

**REVIVING INTERNATIONAL TRAVEL AND TOURISM
TO CREATE AND RESTORE JOBS**

HEARING

BEFORE THE

SUBCOMMITTEE ON TOURISM, TRADE,
AND EXPORT PROMOTION

OF THE

COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

—————
MAY 18, 2021
—————

Printed for the use of the Committee on Commerce, Science, and Transportation



Available online: <http://www.govinfo.gov>

—————
U.S. GOVERNMENT PUBLISHING OFFICE

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

MARIA CANTWELL, Washington, *Chair*

AMY KLOBUCHAR, Minnesota	ROGER WICKER, Mississippi, <i>Ranking</i>
RICHARD BLUMENTHAL, Connecticut	JOHN THUNE, South Dakota
BRIAN SCHATZ, Hawaii	ROY BLUNT, Missouri
EDWARD MARKEY, Massachusetts	TED CRUZ, Texas
GARY PETERS, Michigan	DEB FISCHER, Nebraska
TAMMY BALDWIN, Wisconsin	JERRY MORAN, Kansas
TAMMY DUCKWORTH, Illinois	DAN SULLIVAN, Alaska
JON TESTER, Montana	MARSHA BLACKBURN, Tennessee
KYRSTEN SINEMA, Arizona	TODD YOUNG, Indiana
JACKY ROSEN, Nevada	MIKE LEE, Utah
BEN RAY LUJAN, New Mexico	RON JOHNSON, Wisconsin
JOHN HICKENLOOPER, Colorado	SHELLEY MOORE CAPITO, West Virginia
RAPHAEL WARNOCK, Georgia	RICK SCOTT, Florida
	CYNTHIA LUMMIS, Wyoming

DAVID STRICKLAND, *Staff Director*

MELISSA PORTER, *Deputy Staff Director*

GEORGE GREENWELL, *Policy Coordinator and Security Manager*

JOHN KEAST, *Republican Staff Director*

CRYSTAL TULLY, *Republican Deputy Staff Director*

STEVEN WALL, *General Counsel*

SUBCOMMITTEE ON TOURISM, TRADE, AND EXPORT PROMOTION

JACKY ROSEN, Nevada, <i>Chair</i>	RICK SCOTT, Florida, <i>Ranking</i>
AMY KLOBUCHAR, Minnesota	DAN SULLIVAN, Alaska
TAMMY DUCKWORTH, Illinois	MARSHA BLACKBURN, Tennessee
JON TESTER, Montana	RON JOHNSON, Wisconsin
KYRSTEN SINEMA, Arizona	SHELLEY MOORE CAPITO, West Virginia
JOHN HICKENLOOPER, Colorado	CYNTHIA LUMMIS, Wyoming

CONTENTS

	Page
Hearing held on May 18, 2021	1
Statement of Senator Rosen	1
Prepared statement from the American Car Rental Association	3
Letter dated May 11, 2021 to the President from: Roger Dow, President and Chief Executive Officer, U.S. Travel Association; Geoff Ballotti, President and Chief Executive Officer, Wyndham Hotels & Resorts; Ed Bastian, Chief Executive Officer, Delta Air Lines; Nicholas E. Calio, President and Chief Executive Officer, Airlines for America; Anthony Capuano, Chief Executive Officer, Marriott International, Inc.; Josh D'Amaro, Chairman, Disney Parks, Experiences and Products; Christine Duffy, President, Carnival Cruise Line; Robin Hayes, Chief Executive Officer, JetBlue Airways Corp.; Peter Ingram, President and Chief Executive Officer, Hawaiian Airlines, Inc.; Jerry Jacobs, Jr., Chief Executive Officer, Delaware North; Peter Kern, Vice Chairman and Chief Executive Officer, Expedia Group, Inc.; Scott Kirby, Chief Executive Officer, United Airlines; David Kong, President and Chief Executive Officer, BWH Hotel Group; Elie Maalouf, Chief Executive Officer, Americas, IHG Hotels & Resorts; Heather McCrory, Chief Executive Officer, North & Central America, Accor; Sean Menke, President and Chief Executive Officer, Sabre; Christopher J. Nassetta, President and Chief Executive Officer, Hilton; Patrick Pacious, President and Chief Executive Officer, Choice Hotels International, Inc.; Doug Parker, Chairman and Chief Executive Officer, American Airlines; Scott Sibella, President, Resorts World Las Vegas; Chrissy Taylor, President and Chief Executive Officer, Enterprise Holdings Inc.; Jonathan Tisch, Chairman and Chief Executive Officer, Loews Hotels & Co; Andrew Wexler, Chief Executive Officer, Herschend Enterprises	5
Statement of Senator Scott	6
Statement of Senator Blunt	24
Statement of Senator Blackburn	26
Statement of Senator Sullivan	28

WITNESSES

Rosemary Vassiliadis, Director of Aviation, McCarran International Airport ...	7
Prepared statement	9
William D. Talbert III, CDME, President and CEO, Greater Miami Convention & Visitors Bureau	11
Prepared statement	12
Christopher L. Thompson, President and CEO, Brand USA	14
Prepared statement	16

APPENDIX

Response to written questions submitted by Hon. Amy Klobuchar to:	
Rosemary A. Vassiliadis	37
Christopher L. Thompson	38

REVIVING INTERNATIONAL TRAVEL AND TOURISM TO CREATE AND RESTORE JOBS

TUESDAY, MAY 18, 2021

U.S. SENATE,
SUBCOMMITTEE ON TOURISM, TRADE, AND EXPORT
PROMOTION,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Subcommittee met, pursuant to notice, at 3 p.m., in room SR-253, Russell Senate Office Building, Hon. Jacky Rosen, Chairman of the Subcommittee, presiding.

Present: Senators Rosen [presiding], Scott, Blackburn, Sullivan, and Blunt.

OPENING STATEMENT OF HON. JACKY ROSEN, U.S. SENATOR FROM NEVADA

Senator ROSEN. Good afternoon, everyone, and welcome to the second hearing of the Subcommittee on Tourism, Trade and Export Promotion. Today's hearing, reviving international travel and tourism to create and restore jobs, will examine the economic impacts of the COVID-19 pandemic and international travel to the United States, and the ripple effects on related industries such as hospitality and tourism.

We will also discuss regional impacts of the pandemic on communities and workers hardest hit by decreases in international travel to the United States. In Nevada, international travel and tourism are the lifeblood of our economy, and our airports have been the gateway to the Silver State for millions of domestic and international tourists and business travelers.

In 2019 alone, Las Vegas McCarran International Airport saw over 50 million passengers, generated nearly \$35 billion in economic output, and supported approximately 25,000 jobs. Was responsible for 18 percent of the region's gross domestic product, so our tourism is pretty important to us. And that is why the economic slowdown caused by the pandemic has been so devastating. The international travel slowdown has meant job losses not only in our amazing hotels and casinos and in our world class convention halls, but also at the airports themselves, from gate agents to concessionaires and other related small businesses.

It has also devastated many of our restaurants, retailers, live entertainment venues, tour bus companies, rental car operators, street vendors and so much more. With such a daunting challenge to overcome in order to fully recover from the pandemic and turn the corner toward economic growth, we must invest and promote

tourism at a greater level than ever before. And the numbers are staggering. According to the U.S. Travel Association, international inbound travel to the U.S. decreased by more than 75 percent in 2020—75 percent. International travel to Las Vegas was hit particularly hard, dropping nearly 80 percent.

That was a major driver of the nearly 30 percent unemployment rate that Nevada faced in April 2020, and it is one of the reasons why we still have one of the highest unemployment rates in the Nation. And our recovery, while underway, may not come as quickly as parts of the country less—as some of those parts of the country that are much less dependent upon tourism. Despite an overall 6 percent unemployment rate nationally, the leisure and hospitality industry still had a 13 percent employment rate—unemployment rate, March of this year. We heard in our first hearing that the Subcommittee held a domestic leisure travel will bounce back more quickly while international travel and business travel will take much longer.

Improved Federal guidelines could help ensure an expedited return to economic growth to this sector. It is critical because foreign travelers play a particularly important role in tourism heavy economies. In 2019 alone, international visitors to the United States spent over \$250 billion in our country. That statistic is all the more alarming when paired with the analysis from Oxford Economics that a recovery to 2019 international travel levels to North America likely won't occur until 2024. If we want to move that timeline up, well, we have got to act now.

So we have an excellent panel of witnesses here today, both virtually and in person, to share their expertise on this subject to provide insight and recommendations for the best path forward, and, of course, take questions from the members of this subcommittee. I am particularly glad to have with us today Rosemary Vassiliadis from McCarran International Airport to share her perspective on how the Las Vegas airport system dealt with the challenge posed by the depressed international travel over the past year, and why bringing international travelers back to Nevada and the rest of our country is just so critical for our travel and tourism economy.

But for today's hearing, we also have representation from Brand USA, the Nation's primary organization dedicated to marketing the United States as the premiere destination for international travelers. Of course, we also have the Greater Miami Convention and Visitors Bureau. They add the perspective of another world class American city, and following the extremely helpful testimony, of course, we received from my very own Las Vegas convention and visitors authority.

And this discussion is timely as just as last week the CDC announced that individuals who are fully vaccinated may forego mask wearing in most situations, however individuals traveling on planes, trains, busses, other forms of public transportation, and at transportation hubs such as airports and train stations, will need to continue to wear masks. Despite the pandemic continuing into 2021, the already successful vaccination rollout will soon lead to the return of conventions to our sporting events, live entertainment trade shows, and so many more of the events that increase inter-

national travel from all over the world to Nevada to Florida and to other tourism hubs in the United States.

It is my hope that today's hearing of this subcommittee will help us to better understand the challenges that communities face from the depressed travel trends caused by the pandemic and will provide the forum for a robust discussion on how to encourage the resumption of international travel. To add to this discussion, I would like to submit to the record a letter from the U.S. Travel Association, which makes recommendations for encouraging, excuse me, international travel, including congressional support for Brand USA.

I would also like to submit for the record a letter from the American Rental Car Association regarding the impact of the pandemic slowdown in international travel on the domestic rental industry, along with ideas for reviving international tourism.

[The information referred to follows:]

May 11, 2021

The President
The White House
Washington, DC.

Dear Mr. President:

Thank you for your leadership to strengthen our Nation's response to COVID-19 and put the United States on a path to defeat the virus. Because of the progress your administration has made, we now have the opportunity to safely reverse the devastating economic damage caused by the pandemic. As leaders of America's travel and tourism industry, which has been the hardest hit sector of the economy, we respectfully urge your administration to seize this opportunity and quickly develop a roadmap to safely reopen international travel to the United States by this summer, starting with a travel corridor between the U.S and the United Kingdom (U.K.)

While U.S. borders remain closed to much of the world, the remarkable scientific advancements to combat the COVID-19 pandemic and the tremendous vaccine deployment achieved by your administration have allowed the safe resumption of many activities. For all its economic and cultural contributions, international travel should be among them and it will hasten the economic recovery we all desire. We also can rebuild our leadership on the global stage, our position in the world and bring people back together again—one of the great benefits of travel.

Based on science and data, resumption of travel between low-risk countries, and in particular among vaccinated individuals, should be allowed to resume. The CDC has said as much regarding domestic travel.

International travel is projected to take the longest to recover—at least five years—without significant intervention. Prior to the pandemic, international inbound travel to the U.S. contributed \$234 billion in export income to the U.S. economy, generated a trade surplus of \$51 billion, and directly supported 1.2 million American jobs. However, the steep decline in travel in 2020 resulted in the loss of \$150 billion in export income and 1.1 million jobs. If nothing is done to lift entry restrictions, the U.S. is projected to lose an additional \$175 billion by the end of this year.

A clear path forward, relying on current data and science, is needed to ease entry restrictions and quickly and safely reopen this critical segment of America's economy.

There are several steps your administration can take to get started, including:

1. *Starting with the United Kingdom, quickly establish public health corridors (PHCs) between the U.S. and other low-risk countries.* We respectfully urge you to engage with Prime Minister Boris Johnson to secure a commitment to quickly establish a travel corridor between the U.S. and the U.K. The Federal government should then expand similar PHCs to other low-risk countries.

