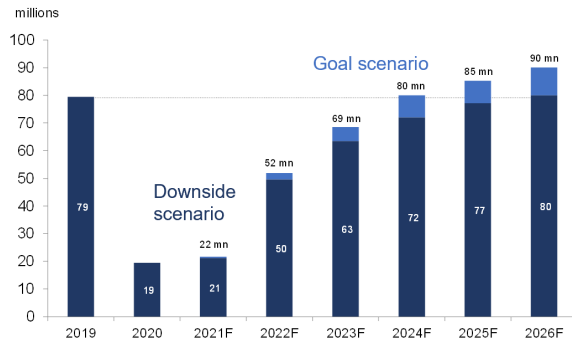
3. Expand Customs and Border Protection (CBP) capacity

We recommend emergency supplemental appropriations in FY22 to support increased staffing and overtime for CBP officers. Given the drop-off in traveler fees that fund CBP operations, these

investments are essential to efficiently process inbound international arrivals at U.S. airports and support additional operational responsibilities related to verifying vaccination status at U.S. land ports of entry. In addition, we recommend continuing to encourage public-private partnerships where the private sector can work together with government agencies to amplify messages around the importance of participating in CBP enrollment initiatives like Global Entry.

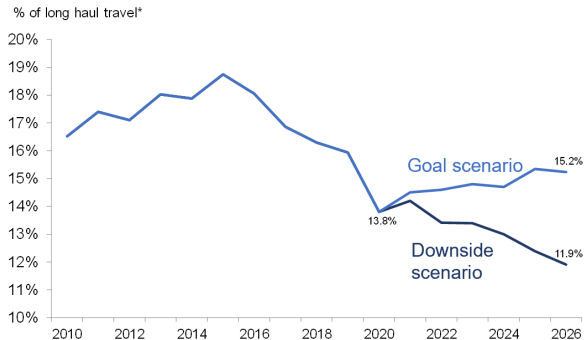
The following charts illustrate the expected benefits that would be realized over the next five years and the implications on US market share.

US International Inbound Visits



Source: NTTO, Tourism Economics

US Overseas Visits Market Share



Source: Tourism Economics

* US share of outbound travel outside of origin region

The following table presents estimates of the benefit of major actions on both visits and spending in 2026. These recommendations would produce measurable returns of 10 million additional visitors and \$36 billion by 2026, an acceleration of the recovery to prior peaks by two full years, and the prevention of further losses in US market share.

Action	Visits impact ('000)	Spending impact (\$ bn)
Visa processing improvements	3,003	\$ 10.8
Visa waiver expansion	3,504	\$ 12.6
Destination marketing funding	2,002	\$ 7.2
CBP resource expansion	1,502	\$ 5.4
Impact in 2026	10,011	\$ 35.9

The TTAB stands ready to assist as we face the task of rebuilding international travel to the US and looks forward to continuing to partner with you and your team.

Respectfully submitted,

Brad Dean

Brad Dean
Vice Chair