Establishing a U.S.-U.K. public health corridor would be a crucial step in our country's recovery. A recent study found that restarting travel between the U.S. and the U.K. could deliver over \$4 billion in economic impact and support almost 300,000 jobs in the U.S. over the next several months.

2. *Establish a public-private taskforce to develop a risk-based roadmap, starting this May, for safely reopening inbound international travel to the U.S. from countries in addition to the U.K.* Similar to our global competitors, the Federal government should assign a public-private task force to develop this roadmap using a risk-based data-driven approach to lift international entry restrictions. The data and science show that the right tools are now in place to mitigate risk and safely begin to ease international entry restrictions by July 1, 2021. In particular, as we increase vaccination rates here in the U.S., easing of restrictions should be enhanced.
3. *Utilize the upcoming G7 summit to seek commitments from other G7 leaders to develop and implement a global framework for safely and fully reopening international travel between countries.* The global framework should focus on leveraging COVID-19 testing, vaccinations, recovery status and digital health credentials to restart international travel as global conditions improve.

The U.S. must be a global leader in restarting international travel. Using science and data as our guide, it is possible to reopen our borders and establish these important public health corridors. It would be incredibly productive if we could advance our dialogue and partner with your administration to set a framework for the safe restart of international travel.

We are grateful for your leadership and remain hopeful that all segments of America's travel industry can soon be safely restarted in order to contribute in significant ways to an overall recovery and bring the U.S. back together with the rest of the world.

Respectfully,

Roger Dow, President and Chief Executive Officer
U.S. Travel Association

Geoff Ballotti, President and Chief Executive Officer
Wyndham Hotels & Resorts

Ed Bastian, Chief Executive Officer
Delta Air Lines

Nicholas E. Calio, President and Chief Executive Officer
Airlines for America

Anthony Capuano, Chief Executive Officer
Marriott International, Inc.

Josh D'Amaro, Chairman
Disney Parks, Experiences and Products

Christine Duffy, President
Carnival Cruise Line

Robin Hayes, Chief Executive Officer
JetBlue Airways Corp.

Peter Ingram, President and Chief Executive Officer
Hawaiian Airlines, Inc.

Jerry Jacobs, Jr., Chief Executive Officer
Delaware North

Peter Kern, Vice Chairman and Chief Executive Officer
Expedia Group, Inc.

Scott Kirby, Chief Executive Officer
United Airlines

David Kong, President and Chief Executive Officer
BWH Hotel Group

Elie Maalouf, Chief Executive Officer, Americas
IHG Hotels & Resorts

Heather McCrory, Chief Executive Officer, North & Central America
Accor

Sean Menke, President and Chief Executive Officer
Sabre

Christopher J. Nassetta, President and Chief Executive Officer
Hilton

Patrick Pacious, President and Chief Executive Officer
Choice Hotels International, Inc.

Doug Parker, Chairman and Chief Executive Officer
American Airlines

Scott Sibella, President
Resorts World Las Vegas
Chrissy Taylor, President and Chief Executive Officer
Enterprise Holdings Inc.
Jonathan Tisch, Chairman and Chief Executive Officer
Loews Hotels & Co
Andrew Wexler, Chief Executive Officer
Herschend Enterprises

STATEMENT FROM THE AMERICAN CAR RENTAL ASSOCIATION

The Board of Directors and members of the American Car Rental Association (ACRA) respectfully submit this statement to the Tourism, Trade and Export Promotion Subcommittee of the Senate Commerce, Science and Transportation Committee on the occasion of the Subcommittee’s hearing on “Reviving International Travel and Tourism to Create and Restore Jobs.” ACRA asks that this statement be included in the official record of the hearing.

ACRA thanks you Chair Rosen and Ranking Member Scott for convening this important hearing. ACRA’s members look forward to working with you and your staff as our industry—and the nation—moves toward reviving both domestic and international travel and tourism in the wake of the devastating COVID–19 pandemic.

The American Car Rental Association

The American Car Rental Association is the national representative for over 98 percent of our Nation’s car rental industry. ACRA’s membership is comprised of over 300 car rental companies, including all of the brands you would recognize such as Alamo, Avis, Budget, Dollar, Enterprise, Fox, Hertz, National, Sixt and Thrifty. ACRA members also include many system licensees and franchisees, mid-size, regional and independent car rental companies as well as smaller, “mom & pop” operators. ACRA members have almost 2 million registered vehicles in service in the United States, with fleets ranging in size from one million cars to ten cars.

The Impact of the Pandemic on the U.S. Car Rental Industry

The basic statistics regarding the impact of the pandemic on the car rental industry since February 1, 2020 are simple and are not unique to the car rental industry—but they are compelling nonetheless:

- Car rentals at airport locations (which represent approximately 50 percent of all car rentals each year in the United States) were down between 50 and 90 percent when 2020 is compared to 2019, depending on the location;
- Car rentals at non-airport locations (again, about 50 percent of overall rentals) are down between 50 and 100 percent from 2019 to 2020, with some locations shuttered due to lack of rentals;
- ACRA members laid off or furloughed approximately 60,000 individuals this year—approximately 35 percent of the industry’s U.S. workforce—in 2020;
- Two of the Nation’s top five car rental companies in terms of fleet size sought protection under Chapter 11 of the bankruptcy code in 2020 and other smaller ACRA members may have taken similar actions; and,
- In 2019, ACRA member companies purchased 1.74 million new cars for their rental fleets—one of every eight new cars sold in the United States that year; in 2020, purchases of new cars by ACRA members declined by 50 percent to approximately 811,000 vehicles — causing economic ripple effects through the entire U.S. economy.

Near-Term Prospects for Recovery

The health of the American car rental industry will return as Americans and international travelers return to the robust business and leisure travel levels we witnessed in 2019. The second quarter of 2021 has seen an increase in car rental demand in some markets—particularly in leisure destination markets during the Easter/Spring Break season. And ACRA members are working hard to meet the increased demand after selling vehicles from their fleets in 2020 when travel came to a virtual standstill. However, “refleeting” will not happen overnight, particularly given vehicle manufacturers have had to slow down their production of vehicles in 2021 due to supply chain shortages—particularly with respect to semi-conductors.

ACRA's Recommendations for Federal Government Actions

ACRA concurs, with respect to the revival of international tourism, with the recommendations contained in the May 11, 2021 letter to President Biden from the leaders of some of the Nation's leading travel tourism (attached). A large percentage of car rentals at our Nation's airports involve international business and leisure travelers and the sooner international travel can be restored to pre-pandemic levels, the sooner America's car rental industry will experience a sustained and widespread increase in demand for rentals, which will lead ACRA members to increase their purchase of new vehicles and to hire or rehire employees to serve these increased car rental customers.

* * *

Thank you for your attention to ACRA's views on the promotion of international tourism. If this statement raises questions in the minds of Committee members or if there is additional information we can provide, please do not hesitate to contact Greg Scott, ACRA's government relations representative, at 202-297-5123 or at gscott@merevir.com.

Senator ROSEN. So I thank you all again for being here today. I look forward to hearing each of you share your experiences and expertise with us. Now, I will turn it over to Ranking Member Scott for his opening statement and then introduce our witnesses so they can provide testimony to the panel. Senator Scott.

**STATEMENT OF HON. RICK SCOTT,
U.S. SENATOR FROM FLORIDA**

Senator SCOTT. I want to first thank Chair Rosen for hosting this meeting today, this hearing today, and I want to thank each of you for being here. I want to recognize Chris Thompson. Chris was running and Visit Florida when I got elected at the end of 2010, and we started a path of continued investment. And over an eight-year period of time, we took the number of tourists in Florida, which had sort of stagnated around 80 million tourists to 126 million tourists by the time I left office. In Florida, every 87 tourist is another Florida job. So I ran on jobs, and Visit Florida did a great job and tourism really grew. So I want to thank Chris for that.

I want to recognize Bill Talbert. Bill, as the President and CEO of the Greater Miami Convention Visitors Bureau, you cannot find much more of an advocate for tourism than Bill. We have had the opportunity to work together the entire time I was Governor and since I have been Senator, and he is a true champion for our state's travel industry, I want to recognize Ms. Vassiliadis. All of us have enjoyed flying into Vegas. The Vegas airport does a great job and I told Chair Rosen, my first year in office, we went to Rio de Janeiro, and it was, I think, the biggest tourism conference in the world every year.

And the group that the biggest—and a really nice spot there was Las Vegas. And they do a really good job of promoting Las Vegas and creates a lot of jobs. So I know the pandemic has impacted each of us differently, and we have all had to adjust to make sure our families, our businesses, and employees stay safe. I want to thank everybody for your hard work. Florida is a global travel destination and of course as Governor I tried to make it the number one travel destination in the entire world, and my biggest competition, of course, was Vegas. People from all over the world come to enjoy our beaches, attractions, and all our state has to offer. When

I was Governor, we worked hard to grow our tourism industry. By the way, you can win the best State parks every 6 years.

There is only one state in the United States that has ever won it twice. There is only one state that has won it three times. And it is the great state of Florida. So, it is unfortunate what has happened with the pandemic because I think it has had the biggest impact on travel and tourism of any industry in the country. And it has hurt a lot of people that rely on—they don't have a guaranteed salary. They are relying on people showing up in tips and things like that. I have had the opportunity to work across the aisle on several bills, help try to keep our family safe and be able to try to get us back to work as quickly as possible.

Last week, my bipartisan Fly Safe and Healthy Act with Chair Cantwell of the Commerce committee, which passed, would create a temperature check pilot program at the airports and passed the Commerce committee. We have a bipartisan bill called Fly Safe K-9 COVID Detection Act with Senator Sinema, which directs the TSA to conduct a feasibility study on the use of K-9 units to detect COVID and provide an additional level of passenger screening. Also introduced my Cruise Act, the cruise industry is pretty big in Florida, with Senator Sullivan, another state that is pretty big, to help the cruise industry restart and support the many businesses in our communities that rely on the success of the cruise industry.

It looks like we are finally making some progress with the CDC, which was pretty frustrating for quite a while. As our Nation works to recover from the coronavirus and get our economy back on track, I along with Chair Rosen are doing everything we can to support the travel industry in Florida and Nevada and all across the country. So we have got to figure out how to get people back to work, and I look forward to hearing from the witnesses today. Thank you, Chair Rosen.

Senator ROSEN. Well, thank you, Senator Scott. And now I would like to introduce our first witness who is testifying remotely today. Rosemary Vassiliadis, Director of Aviation at McCarran International Airport. Ms. Vassiliadis is an industry expert with over 20 years of experience in aviation leadership. She directs all operations at Clark County's airport system, which include McCarran International Airport and four general aviation facilities in southern Nevada. Clark County's airport system directly employs more than 17,000 people, and in 2019 handled in excess of 50 million passengers. Ms. Vassiliadis, you are recognized now for your opening remarks.

**STATEMENT OF ROSEMARY A. VASSILIADIS, DIRECTOR OF
AVIATION, McCARRAN INTERNATIONAL AIRPORT**

Ms. VASSILIADIS. Well, thank you and good afternoon. To begin, let me thank Senator Cantwell as Chair of this Committee. But Senator Rosen, who is presiding over this subcommittee, I really do appreciate your kind remarks and really setting the story for us along with Ranking Member Scott. I am really glad that you enjoy those conferences in Las Vegas and we can't wait for you to come back. And of course, I appreciate all the other Committee members present here today.

You know, this is a great opportunity to share the airport perspective, encouraging the resumption of travel, especially international tourism, which is so vital to Las Vegas, as well as to many other U.S. airports and their communities. Restarting international air travel is a critical step to supporting recovery of our tourism based economy. Prior to the pandemic, nonstop international service was a wonderful success story for Las Vegas. The number of passengers these flights carried increased each year for nine consecutive years, tapping out at 3.8 million in 2019.

These are remarkable numbers for a point to point destination such as Las Vegas, which differs greatly from traditional U.S. gateway hubs like Atlanta, Chicago, L.A., or Miami. At our 2019 peak, Las Vegas enjoyed nonstop service to and from 11 different countries around the globe. Now that number is down to one, Mexico. Over the first 4 months of 2021, our international volume has amounted to less than 80,000 passengers. However, there is hope on the horizon. Almost every week I or members of my team hear from representatives of international air carriers expressing interest in quickly resuming flights to Las Vegas, many sites' strong pent up demand with customers who can't wait to return to the United States once current travel restrictions, particularly those affecting non-essential leisure and convention visitors, are finally lifted.

These airlines ask us point blank, what is the U.S. doing to reopen travel? When will our airline be able to resume bringing vacationers and conventioners to Las Vegas? So to take advantage of this opportunity, ideally in time for the 2021 summer travel season, we need immediate active leadership from the U.S. Government. We must develop a risk-based roadmap to allow global travel to return in earnest while still protecting the health and safety of the traveling public and our communities. In the written submittal of my testimony, I have mentioned some examples of risk-based approaches that are occurring elsewhere around the world. For the sake of time all, I will only summarize those points today.

The International Civil Aviation Organization, or ICAO, is a specialized agency of the United Nations, and with support of the FAA, it recently put forward a testing and cross-border risk management measurements manual. ICAO advocates for a flexible approach to opening borders, adjusting for real time conditions such as vaccination rates and the severity of COVID-19 outbreaks at both the destination and point of origin. The United Kingdom has put in place its own risk-based measures that have opened its borders to select countries, but notably not the United States. The European Union is expanding a digital certification process to open movement among those who have been vaccinated, have received a negative test result, or have recovered from COVID-19.

These approaches differ greatly from the United States, where a Presidential proclamation presently bans nearly all travel from specific countries, including United Nations and the United Kingdom. This blanket approach is unnecessarily crippling our economic productivity. There is a better way, and our Nation must move quickly to implement existing solutions for safely admitting international travelers. I ask that we engage in the worldwide discus-

sions on guidelines and standards for authenticating testing and the vaccination status for international travelers.

Once guidelines are established, the U.S. Government must then recognize and accept other countries' digital health credential programs. Reciprocity is critical. You know, we all know America has been recognized as the world leader in commercial aviation, and this is a critical time for it to lead the world back to global connectivity and economic growth. And finally, Congress must enable the necessary investments to make essential changes to our airports infrastructure, including many health related considerations that have come about from the pandemic. We cannot do this without an increase in the amount of funds airports can collect from the passenger facility charge, or PFCs.

The PFC cap has not kept pace with rising construction costs or inflation since it was last adjusted to \$4.50 more than 20 years ago. Since then, its purchasing power has eroded by more than 40 percent. Adjusting this Federal cap on local PFCs would reduce financial pressure and give airports the option of using more local funds for their infrastructure needs. Such investments will then help airports to attract new carriers and entice existing ones to expand, thereby promoting competition and lowering fares into their communities.

And this would all be done in a manner that promotes safety, health, and increased traveler confidence. So I sincerely appreciate the opportunity to speak with you today on behalf of airports across the United States, and I will be pleased to answer any questions you may have at the appropriate time. Thank you, Senator.

[The prepared statement of Ms. Vassiliadis follows:]

PREPARED STATEMENT OF ROSEMARY A. VASSILIADIS, DIRECTOR,
CLARK COUNTY DEPARTMENT OF AVIATION

Chairwoman Rosen and members of the Committee, thank you for this opportunity to share my views on ways to encourage the resumption of travel, especially international tourism which is so vital to Las Vegas. Restarting international air travel is a critical step to supporting the recovery of our tourism-based economy. Prior to the pandemic, nonstop international service was a wonderful success story for Las Vegas. The number of passengers who came to Las Vegas via foreign-flag air carriers increased each year from 2011 through 2019, topping out at nearly 3.8 million annual passengers in both 2018 and 2019. These are remarkable numbers for a point-to-point destination market such as Las Vegas, which differs greatly from traditional U.S. gateway hubs such as Atlanta, Chicago or Los Angeles. At our 2019 peak, Las Vegas enjoyed nonstop service to and from 11 different countries around the globe; now that number is down to one, with Mexico representing our lone international market currently in service. Over the first four months of 2021, our international volume has amounted to less than 80,000 passengers.

There is hope on the horizon, however. Almost every day I or members of my team hear from representatives of international air carriers expressing interest in quickly resuming service to Las Vegas. Many cite strong pent-up demand among their customers who can't wait to return to the United States once today's travel restrictions—particularly those affecting “non-essential” leisure and convention visitors—are finally lifted. These airlines ask us point blank: What is the U.S. doing to reopen travel? When will our airline be able to resume bringing vacationers and conventioners to Las Vegas?

To take advantage of this opportunity, ideally in time for the 2021 summer travel season, we need immediate, active leadership from the U.S. government to develop a risk-based roadmap that will allow global travel to return in earnest while protecting the health and safety of the traveling public and citizenry. One such approach is recommended in the “*Testing and Cross-border Risk Management Measures Manual*” published by ICAO (with support from the FAA). If implemented, it could enable global connections based on a flexible approach which adjusts as the

prevalence of COVID-19 changes on either end of a route. The EU is gradually deploying methods to reopen its members' borders for vaccinated passengers, and the United Kingdom has embraced an approach similar to ICAO's as documented in its *Global Travel Taskforce* report published in April 2021. These actions have opened the door for U.K. residents to begin non-essential travel to select countries later this month. I must note that the United States was not included among the U.K.'s recent list of cleared destinations, creating a major hurdle toward reconnecting Las Vegas with its top overseas visitor market.

The targeted, risk-based approaches we see in other nations are a more effective strategy than the blanket, blunt approaches currently employed here, where a Presidential Proclamation presently bans all travel between the U.S. and specific countries. The 212(f) and 215(a) immigration restrictions from the Immigration and Nationality Act (INA), put in place by the *Presidential Proclamation* on January 25, 2021, do not necessarily achieve the goal of reducing transmission of COVID-19, and unnecessarily cripple the ability for economic productivity that could safely be supported through the aforementioned recommended models occurring elsewhere around the world.

In addition to adopting a targeted, risk-based approach, the U.S. government also needs to lead the world in establishing ways to safely admit international travelers. To be clear, aviation industry members are not advocating for a Digital Health Credential (DHC) mandate, but we do need the government to set the parameters and criteria for accepting solutions that are already being implemented in other parts of the world. The U.S. should engage these worldwide discussions with guidelines or standards for the use of DHC in authenticating testing and vaccination status for international travelers. Establishing a harmonized approach for the implementation of these DHCs will allow the traveling public to understand the requirements for international travel and reduce the occurrence of fraudulent documentation.

Once guidelines are established, the U.S. government needs to work to recognize and accept other countries' DHC programs, such as the European *Digital Green Certificate*. On 17 March 2021, the European Commission presented a proposal to create a Digital Green Certificate to facilitate the safe, free movement of its citizens within the EU during the COVID-19 pandemic. Digital Green Certificates will be valid in all EU Member States. A Digital Green Certificate is digital proof that a person has either, (1) been vaccinated against COVID-19; (2) received a negative test result; or (3) recovered from COVID.

The U.S. has long been recognized as the world leader in commercial aviation, and this is an important opportunity for it to lead the world back to global connectivity and the creation of economic vitality.

Finally, Congress must enable the necessary investments in our Nation's airports to make essential changes to our health infrastructure. These could include upgrading our ventilation and filtration systems, installing more Plexiglas barriers, or building out terminals to accommodate for physical and social distancing. We cannot accomplish these needed airport modifications without an increase in the amount of funds airports can collect from the passenger facility charge (PFC). With the dramatic decline in passengers and PFC revenue over the past year, many airports were forced to extend their collection periods for current PFC-funded projects, depleting available funding for other critical projects. Adjusting the Federal cap on local PFCs would reduce this financial pressure and give airports the option of using more local funds for their infrastructure needs. The PFC cap has not kept pace with rising construction costs or inflation since it was last adjusted to \$4.50 more than 20 years ago. Since then its purchasing power has eroded by 40 percent. Modernizing the outdated Federal cap on PFCs would give airports the self-help they need to invest in the terminals, gates and ramps necessary to build back better, and once again attract new air carriers and entice existing ones to expand, thereby promoting competition and lowering airfares for their communities. Thank you.

Senator ROSEN. Well, thank you, Ms. Vassiliadis. I really appreciate that. And right now, I would like to recognize Senator Scott to introduce our next witness, Mr. Talbert. Senator Scott.

Senator SCOTT. Thanks, Chair Rosen. Well. Mr. Talbert, Bill and I got to work—we traveled all over the world. We did a lot of conferences to try to get more tourists. And Bill, he is a great promoter for not just for the Miami area, but actually for the entire state of Florida. And he works hard and is just a great promoter. So Bill Talbert.

**STATEMENT OF WILLIAM D. TALBERT III, CDME, PRESIDENT
AND CEO, GREATER MIAMI CONVENTION & VISITORS BUREAU**

Mr. TALBERT. Thank you, Governor—I mean, Senator. I appreciate that. As you know, I was born in Jacksonville, I went to school in Gainesville and in Boca Raton, have been in Miami for a bit. And I want to thank you. I was also honored to serve as your chair of the Visit Florida Board. On those great days, the numbers went up and they kept going up. So you got it. You always got it and we thank you for that.

Madam Chair, we appreciate—and by the way, your presentation was kind of mine, so you haven't left much for me. So it is—I am going to have to cut this down. But Ranking Member, can I still call you Governor? We go that that far back in traveling together. And distinguished members of this subcommittee. You know, we are really excited about a subcommittee that starts with the word tourism. I don't think that's ever happened in Washington, D.C., so thank you—

Senator ROSEN. Well, so I will just take a point of order here. We actually thought, as we were trying to regroup and reform committees this session, that we needed a tourism, trade and export committee, but more importantly, that we wanted to add a verb to that title. So I think we may have the distinction of being one of the only committees that has an active verb because tourism, trade and export, it needs promotion to happen, and that is why we are that committee. So thank you.

Mr. TALBERT. Thank you all very much. My name is Bill Talbert, William Talbert. Miami Bill, as I am known in the industry. I am President and CEO of the Greater Miami Convention and Visitors Bureau. Thank you for your leadership in addressing the pandemic's devastating economic damage to our Nation's hardest hit sector, travel and tourism. It is my honor to provide his testimony on reviving international travel and tourism and to create and restore jobs.

With your indulgence, I am going to be reading my comments to ensure clarity of the important points presented for your consideration. In the interest of brevity, my CV is in the written testimony and Congressional record. Throughout my three decades of stewarding our destination sales and marketing efforts, Greater Miami has consistently posted record numbers. Prior to 2020, 24.2 million visitors generated \$18 billion of economic impact and employed over 145,000 people. Travel was our Nation's second largest export, generating \$15.8 billion non-exportable American jobs and a trade surplus of \$51 billion.

Tourism is our number one job generator in Greater Miami. It was responsible for 38 percent of all State sales taxes collected, with international visitors paying a lion's share of 19 percent. There are critical dollars that directly fund transportation, health care, and other vital public services. This came to a screeching halt in March 2020. From April through December, air travel to Miami dropped 76 percent. Port Miami, the cruise capital of the world, shut down 7 million passengers, 16 percent of which are international, unable to sail. Hotel occupancy dropped dramatically, hospitality jobs down dramatically, tourist tax collections funding, much of what I have previously mentioned, down over 70 percent.

Miami is America's gateway, leading the country and the percentage of international versus domestic travelers—one-third are international. With our borders closed to much of the world, the impact to our Florida economy and Miami's tourism industry is especially staggering. In 1 year, international travel dropped 64 percent, from 6.9 million to 2.5 million international visitors. Seemingly overnight, Miami International Airport, the Nation's third busiest for international travel, lost more than two-thirds of its passenger traffic.

More alarmingly, international visitor spending has plummeted 70 percent. This is critical as one-third of our visitors are international. They are responsible for 50 percent of the visitor spending in Miami. How do we fix this? We see a light at the end of the tunnel. We are now in a position where we can restart international travel and restore jobs without compromising safety. We need to act quickly to implement the appropriate measures to lift travel restrictions and restore demand. We have the right protections to safely restart international travel but lack a clear public health benchmarks or a definitive timeline to reopen.

We ask the CDC, Department of Transportation, and Homeland Security, and other Federal agencies to come together and develop a data-driven, risk-based roadmap to facilitate inbound international travel. We need uniform Federal standards that can be effectively communicated to international audiences. Vaccine rate among U.S. adults rose rapidly each day. As we begin to reach a saturation point, vaccinated individuals should be allowed to visit the U.S. without having to have proof of a negative test.

Additionally, recently, the need for quarantines has effectively been eliminated, as international passengers must now provide proof of a negative COVID test within 72 hours of departure. We believe the resumption of travel between low risk countries can safely resume and the U.S. should be a global leader in this restart. We can begin by establishing public health corridors between the U.S. and other low risk countries such as the UK and Canada.

The CDC could then use clear benchmarks such as infection and vaccination rates to determine when entry restrictions can be lifted for other countries. We must allow the cruise industry to safely sail again, one of Florida and Miami's most important and powerful economic engines. We lost a projected 7 million passengers, 16 percent international. It is essential we restart this critical tourism sector.

Finally, we must ensure that Brand USA, which promotes the U.S. as a destination globally, be fully funded. They will play a key role in our recovery and helping revive international travel. I am grateful for your leadership and remain hopeful that all segments of American travel can very soon be safely restarted. The visitor industry depends on it, as do American jobs. Thank you very much for listening.

[The prepared statement of Mr. Talbert follows:]

PREPARED STATEMENT OF WILLIAM D. TALBERT, III, CDME PRESIDENT & CEO,
GREATER MIAMI CONVENTION & VISITORS BUREAU

Good afternoon Chairwoman Rosen, Ranking Member Scott, Chairwoman Cantwell, Ranking Member Wicker, and distinguished members of the Subcommittee. I

thank you for your leadership in addressing the pandemic's devastating economic damage, specifically to our Nation's hardest hit sector, travel and tourism.

I would also like to thank U.S. Department of Commerce Secretary Gina Raimondo for her recent comments expressing the Administration's commitment to the recovery of the U.S. travel and tourism industry. This is a welcome and positive sign as we work to restart all sectors of travel.

My name is William D. Talbert, III—Miami Bill as I'm known in the industry—and I am President & CEO of the Greater Miami Convention & Visitors Bureau. It is my honor and privilege to provide testimony on *Reviving International Travel & Tourism to Create & Restore Jobs*.

With your indulgence, I'll be reading my comments to ensure clarity of the important points presented for your consideration. In the interest of brevity, I'll also limit my CV to my written testimony and congressional record.

I represent all sectors of the hospitality industry—our 1,100-member organization includes airports, airlines, hotels, cruise lines, transportation, attractions, restaurants—and prior to the pandemic, the nearly 145,000 jobs our industry represents in Greater Miami.

Among the many industry, business and civic organizations I have served—and specific to this discussion—I was on the U.S. Department of Commerce's Travel & Tourism Advisory Board—named by both previous Republican and Democratic Administrations—and in leadership capacities with the U.S. Travel Association, Destinations International, Brand USA and Visit Florida, where I worked hand-in-hand with then-Governor Scott to protect and grow our state's primary economic generator—travel and tourism.

I also assisted with the passage of the United States Travel Promotion Act in 2009, helping establish Brand USA, our Nation's first public-private partnership promoting the U.S. as a premier destination globally.

I'm well-known for my mantra—Jobs Jobs Jobs—and I work daily to build consensus locally, statewide and federally on behalf of the visitor industry, always emphasizing the critical role tourism plays in creating jobs, and our Nation's economic health.

Our industry has faced significant challenges throughout my career—9/11, natural disasters, fluctuating economies, a global recession and endemic health hazards. Each time, through deft crisis management and recovery efforts, we have been able to successfully guide the safe return of business, restore consumer confidence and drive customer demand.

Never before though has the challenge been greater than this one—COVID-19. Yet we are now leading the world in successfully addressing the pandemic's devastation and I am confident our resilient industry will once again spur our Nation's economic recovery.

Throughout my three decades stewarding our destination's sales and marketing efforts, Greater Miami has consistently posted record-breaking numbers. Prior to 2020, 24.2 million visitors generated an \$18 billion economic impact and employed nearly 145,000. Travel was our Nation's second largest export, generating 15.8 million non-exportable American jobs and a trade surplus of \$51 billion.

Tourism was our #1 job creator. In Greater Miami, 167 visitors = 1 tourism job. It was also responsible for 38 percent of all state sales taxes collected, with international visitors paying the lion's share—19 percent. These are critical dollars that directly fund transportation and healthcare services, also helping pay for schools, public safety, environmental and infrastructure projects, local arts and culture, and programs to combat homelessness and domestic violence.

This all came to a screeching halt in March of 2020. From April through December, air travel dropped 76 percent. PortMiami, the Cruise Capital of the World, shut down. Seven million passengers, 16 percent international, unable to sail. One of Miami and Florida's most powerful economic engines, PortMiami contributes \$43 billion to the economy and generates 334,500 direct and indirect jobs.

Hotel occupancy down dramatically. Hospitality jobs down dramatically. Tourist tax collections, funding much of what I've previously mentioned—down almost 70 percent. Throughout the country, 5.6 million hospitality jobs were lost—65 percent of all jobs lost in the US.

Miami is America's gateway, leading the country in percentage of international vs domestic travelers—one-third are international.

With our borders closed to much of the world, the impact to our Florida economy and Miami's tourism industry is especially staggering.

In one year, international travel dropped 64 percent—from 6.9 to 2.5 million visitors. Seemingly overnight, Miami International Airport—the nation's 3rd busiest for international travel—lost more than two-thirds of its passenger traffic.

More alarmingly, international visitor spending has plummeted 70 percent. This is critical as, while one-third of our visitors are international, they're responsible for 50 percent of spending.

How do we fix this? We see light at the end of the tunnel.

We're now in a position where we can restart international travel and restore jobs without compromising safety.

We need to act quickly to implement the appropriate measures to lift travel restrictions and restore demand.

- We have the right protections to safely restart international travel, but lack clear public health benchmarks or a definitive timeline to reopen. We ask that the CDC, Departments of Transportation and Homeland Security, and other agencies come together to develop a data-driven, risk-based roadmap to facilitate inbound international travel. We need uniform Federal standards that can be effectively communicated to international audiences.
- The vaccination rate among U.S. adults grows rapidly each day. As we begin to reach a saturation point, vaccinated individuals should be allowed to visit the U.S. without having to have proof of a negative COVID test. Additionally, the need for quarantines has been effectively eliminated, as international passengers must now provide proof of a negative COVID 19 test within 72 hours of departure.
- We believe the resumption of travel between low-risk countries can safely resume, and the U.S. should be a global leader in this restart. We can begin by establishing "public health corridors" between the U.S. and other low-risk countries such as the U.K and Canada. The CDC could then use clear benchmarks, such as infection and vaccination rates, to determine when entry restrictions can be lifted for other countries.
- We must allow the cruise industry to safely sail again. One of Florida and Miami's most powerful economic engines, we lost a projected 7 million passengers, 16 percent international. It's essential we restart this critical tourism sector.
- Finally, we must ensure that Brand USA, which promotes the U.S. as a destination globally, be fully funded. They will play a key role in our recovery and helping revive international travel.

I am grateful for your leadership and remain hopeful that all segments of America's travel industry can very soon be safely restarted. The visitor industry depends on it, as do thousands of American jobs.

Senator ROSEN. Well, thank you, Mr. Talbert, and thank you for that great segway to my next introduction of Christopher Thompson, President and CEO of Brand USA, the Nation's public private partnership, which is dedicated to increasing international visitation to the United States through marketing and promotional efforts. Mr. Thompson has over 30 years of experience in the travel and tourism industry, and under his leadership, Brand USA has nearly tripled its partnership network and more than doubled its partner contribution program offerings. Mr. Thompson, you are now recognized for your opening statement.

**STATEMENT OF CHRISTOPHER L. THOMPSON, PRESIDENT
AND CEO, BRAND USA**

Mr. THOMPSON. Thank you, Madam Chairman, Ranking Member Scott, members of the Committee. Thank you for holding this very important hearing. Last, I also like to thank Senator Blunt, Senator Klobuchar for their leadership of the Travel and Tourism Caucus in the chamber. It is a privilege to be here representing our Nation's destination marketing organization, Brand USA. Our mission is to increase international visitation and spend to fuel our Nation's economy and enhance the image of the USA worldwide.

As a public, private partnership, we work with the travel industry and the Federal Government to inspire the world to explore our diverse destinations, our diverse experiences, and our diverse peo-

ple, and to communicate the entry and visa policy. Our work provides vital marketing channels which amplify the U.S. travel industry's efforts to reach potential visitors and connect with international sales networks and media around the globe. Since 2013, our activities have generated 7.7 million incremental visitors, \$25.5 billion in incremental spending, \$37 billion in taxes, and supported over 45,000 jobs per year.

We return \$26 for every \$1 of marketing that we invest in the market. These benefits accrue to rural and urban communities alike and support employment well beyond the travel and tourism sector. Our reports to Congress for Fiscal Years 2019 and 2020, which are submitted as part of the record, are the best reference for the detailed information on our activities and our results. The pandemic has had a devastating effect on travel and tourism in general, and especially on those communities and those businesses and individuals reliant on international visitor numbers, spending. Inbound international travel has historically been our Nation's number two export, and it has been our top services export. In 2019, travel exports were \$233 billion, delivering \$51 billion in trade surplus, directly supporting 1.2 million jobs.

But in 2020, even including the strong performance in the first quarter, international travelers fell by 76 percent as you promoted, chair. Travel exports plummeted by 64 percent to just \$83 billion, a year over year loss of \$150 billion. Without a recovery effort, travel exports will continue to fall, and lost jobs will not return. Brand USA has developed a comprehensive approach to help rebuild consumer confidence and stimulate demand.

A national campaign is critical because of how slowly international segment will recover in the years ahead, and because of how little and how—both our destinations and our brands will be able to invest in international marketing compared to what they are having to do for the local economy. Unfortunately, the pandemic has disrupted the funding model established by the Travel Promotion Act, and it is jeopardizing our efforts to be as helpful as we have been in the past. Brand USA is funded by contributions from non-Federal sources and matched by funds from the ESTA fees paid by international travelers during the prior Fiscal Year. We receive a dollar for dollar match up to \$100 million for each dollar of contributed cash or in-kind that clears the verification process from the U.S. Department of Commerce. Three factors have challenged our funding model.

First, ESTA collections are stagnant, resulting in only \$62 million being available to us for the current Fiscal Year, and maybe as little as \$10 million in the next Fiscal Year. Second, Brand USA partner base, and the travel industry more broadly, continue to face significant hurdles to be able to reach pre-COVID levels of contributions to Brand USA.

And third, the Brand USA Extension Act of 2019 raised the minimum proportion of cash contributions from 30 to 50 percent, which is a major hurdle for our cash strapped industry partners to meet the contributions they have done historically. These are structural impediments only Congress can solve. That is why the Travel and Tourism Advisory Council recommended an extraordinary \$250 million appropriation to Brand USA, outside the normal matching

process, to provide the resources to hasten the international travel recovery. The TTAB also recommended temporary suspension of the 50/50 cash to in-kind ratio for greater maximum matching flexibility.

As you have stated, Oxford Economics estimates that the appropriation would lead to more than 1.7 million visitors who could collectively spend \$4.5 billion, generating over \$700 million in taxes and 40,000 new jobs. It would allow us, as the United States, to help return the levels of arrivals and spending to 2023 levels as opposed to 2024 levels, a year earlier than the forecast. These positive results will go unrealized without action from Congress.

Fiscal 2020 will see historic growth rates in returns to global travel as the world begins to move again. How our country responds will determine the trajectory of our sector's recovery and many other parts of the economy. The challenges I have outlined must be addressed now in order for us to produce and to launch campaigns in time to channel this demand to the United States when the time is right. Thank you again, Madam Chair, for the opportunity to testify. I look forward to answering any questions anybody might have.

[The prepared statement of Mr. Thompson follows:]

PREPARED STATEMENT OF CHRISTOPHER L. THOMPSON, PRESIDENT AND CEO,
BRAND USA

INTRODUCTION

Chairwoman Rosen, Ranking Member Scott, and Members of the Subcommittee:

Thank you for holding this important hearing. It's a privilege to be here on behalf of Brand USA, the destination marketing organization (DMO) for the United States.

This hearing is timely because the pandemic has had a devastating effect on travel and tourism in general and especially on communities, businesses, and employees that rely on spending by international visitors. Inbound international travel has historically been the country's number two export and its top services export. In 2019, travel exports were \$233 billion, delivering a \$51 billion trade surplus and directly supporting 1.2 million jobs. But from March through the end of 2020, overall international arrivals fell by 91 percent and overseas visitation was down a staggering 96 percent compared to the same period a year earlier. Travel exports plummeted by 64 percent to just \$83 billion—a year-over-year loss of \$150 billion. Without a concerted recovery effort, travel exports will continue to fall and lost jobs will be slow to come back—or may not come back at all.

Brand USA was created to help address problems like this. Our mission is to increase international visitation and spend to fuel our Nation's economy and enhance the image of the USA worldwide. As a public-private partnership, we work with the travel industry and Federal government to inspire people from around the world to explore and enjoy our diverse destinations and experiences and to communicate visa and entry policies. We also influence tour operators and travel agents to help them improve their storytelling about U.S. destinations, expand the packages they offer, and stoke demand for travel to the United States. Our work also provides vital marketing infrastructure that improves and amplifies the U.S. travel industry's own efforts to reach potential visitors and connect with international sales networks and media.

Since 2013 these activities have generated 7.7 million incremental visitors; \$25.5 billion in incremental spending; \$56 billion in total economic output; \$7.3 billion in federal, state, and local taxes; and support for over 45,000 jobs per year. We return \$26 to the U.S. economy for every dollar we spend on marketing. These benefits accrue to rural and urban communities alike and grow the economy beyond the travel sector. In fact, nearly half of the Brand USA-generated economic output and jobs accrue to non-travel and tourism industries such as manufacturing, finance, insurance, and retail.

Unfortunately, the economic fallout from the pandemic has disrupted the funding model established by the Travel Promotion Act and jeopardized our ability to help

restart international travel and continue in our vital mission to create and restore American jobs.

NAVIGATING THE PANDEMIC¹

Impact on the travel and tourism industry

The past 15 months have been a stark reminder of the important role the travel sector plays in the vitality of economies at the local, state, and national levels. Towns and cities have seen their hotels, restaurants, attractions, and small businesses suffer job losses that have impacted families and communities.

Travel and tourism have long been a major driver of our Nation's economy. According to the U.S. Department of Commerce, the industry accounted for 2.9 percent of gross domestic product and provided 9.2 million jobs in the United States in 2019. The international segment is particularly valuable because on average international visitors spend more time and money, and visit more places, than domestic travelers. U.S. travel and tourism exports were \$233.5 billion in 2019, accounting for 9 percent of all U.S. exports and 27 percent of services exports and furnishing a \$51 billion trade surplus.

COVID-19 brought international travel to a halt. Overall arrivals dropped 91 percent, and overseas visitation fell by a staggering 96 percent from March 2020 through the end of the year compared to the same period in 2019. Over the course of the entire year, including the strong first quarter, international arrivals fell by 76 percent and travel exports plummeted by 64 percent to just \$83 billion. This caused the U.S. travel trade surplus to fall by 31 percent to \$35 billion.

The catastrophic drop in travel has had a devastating impact on the industry. According to Oxford Economics, cumulative U.S. travel and tourism losses are now approaching \$600 billion after contracting 42 percent in 2020. This lost spending resulted in a cascading loss in tax receipts of \$64 billion across the federal, state, and local levels last year. And the leisure and hospitality sector alone lost 19 percent of its jobs and accounted for 37 percent of all jobs lost during the pandemic.

In addition, from March through the end of 2020, international inbound travel fell by 91 percent and overseas visitation was down a staggering 96 percent compared to the same period in 2019. Over the course of the entire year, including the strong first quarter, international arrivals fell by 76 percent and travel exports plummeted by 64 percent to just \$83 billion. This caused the U.S. travel trade surplus to fall by 31 percent to \$35 billion.

The travel industry, and in particular international travel, will play a major role in our country's economic recovery, but it will involve building back from a deep hole.

Brand USA's response

Brand USA responded to the pandemic by pivoting to a "state of readiness" framework to conserve resources while focusing on foundational activities that only the national DMO can do.

We launched Brand USA Global Marketplace, a virtual B2B platform that keeps U.S. destinations and travel suppliers connected with global networks of tour operators, travel agents, airlines, and media. This platform has played an essential role for many stakeholders that scaled back their international presence, and it will continue to be an important tool in the future. Market-specific programming has helped put the United States in a competitive position for recovery once travel resumes at scale.

One of Brand USA's unique value propositions is the ability to conduct consumer and market research and produce critical analysis and insights at the international level. As COVID-19 swept the globe and scrambled attitudes toward travel as well as destination marketing budgets, stakeholders looked to Brand USA for overall guidance and tactical questions about everything from travel policies to cooperative marketing plans. We increased our sharing of research to help navigate these waters.

Brand USA suspended paid media marketing in March 2020, but kept the drumbeat of inspiration alive through organic communications channels. For example, as travel came to a standstill, Brand USA developed novel ways to engage with audiences on social media, created a dialogue with potential visitors, and embarked on a virtual, cross-country road trip to sustain interest in destinations across the USA. With the help of 7.5 million followers across its social channels, Brand USA lever-

¹ Brand USA's annual reports to Congress for FY 2019 and FY 2020, submitted for the record, provide a comprehensive overview of how we market the USA and measure success. These documents include detailed descriptions of the methods, rationales, and tactics we employ to drive incremental visitation and spend.

aged user-generated content, influencers, and local destination partners to virtually visit all 50 states, five territories, and Washington, D.C., showcasing the possibilities and welcoming nature of the USA. And though we paused production for GoUSA TV, we increased distribution of existing content through partner platforms such as Samsung Plus UK and AirBnB Online Experiences. This collaboration provided needed programming for the partner companies, delivered compelling content to consumers, and extended Brand USA's reach.

Brand USA remained focused on keeping the USA top-of-mind among the global travel community. To engage the many travel agents and tour operators who were stuck at home with their businesses disrupted, we leaned into digital tools to keep them inspired and knowledgeable about the USA. We accelerated participation in the USA Discovery Program, Brand USA's award-winning online travel agent training program. We also transformed in-person education programs that we carry out across all markets during a typical year. By using informative and inspiring webinars designed for the travel trade community, we dramatically expanded the number of travel agents and tour operators reached.

Finally, public relations proved to be an effective strategy—and one that highlighted the need to be nimble and adaptable in the face of unforeseen developments. We found innovative ways to inspire travel dreamers to keep the USA top-of-mind when it's safe to travel, including online events, trade programs, strategic pitches, partnerships, and storytelling assets (United Stories and GoUSA TV).

Gating criteria

Throughout the pandemic, Brand USA has been tracking a set of gating criteria to determine when conditions are appropriate to transition from a state of readiness into a proactive recovery campaign. These criteria include source market conditions such as air service, entry restrictions and consumer sentiment and behavior; as well as home market conditions like viral spread, openness of destinations and attractions, and financial position. These criteria are tracked through a COVID-19 dashboard that Brand USA created and is actively sharing with industry stakeholders to help inform their own decision-making process.

Planning for recovery

As the world eyes the reopening of travel, our competitors will actively seek to regain share of international travelers in what is expected to be a year of explosive growth. In fact, Oxford Economics forecasts the United States to lag other regions of the world in returning to 2019 levels of visitation because of the relatively high proportion of long-haul arrivals in our total inbound visitor mix and due to the timing of airlines restoring on a global basis all at once. With international travel expected to recover more slowly than domestic, U.S. destinations and companies will focus on that market and invest fewer resources in international markets over the next couple years. A campaign to market the entire USA as a destination during this critical period is essential to rebuilding our economy.

Brand USA has developed a comprehensive approach to help rebuild traveler confidence and stimulate demand. The recovery campaign will focus on three sequential tasks to jumpstart international travel and help relieve some of the financial shortfalls in the industry. First, rebuild traveler confidence by demonstrating the United States is ready to receive them. Second, welcome the world back through an inspiring creative approach that evokes the possibility awaiting in a trip to the USA. Third, entice and convert the inspiration and pent-up demand into booking a trip.

Unfortunately, the pandemic has disrupted the funding model established by the Travel Promotion Act, placing these plans at risk.

DISRUPTION OF THE FUNDING MODEL

Brand USA is funded by contributions from non-federal sources, such as state tourism offices and travel brands, and matching funds from ESTA fees paid by visa waiver travelers during the prior Fiscal Year. We receive a dollar in matching funds—up to \$100 million per year—for each dollar of contributed cash or in-kind that clears the verification process at the Department of Commerce.

Nearly a decade into our mission, Brand USA has refined our value proposition and accumulated sufficient carryforward to smooth over cash flow challenges in each new Fiscal Year. Consistent access to funding is critical to making the kind of capital-intensive investments in marketing infrastructure that the domestic travel and tourism industry rely upon while also creating and launching robust, integrated global advertising campaigns.

Three factors have challenged this model. First, ESTA collections are stagnant, resulting in only \$62 million in available matching funds this year and potentially as little as \$10 million next year. This means that for Fiscal Years 2021 and 2022, the available resources are around \$128 million short of the amount authorized by

Congress. Second, Brand USA's partner base and the travel industry more broadly continue to face significant hurdles to making pre-COVID levels of contributions. Third, the Brand USA Extension Act (2019) raised the minimum proportion of cash contributions from 30 percent to 50 percent, which is a major hurdle for our cash-strapped industry to meet.

ESTA collections

The Travel Promotion Fund at Treasury accrued only \$62 million from ESTA fees in FY 2020. Therefore, FY 2021 is the first year the account has not had the full \$100 million authorized by the Travel Promotion Act. More critically, since ESTA fee collections remain depressed, there will be significantly less than \$100 million available in FY 2022—perhaps as little as \$10 million. Until ESTA collections ramp up, or unless there is extraordinary help from Congress, we will be significantly constrained in our ability to bring forward recovery campaigns to energize the economy and deliver desperately needed help to communities of all shapes and sizes throughout country.

Partner contributions

The pandemic has had a major effect on the ability of Brand USA partners to make their typical level of cash contributions. This applies to the private sector, which has seen significant decreases in sales, and to city- and state-level DMOs, which are dependent on lodging taxes, state appropriations, and other traveler user fees.

In FY 2020, Brand USA achieved the full \$100 million match earlier than in any prior year, but cash contributions dried up after mid-March. What was projected as an additional \$23.7 million in cash contributions that would have served as carryforward to begin FY 2021 came in at only \$7.98 million. This dynamic has continued through the first half of FY 2021 as new cash contributions have slowed to a trickle. And though we may see an improvement in contribution figures as domestic travel recovers, the priorities for most contributors will likely continue to be closer to home—for example, rehiring staff, refreshing infrastructure, retaining vendors, and promotional efforts for domestic travel and convention sales.

New cash floor

The Brand USA Extension Act, signed into law in December 2019, reauthorized Brand USA's access to ESTA fee-based matching funds through FY 2027. However, the bill also raised the floor for the minimum required proportion of cash-to-in-kind from 30 percent to 50 percent beginning in FY 2021. In a normal year, Brand USA now must submit \$50 million in cash contributions to receive the full \$100 million match. In FY 2021, Brand USA will need to collect a minimum of \$31 million in cash contributions and a maximum of \$31 million in in-kind contributions to receive the full \$62 million in available match (minus sequestration).

A 66 percent increase in the proportion of cash contributions is a challenge in the best of times. The new floor is an acute problem in the current year because of the dearth of carryforward from FY 2020 and the continued stagnation of contributions. As in the early days of Brand USA, we anticipate a ramp-up period of one or two years to accrue sufficient momentum to smooth over cash flow issues and ensure we maximize the available matching funds each fiscal year.

The combination of these factors means that funds will not be available to promote international travel and support jobs at the time it is most needed. Due to effective budget management through the pandemic, we have sufficient cash on-hand to either maintain business continuity until revenue streams recover in FY 2023 or to bring forward the recovery campaign to help boost the economy. But we cannot do both.

WHAT CONGRESS CAN DO

These are structural impediments only Congress can solve. That's why the Travel and Tourism Advisory Board recently recommended an extraordinary \$250 million appropriation to Brand USA, outside the matching process, to provide the resources to hasten the international travel recovery. The TTAB also recommended temporary suspension of the 50:50 cash-to-in-kind ratio for greater matching flexibility.

Oxford Economics estimates that such an appropriation would lead to more than 1.7 million more visitors who would spend \$4.5 billion, generating nearly \$700 million in Federal taxes and supporting more than 40,000 new jobs. It would also allow the United States to return to 2019 levels of arrivals and spending in 2024 instead of the current forecast of 2025. These positive results would go unrealized without action from Congress.

Time is of the essence. Key source markets that account for a significant portion of inbound travel to the USA are progressing toward our gating criteria targets. And

we are rapidly approaching domestic readiness to receive these visitors. Brand USA is urgently making preparations to launch a recovery effort, but we cannot initiate the robust campaign we envision, and know is necessary, without greater certainty that funds will be available to sustain it.

Fiscal Year 2022 will see historic growth rates in global travel as the world begins to move again. We have a window of opportunity to shape the trajectory of our sector's recovery and support recovery in many other parts of the economy, too. The challenges I've outlined must be addressed now in order to produce and launch campaigns in time to channel this nascent demand to the United States, supporting tens of thousands of jobs in communities around the country.

Thank you again for the opportunity to testify. I look forward to your questions.

Senator ROSEN. Well, thank you, Mr. Thompson. And I guess we are going to go right into questions here. And I am going to start by talking a little bit about McCarran International Airport, because it is the gateway to Nevada's tourism driven economy and is at normal times one of the busiest airports in the country in the world. So Ms. Vassiliadis, as you well know, before the outbreak of the pandemic, McCarran was on track to surpass its previous record of 51.5 million passengers in 2019, with traffic up more than 6 percent in the first 2 months of 2020.

This momentum, of course, as a result of COVID for the first time since the assassination of President Kennedy in 1963, the Las Vegas Strip totally shut down. It brought air travel to a virtual halt. International travel to Las Vegas hit especially hard, with just over 780,000 international travelers passing through McCarran in all of 2020, compared to about 3.8 million passengers in 2019.

So, Ms. Vassiliadis, how has a depressed international travel really impacted America's airports in general would you say, including McCarran? And what about the airport work force, the small businesses that make up our concessionaires, you know, our small businesses really the backbone of a lot of our economy?

Ms. VASSILIADIS. Thank you, Senator. I think you hit it right on the head. It has such a—the tentacles of this has such a huge effect. You know, McCarran International Airport employs 16,000 people directly, but more importantly, indirectly and directly we support 25 percent of all the jobs in Southern Nevada. So that, of course, did take a big toll on all the companies that do service the airlines, the airport, and the concessionaires, you know, by furloughs and just some of the smaller companies not being able to make it through.

You know, we have our international benefit is \$6.2 billion. And what is really important is for our town, the per capita spend for the international visitor is almost double from that of the domestic. Domestic is very nice. It is \$700 and I think \$75 per, but our international is, you know, almost \$1,500 per visitor. So that is the stimulation that we absolutely need to have back, you know, not only, of course, for the airport, but for all of the companies in Southern Nevada.

Senator ROSEN. Yes, well those 17,000 jobs you support, support more than 17,000 families and it goes on and on. But I would like to move now toward international travel promotion because, of course, the American Rescue Plan Act set aside \$750 million in grants to assist states and communities that have had jobs and GDP losses in travel, tourism, and the outdoor recreation sectors.

Congress allocated these funds, part of an effort spearheaded by my colleague from Nevada, Senator Cortez Masto, because we recognize that the pandemic disproportionately impacted states like Florida, Alaska, Nevada, Missouri—we have a Senator Blunt here in the room. And their communities really dependent on travel and tourism.

In April, I joined Senators Cortez Masto and Klobuchar and others in sending a letter to Secretary—Commerce Secretary Raimondo requesting that the Department not only disperse these funds expeditiously and responsibly, but also to make clear that tourism, marketing, and promotion activities are eligible for such funds so that we can increase safe travel that can drive the economy. So, Mr. Thompson, you spoke about this in your opening statement. These direct funds to communities will supplement some of the international travel promotion work that Brand USA does, but they won't go to every city and state in need. And that is where you come in.

And so I am worried that with your funding tied to international travel fees that are already down at Brand USA, you just might not have the resources to support its mission and enhance the efforts we really need coming out of COVID. So talk to me about what you need. Are you financially equipped to help the U.S. recover from the worst international tourism drought in modern history? If you are not, what do you need us to do to help?

Mr. THOMPSON. Yes, ma'am. Chairwoman Rosen, you are exactly right. This pandemic brought our industry to its knees and disproportionately affected the hospitality industry. You know, we often talk about, Mr. Talbert and I talk about the things that make the U.S. the U.S. is what we use to attract people to the USA and to Miami. But it is actually the fabric of our communities, and I think this pandemic and its impact on our industry has brought that to the forefront. I think our industry lost nearly 20 percent of its overall jobs, and that represented nearly a third of all the jobs in the industry that were lost.

So many of our partners, our most invested and engaged partners are DMOs at the local level. Their funding source has been bed taxes and those were pretty much cutoff. So although it hit them right away, it was a delayed reaction to us because our funding source is dependent on international visitation, and it is dependent on what is collected in the year prior.

When we got into this current Fiscal Year, there was not \$100 million for us to match. As we are coming out of this pandemic, as the domestic travel economy has come back probably quicker than anybody had anticipated, a lot of what is returning our travel and tourism industry to what it needs to be in order to reach the levels in the past is great and that domestic tourism has to come back before we can do our international tourism, but we are going to be ill prepared to be able to respond when the time is right. So our challenge is the funding source. Our challenge is lack of funds in that source. And so that is why in working with the Travel and Tourism Advisory Board within the Department of Commerce, they came up with the recommendation that in the interim, we would need some help that is outside of what we would normally need.

Our funding model—there was nothing wrong with our funding model, it just got its knees knocked out from under it. And we need a bridge to get us from where we are now so that we will be resourced when we have the opportunity, when the time is right to start promoting international travel.

So the measures that we laid out, that they laid out actually that I highlighted in my oral testimony and the written testimony, were the ones that will be really helpful, that will put us in the best position to be able to help the industry when we need—when they need it and what they depend on us for.

Senator ROSEN. Wonderful, thank you. I would like to recognize Ranking Member Scott for his questions.

Senator SCOTT. Thank you, Chair Rosen. Bill, can you talk about right now we are seeing in Florida significant labor shortages in the travel and tourism industry. Can you talk about that and what you think is causing it?

Mr. TALBERT. Well, some is you know, we shut down in Miami on March 16. We all know the day, that magic day when you all went home, and we said it was going to be a few weeks and it turned out to be about a whole year. I think it is a combination of things. Number one, some folks found other opportunities. Number two, you hear maybe they are making more money not working than working. And some have gone to different industries. And you know what I have said, given this past year of the fear we all had, people dying, and this is a pandemic and are we going to have a vaccine, the fact that one of the biggest problems we have is a labor problem, I think that, you know, I think that it is kind of nice. I think we can solve that.

But given what we were facing of not being open and having no business, no domestic business, no international business and more people out of work, I think that is something—some companies we see are raising the salaries. And, you know, we have got a very robust economy. We have built hotels, we have added air service. Miami's economy has grown, you know, and people are moving from other places I have heard. And they are coming to Miami and Florida. But it is something that the industry is looking at and going to solve. But it is better than that alternative that was out there that we were facing.

Senator SCOTT. Thank you, Bill. Chris, can you talk about what you said, for every \$1 that is invested in Brand USA you get \$26 back. Can you explain how that works?

Mr. THOMPSON. Yes, sir. So as we deploy our marketing channels around the world, we are influencing intent to travel. And then that intent converts to actual bookings. And through our partnership with Oxford Economics, they are able to look across all of our marketing channels, all the points that we touch in that process. We don't, I don't think claim to say that we are the savior to international marketing for the United States.

But we do say that the ways that we touch and influence travel around the world from 11 major markets directed to the consumer are probably a total of 40 plus markets in some way really contribute to what is going on. And that direct investment, that direct return from those bookings and then how it ripples through the economy is what determines that \$26 to \$1 investment

Senator SCOTT. And that \$26 to \$1 is \$26 that we get back in the Federal treasury?

Mr. THOMPSON. Yes, sir.

Senator SCOTT. So have you ever proposed anything that would tie your funding? I mean, if you got \$200 million of funding, you could—you would feel comfortable being responsible for getting this 26 times that money back.

Mr. THOMPSON. Senator, if we were given an opportunity to be given resources tied to our production, I would welcome that challenge.

Senator SCOTT. We think the numbers we had in Visit Florida was 5 to 1, right? Visit Florida, we always used, I think, 5 to 1, right?

Mr. THOMPSON. I think the spending on the international travel is so much larger and that is why the numbers get to be larger.

Senator SCOTT. It is very difficult to get the legislature to ever fund as much as we would like. We got up to \$76 million a year. But would be interesting if we could come up with a way that we funded it and if you guys—and we could see the dollars coming back because it would be something I think all three of us would do if we could figure out how to do it because it impacts all of our states, so—

Mr. THOMPSON. Happy to help inform that conversation.

Senator SCOTT. So I would love to do it if we can figure out how to do it. So for Ms. Vassiliadis, is that close?

Ms. VASSILIADIS. Yes. You said it very well.

Senator SCOTT. I said it right after you. It is easier. Vassiliadis. So, what have you done to make people feel more comfortable? You know, I have proposed a few bills to try to get our airports to do more, to make people feel comfortable to fly into airports. You got the same issue because we are relying in Miami, in Orlando and international traffic. And so you got you got the same issue. What are you doing to get people to feel more comfortable to fly in?

Ms. VASSILIADIS. Well, being the first and last look of Las Vegas, we—my staff quickly came up with a campaign. We call it LAS All In, and it is messaging all the different layers from disinfecting to communicating, especially at the very beginning of it, what this state, and since states were, had some different directives and mandates, what was required in this state. So it was a just a several layer approach of letting our passenger, you know, as well as our employees that were there—you know, we are essential, airports were essential service. We had to stay open every day. And I wanted to make sure that our employees felt comfortable from the disinfecting. Again, all the messaging. Of course, we had Ambassadors going out and reminding everybody of the social distancing. We took down every other chair, made sure we had that six feet, you know.

We did mark it at baggage claim. And one thing that we have discovered over and over again, whether it is 9/11, the recession, no matter what, people want Vegas. So we always message it out Vegas style. And when the mask mandate came up, of course, what did we have? We had showgirls handing out masks out in baggage claim. And it was a huge success. And we did all of this for consumer confidence. You know, we know that along with the airlines

and everything that they are doing, it is one experience, and we worked very closely with our airlines to get that consumer confidence, that travel is going to be okay. It is going to be just as safe as it is going to the grocery store or a big box store or, you know, anything else where there tends to be big clusters.

You know, be smart, but let them know. So messaging went out everywhere. Our employees had fun t-shirts to wear masks. And we are at the point now where we know we have to move forward and have that flexibility, which is, of course, what I asked for to you know—I mean, number one, we have to regain that—our UK market. That is the United States' number one market as well as Las Vegas. And so having this consumer confidence and being that first part of it and having airlines work with airports in each part of the experience, TSA, so that flying customer does feel confident and will not only take one trip but take more than one.

Senator SCOTT. Thank you. Thank you, Chair Rosen.

Senator ROSEN. Thank you. Next, I would like to recognize Senator Blunt.

**STATEMENT OF HON. ROY BLUNT,
U.S. SENATOR FROM MISSOURI**

Senator BLUNT. Thank you, Chairman. Thanks for holding this hearing. Thanks for naming the committee in such an appropriate way and thanks for putting this great panel together. As Mr. Thompson pointed out on the return from foreign travelers, they just come—they stay longer, and they spend more money than the individual American tourists for lots of reasons.

And, you know, the other thing is they almost always like us better when they leave. Even if they thought they were going to like us a lot, they like us more than they thought. So this is—the investment in travel is also a great investment in diplomacy as well, particularly that investment in foreign travel. Chris, in the money, I think you said this year, the visa waiver fee, produced about \$66 billion?

Mr. THOMPSON. Yes, sir. \$62 million.

Senator BLUNT. Million. I mean. I am sorry. Have we been dealing in such big numbers here? I get my millions and my billions confused occasionally, but everybody else is too or at least they must be based on the amount of money we are talking about spending on other things. Of the \$62 million, were you able to match that?

Mr. THOMPSON. So, that is the biggest challenge we have at the moment. Our partners that bring forward the cash and in-kind matches, particularly the cash side, and with the 50/50 requirement, in order to be able to match income, we have to have also have a dollar match in cash. And so we are very challenged at the moment. We are way behind where we would normally be.

Our board is meeting tomorrow, and I am bringing a plan forward to tell them that we are going to do our best to match that \$62. But normally, as you well know, there is \$100 in there for us to be able to match and we have never not matched it. So this would be the first year and again, no fault of our business model. I don't think any fault of our partners. It is just what the pandemic has done to us.

Senator BLUNT. Well, I am sure you will keep us informed. And I would like to personally be kept informed of how we are doing on matching the money available this year. And——

Mr. THOMPSON. Yes, sir. And the real part is that next year, they are projecting there may only be \$10 million.

Senator BLUNT. Right. Now, one thing we ought to think about, I would say to my colleagues on the panel, you know, part of what happened when we set this up and I sponsored the original legislation, was that the amount over \$100 million was going to go into general revenue. That has never happened. So there is \$433 million in an account that has never been transferred out, the travel——

Mr. THOMPSON. From the travel promotion fund——

Senator BLUNT. Exactly, in the travel promotion fund account. That is something we should look at. I will be interested to see this year how close we get to matching the \$66 million. I would think my guess is that next year people will be eager to match, if we can get the help we need. And I know you were asked that question about just getting the help that we need right now to run the facilities that need to be run. I mentioned at our leadership press conference earlier, Pete Herschend, who has Silver Dollar City and other tourist locations around the country, who actually was the first person that mentioned to me that we were not competing in this area around the world where all kinds of other countries were advertising here, we weren't advertising there, and we began to look for a funding source.

But he told me 1 day last week if they could hire 150 people the next morning if they could just find 150 people to hire. I was talking to another person in St. Louis who runs a series of a number of hotels, he said they now have the customers, they just don't have the people to get the rooms ready. Said, we could fill more rooms if we had more people to clean the rooms, and the other things that need to happen at the hotel. So that is a clear shortage right now as well. I think you have asked—have you seen this same problem?

Mr. TALBERT. Yes, but Senator, I want to announce breaking news here. Miami has match money for you, Chris.

Mr. THOMPSON. Yes, sir.

Mr. TALBERT. And also that is number one, we have the match money for one of the international gateways into the U.S. You have got to come to and through us to get everywhere else. But also, I got to say, as a born and raised in Florida and in hospitality and near a beach, the fact that there is not funding for this and every place in the world, other countries are doing this, the money is available, I am just shocked that this can't happen. And there must be a reason for it to unleash the money. But we have got match money, Chris.

Mr. THOMPSON. Good. Thank you, sir.

Mr. TALBERT. And we are ready to start tomorrow. We have had a strong relationship for the years. We are the number one, two, or three international gateway. Remember, got to come to and through us, so. But thank you for listening.

Senator BLUNT. And on the getting help—that is a problem?

Mr. TALBERT. It is—you know, we had that question earlier and we do have some hotels in Florida that aren't open because they can't get the staff. And you see and they are big—we are working

on that. But once again, I think given the problem we had a year ago, this is you know, this is manageable. Year ago, we didn't know that could be managed. People were dying. This is about can we find people to work? And we love to have that problem all day long. We are going to solve it and it is solvable. But thank you for asking.

Senator BLUNT. And direct marketing organizations. I think early on we didn't properly define, but we later were sure to get you included in the COVID relief bills. Did you take advantage of that?

Mr. TALBERT. We absolutely did. We absolutely did. We have somebody that as soon as you pass it, we have a CPA on staff that spends all night going through every line, every word.

Senator BLUNT. Exactly. Well, let's start looking Chairwoman at that \$433 million and see if maybe we could think of something to do with it if the Treasury so far has never transferred out the account. And I have talked to the Secretary of Commerce about this. I think they are doing everything they can to work with you with—

Mr. THOMPSON. She has been very supportive. Yes, sir.

Senator BLUNT. See if we can't begin to get people thinking about visiting us and sooner rather than later. Thank you. Thank you, Chair.

Mr. THOMPSON. Yes, sir. Thank you.

Senator ROSEN. You know, our teams have our work cut out for them after this hearing. Next, I would like to recognize via WebEx, Senator Blackburn.

**STATEMENT OF HON. MARSHA BLACKBURN,
U.S. SENATOR FROM TENNESSEE**

Senator BLACKBURN. Thank you, Madam Chair. Mr. Talbert, I want to come right along there with some—behind what Senator Blunt was talking about with getting people back in the process. And in your testimony, you said we have the right protections to safely restart international travel but lack clear public health benchmarks or a definitive timeline to reopen. Now in Tennessee, this is something that we hear a good bit about. So my question to you is, why have CDC, DOT, DHS not come up with a road map to facilitate international travel? Why have they not come up with the protocols and the pathway for this? And could you tell us when these agencies are going to come together and develop this plan that would be effectively communicated with international travelers, with the airlines, with the interested parties?

Mr. TALBERT. Senator, that is beyond my pay grade. That is not one that I can answer, but I think the fact that we are having hearings here, I think this is one of the byproducts of the hearing is for the Government to hear from local officials who are on the ground every day on needs. And that is something that we are suggesting, the whole industry is suggesting—

Senator BLACKBURN. Then let me ask you this, if it is not at your pay grade, whose pay grade is going to meet, assembling different agencies so that we have clearly understood guidelines?

Mr. TALBERT. Well, I would say probably the White House's. We always look to the White House in every Administration to pull

things together. This is—continues to be a crisis. This is about jobs. So I would say that is probably a White House responsibility.

Senator BLACKBURN. So this is another area where the White House not taking a positive action is causing a problem. So that is what—

Mr. TALBERT. No, ma'am. I am saying that is something that White Houses do. They may be doing it now, but it is—and I am not taking sides, but I have been doing this for a long time. And when you have a crisis of whatever, wherever it comes from, you pull people together, you get the agencies together, and you say what—you know, we need to solve this. So that is my, you know, Florida born and raised response.

Senator BLACKBURN. OK. Mr. Thompson, your thoughts on that?

Mr. THOMPSON. Yes, ma'am. So our relationship with the Federal Government is managed through the Department of Commerce. There is two great resources there within the Department of Commerce. One I already mentioned was the Travel and Tourism Advisory Board, appointed by the Secretary across section of the industry to inform decisions.

And then within the Department of Commerce, there is a Travel Policy Council, which is representatives from all across the U.S. Government that implement and otherwise inform conversations about travel policy across all the U.S. Government. So I would imagine that has been a tremendous resource for us in the past as it relates to issues that have affected the travel and tourism industry, and certainly as it relates to navigating our relationship with the Federal Government.

Mr. TALBERT. And we have served on the TTAB in the past.

Senator BLACKBURN. Mr. Thompson, let me come to you on live event venues because this is something that has a tremendous impact on our state of Tennessee. And we have tried to work and have worked tirelessly with the Administration on these shutdowns and to get support for these businesses. You have got a lot of support industry like lights, sound, catering, motor coach companies. They have had to lay people off. They are struggling to survive. One of the frustrations has been the lack of awareness from this Administration to recognize the entire ecosystem and how important that is to creating relief programs and getting people to the point that they can get to recovery. So what are you seeing with the live event venues?

Mr. THOMPSON. Senator, certainly those live event venues in your state are a major attraction and tremendous benefit to the economy. And as it relates to tourism opportunities—you know, I think as it relates to where we are today, we first and foremost have to follow the direction of our health officials and our public policy officials tied to what the health officials are saying. In our opinion, as soon as we can get the venues open and as soon as we make all that is the United States of America available, in the two—first and foremost, our domestic audiences—it is getting our domestic economy up and running again. It was mentioned in the testimonies here that consumer confidence is critical.

I mean, everything can happen but if we don't gain the confidence of our friends and visitors around a world that they can come and experience the experiences they have here in the United

States, that is a big issue. So we are, I think, as optimistic as we have ever been as it relates to our ability to get on top of the pandemic. The vaccinations have certainly moved us along that path. And we feel like that it is going to be sooner than later, sooner than later. And certainly, as Bill suggested, you know, this time last year, we didn't have a whole lot of answers. So I think we are in a lot better shape where we are now.

Senator BLACKBURN. There is a tremendous amount of frustration with the lack of action in addressing the whole ecosystem. So thank you all for your time. Thank you, Madam Chairman.

Senator ROSEN. Thank you. Next, I would like to recognize Senator Sullivan.

**STATEMENT OF HON. DAN SULLIVAN,
U.S. SENATOR FROM ALASKA**

Senator SULLIVAN. Thank you, Madam Chair, and thanks for the witnesses here, and a really important topic. You know, a lot of people forget how big our tourism sector is for the whole country. It is like one-eighth of U.S. GDP, \$2.3 trillion, I think is the number, 1 in 10 jobs in America is related to tourism. So I think the chair and the ranking member know that. We know that in Alaska, certainly. Let me ask. Mr. Talbert, I know that you agree with Senator Scott, and I certainly do on the importance of the cruise ship industry.

And we have been working to get the CDC to kind of—you know, we want to keep people safe, but we also don't want to crush entire economies, small businesses. They finally started to move, which is good. We are trying to salvage our tourism, summer tourism season in Alaska, which unlike Florida, is not so year round, let's say. Do you have any thoughts on that, just how important that is to the economy and not just in your state, but overall?

Mr. TALBERT. Thank you, Senator. That was a major part of my presentation, both verbal and written.

Senator SULLIVAN. Oh, OK. Good—sorry, I wasn't—

Mr. TALBERT. But no, that is good. I like this. This is like I planted this question—

Senator SULLIVAN. Your Senator told me not to.

[Laughter.]

Senator SULLIVAN. I mean, I am kidding. We are very in line on this. You may have seen in our actions on the Senate floor.

Mr. TALBERT. And by the way, I have cruised to Alaska.

Senator SULLIVAN. Good. And I have spent a lot of time in Miami for vacation too.

Mr. TALBERT. Miami is the cruise capital of the world, which makes Florida the cruise capital.

Senator SULLIVAN. I thought Alaska was.

Mr. TALBERT. No, we own that phrase. We bought the phrase.

Senator SULLIVAN. I am kidding.

Mr. TALBERT. I am talking about the phrase.

[Laughter.]

Senator SULLIVAN. As a percentage of our GDP—thank you.

Mr. TALBERT. But, you know, you talk about jobs. Right now in Port Miami, the cruise capital of the world, 60 percent of the passengers were international connecting to international. There is \$2

billion of development going on in Port Miami, which is a downtown port. It is—and I do a fair amount of cruising myself. But, and I can tell you that the local Government has helped the cruise lines, and the Governor knows this, he was there, to you know waive the fees for a while.

And these are huge companies. We actually had Arnold Donald speak at our State of the Industry address a week ago. And finally, as you said, there is movement. There seems to be a light at the end of the tunnel, and it looks like people are speaking. This is a huge industry. For Miami, in downtown Miami, the cruise lines are probably the biggest purchaser of hotel rooms all year.

Senator SULLIVAN. Yes. Well, look, in my state it is huge for our small businesses. So many thousands really of employees. So we are trying to salvage the season this summer and we are getting there. But the CDC has got to keep the pedal to the metal. The cruise ship executives need to make sure they don't forget about the great state of Alaska as well and salvage this summer. So we will keep working together. It has been if you are watching the Senate, I think, in a bipartisan way, it has been working very closely on this.

I appreciate Senator Cantwell's cooperation and many others. Mr. Thompson, let me turn to you on this issue that, again, now this goes more to the international side. But the Canadians have—you know, they are normally our good neighbors. Actually, they are my state's only neighbor, you know, including Russia. But, you know, they have closed the borders. We are talking about international travel here. People can't even drive to my state. It has been very frustrating.

Do you have a message for our neighbors here in North America about tourism? A lot of Americans go to Canada for tourism. That obviously is not happening. But what is your sense there? And then if you could also comment on my Visit America Act. We are getting ready to introduce that again, Senator Schatz, Senator King, welcome if the Ranking and Chair here in this committee are interested.

But we think that is a really important bill to bring in more international tourists too hot—to elevate tourism as a real important component in our councils of Government here. You know, there is not one Senate confirmed official in America in charge of tourism and most foreign Governments have ministers, cabinet officials.

We don't even have a Senate confirmed person in charge of tourism. My bill would change that, of course. But you have a thought on the Visit America Act and what is going on with the Canadian border, which is hurting international tourism? And certainly tourism in my state.

Mr. THOMPSON. Yes, Senator. We have nearly 80 million international visitors in a normal year. A quarter of those come from Canada. So it is a very important market for us. We share our border, the largest border, and certainly we have a great affinity with our neighbors to the North. But it is a border issue and an opening of the of the border. We are hopeful that our two Governments are working on that. And certainly when that happens, your state,

every border state and actually the entire United States, I know Florida receives a good portion of Canadian visitors.

So, again, it is not a demand issue. I think there is pent up demand for them wanting to be returning to what they normally do. But we have to get the border situation resolved. As it relates to your Act, your Visit America Act, I would say that anything that raises the profile of travel and tourism within the Administration, within all of the U.S. Government, is something that will benefit our industry. We have talked a lot about the economic impacts. We talked about the soft diplomacy that travel and tourism does as far as bringing people and cultures together. So anything that would bring, would raise the profile of that, I would applaud.

And thank Madam Chair for the naming of this subcommittee and Ranking Member Scott. Certainly being able to bring the profile of the industry to a group, a committee like this and then up through the Commerce committee, I think is a great—

Senator SULLIVAN. So just to follow up on that. And I am not a big Government guy. I think we are growing Government way too much. But the fact that there is nobody really—I mean, the Secretary of Commerce and she is doing a good job, I think, but there is no one in the U.S. Government who gets up every day, at a senior level, and says my job is to promote American tourism and the giant component of American GDP and jobs related to that. We don't have that person. And most countries don't only have that person, they have an entire ministry and cabinet officials focused on it. So we think it will help and we are glad you guys support it.

Mr. THOMPSON. As far as the industry goes, I think you will find a very receptive audience. Yes, sir.

Senator SULLIVAN. Thank you, Madam Chair.

Senator ROSEN. Well, thank you, Senator Sullivan. I have cruised in your state and in Senator Scott's state and have found them both wonderful. And what I do want to say, we are going to go to some second round questions. But I do want to say is this, is that out of the 50 states and territories, every single one of them has unique, unique beauty, from Alaska to Florida to Maine, all the way out to the desert Southwest, every state. That is why people come here and that is why it is soft diplomacy and that is why people enjoy it. And they, as Senator Blunt says, like us even more when they see the natural beauty that is everywhere across the United States. I am going to ask—open it for a second round. I guess, Senator Scott, do you want to go first and then I will just take my question last and then we will let Senator Sullivan, if he has another question.

Senator SCOTT. You know, you do cruise in your state. You just do it on lake—

Senator ROSEN. Yes, we cruise on Lake Tahoe and Lake Mead.

Senator SCOTT. So, Bill, can you talk about how bad your numbers were this last year and where they are now? And, you know, the biggest thing you could do right now to change the travel numbers?

Mr. TALBERT. Open up—

Senator SCOTT. We didn't do—Senator Rosen just to put it in perspective. You know, you guys were the biggest airport of our tourism airports, but we didn't—Miami did what, \$44 million in 2019?

Mr. TALBERT. Yes. I mean, Miami International airport in its peak was the only airport in the United States served by more than 100 hundred airlines, 110. The only one. You know, it is a hub, but it is—you know, our numbers went down. But it has got a minority businesses. You know, we obviously come in and out of that. So it is very, very successful in it. You know, this infrastructure money—infrastructure money is needed there, but our numbers went down and there is—but what can we do is two things, open up international markets and get cruising going again. Period.

Senator SCOTT. Who is traveling internationally into Miami right now?

Mr. TALBERT. Well, it has to do with lift. You know, I look at the airport and the airlines, there is still service from London, and they are still—and we got some service from Israel. I guess that is an issue there. Some international markets, not so much from the South, but the numbers are very light because of some of this, you know, these health issues. And some of it changes from day to day. You can come today. You can't come tomorrow. So our airport, which is part of Miami Dade Government, is, you know, it is a proprietary fund, once again is coming back. It is coming back.

And we—also in the last 2 months, Miami International Airport has added three carriers that were not in Miami before. That is how robust our destination is, how much demand for travel to Miami, to South Florida, if you will, and we expect more. Some are the low cost, but it has stopped, and it is coming back. But international tourism and get the cruise industry going. It is a big, big, big market. But not only for—you know, the global headquarters for the largest cruise lines in the world are located in Miami, the corporate global headquarters. You know, talk about diversifying the economy.

These are global headquarters. The number one trade show in the world, Cruise Shipping Miami. You know, the number two cruise show doesn't exist. Cruise Shipping Miami every year is back in Miami, the entire world—you can't go to another city in the world that has a port because the people are all in Miami for Cruise Shipping Miami. So ships, global headquarters, and meetings and conventions. So that is the answer.

Senator SCOTT. You know, if you think about it, what Federal Government can do is what Senator Sullivan and I have been working on, the CDC has been really slow. I mean, and it is not just this year. It was horrible last year. I was at the first meeting where CDC met with the cruise industry back, I think—first week of April. It was really interesting. I mean, it is really disappointing. Has been disappointing this whole time. But the other thing is to, you know, open up these markets as soon as they are safe and do it as quickly as possible. That is two things the Federal Government can do. We actually, we can sort of push it.

We don't need to make it happen. But those—I know for my state and I know for yours, and I think for all three of us, it would have the biggest impact. You don't have to deal with the CDC like

we are with the cruise industry. But if they would just go out and say, open these markets quickly and talk about it, that would help us. The CDC actually on the mask stuff has probably been very helpful lately because that might speed it up.

Mr. TALBERT. Yes, that was breaking news, what, a few days ago. And that is why, you know, maybe something has happened now. So we might—

Senator SCOTT. Holding a hearing, maybe.

Mr. TALBERT. Yes, maybe they are holding—yes, they are watching the hearing. Good for them.

Senator SCOTT. Alright. Thank you, Chair.

Senator ROSEN. Senator Sullivan, please.

Senator SULLIVAN. So let me get back to the Canadian issue. I didn't know the numbers were so big with regard to cross border, and I think that that is actually really important. We want to continue that. I think everybody does in America, whether it is Nevada or Florida or Alaska. Have you had discussions with their ministries? You know, our Federal Government has been trying to help them on the vaccines. I think it is starting to change. But I can't imagine that the communities in Canada that also rely on tourism are that pleased. So what are you hearing? And is there anything we can do?

Mr. THOMPSON. So I think we are all in the same boat. That is a decision that is outside of our control, and it is not a demand issue. As soon as the borders are opened, I think you will see a return to travel like you have not seen before because everybody has been sitting, shelter in place for 15 months. So, again, it gets back to the geopolitical conversations between the two countries, the health related issues that caused it, and then our ability to be able to deliver a safe experience. And I think we are both—both countries are in better shape than they were. But certainly that is a decision that has to be made by the two Governments.

Senator SULLIVAN. Alright. Thank you, Madam Chair.

Senator SCOTT. So Senator Sullivan, my understanding, at least where I live, there is a lot of Canadians who come down. The issue wasn't that they couldn't come down, issue was that they couldn't go home. Because if they went home, they had to be two-week quarantined. And then on top of that, they didn't have any vaccines. They had, they didn't do what we did. They never bought the vaccines in advance. They bought—my understanding is they bought, I think, the Chinese vaccine, which didn't work.

And so that is the two things, at least what people, Canadians I know were telling me. It was the biggest issue. And then the problem we have with getting cruise ships going. And this other issue you deal with is the fact that if you by law, I guess if you go out of Seattle or an American port, you have to stop in another—

Senator SULLIVAN. Yes, we are working that. That is—right now the Senate has already moved to suspend that for several months. And then it is in the House right now and we are likely going to just read past the bill that we passed last week, again this week. It is a little bit of a complicated issue and shouldn't be an issue in the Senate at all since it has already passed the identical bill.

So that will be a waiver on the PVSA issue, which matters to Alaska.

But, you know, it is something we might want to look at more permanently, right. What I said on the floor last week, I don't think any state in the United States should be dependent in a huge way on their economy relative to tourism or other things on another country. So we have a solution right now that is working its way through the Congress, but we might be looking at longer-term.

Senator SCOTT. Senator Sullivan can you bring up, why do we have to stop?

Senator SULLIVAN. It is the Passenger Vessel Service Act, which was passed in the mid to late 1800s. And it is one of those bills that we are now re-looking at and I think it has raised a whole host of issues on the very question that my good friend from Florida just asked, which is why. And you know, a lot of people in Alaska are asking why, and so we will see. But right now it looks like hopefully, I don't want to jinx it, but it is moving. And it will again move this week in the Senate, identical bill, and hopefully the House moves on it, and we can move beyond that challenge, particularly to cruise ships in Alaska this summer. Thanks again, Madam Chair.

Senator ROSEN. Of course. Thank you. And I want to say in regards to Canada, one of our largest not just tourism partners, trading partners, we need to get tourism, trade exports going all around. And today is just one piece. We will be talking about the others soon enough. I would like to ask probably one of the last questions here, as we have talked about all of these other things and one of the big drivers like you spoke about, Mr. Talbert, is conventions, business travel. We know how important it is for business travelers.

Those conventioners that come may bring their families, get a taste of going somewhere, and then they come back to visit or whatever they want to do later. So these questions are to Ms. Vassiliadis and Mr. Talbert both. You know, our trade shows, international business travel, it is essential for convention centers, not just the great ones we have in Nevada and in Florida, but, of course, all around the country. And they support our local Governments. They support a whole host of small businesses that support them as well. They eat at restaurants, local restaurants, for us they gamble in casinos, they rent cars, they go shopping, all of those things.

So we will start with Ms. Vassiliadis. What strategies are in place right now that you have going on that are going to increase the number of conventions that we can hold in Nevada or Florida, and which rely heavily on our international travel business? And what do you think we might be able to help you do in Congress to help you attract more international travelers who studies show may be more willing? International travelers may be more willing to get on a plane right now during the pandemic, but there is such a slowdown in business meetings. We have to get it back going.

So, Ms. Vassiliadis, what do you think we can do, what strategies do you have in place, and what help do you need from us?

Ms. VASSILIADIS. Well, actually, just this morning, the Board of County Commissioners unveiled their plan to reopen to 100 percent

come June 1. So the Las Vegas Strip is actually located in Clark County and the Board has that jurisdiction. So that is a very positive sign going forward. But I think first and going forward from that, it is opening the borders, you know, especially the UK, especially overseas. We know that we have demand. We know here for Las Vegas as a destination that the passengers would respond to the international carriers resuming. We know the international carriers, you know, want to resume. Just as a side note, in Las Vegas, almost—well, under about 1.6 million of our 3.8 million passengers come from Canada.

So that is a huge, huge impact on us. You know that one is a little bit different because that is Government, the Canadian Government, as well as our Government. So what I would ask and what I hope from this hearing is that it is a steppingstone going forward to opening up that traffic again across, you know, across the seas so that we could resume having international travelers attending our conventions.

You know, we are going to have our first big one, start on June 7, which is World of Concrete. It has an international component not being able to come. CDS, of course, the largest convention has, my goodness, about 60,000 delegates come internationally. We hope by January we will be all ready for that one.

Senator ROSEN. Well, we will be ready to accept them. Mr. Talbert, what strategies are in place for you so that you are just ready to respond and greet all the travelers? What do you need from us to be sure you are ready?

Mr. TALBERT. Well, I am glad you brought up the conventions, meetings and conventions. That is an important component and sometimes we don't talk about it. We have talked about the glitz and the glitter of vacations and all of that. But we have a reimagined convention center on Miami Beach, \$600 million investment in essentially a new convention center. And we at the Greater Miami Convention Visitors Bureau like to lead by example. So it was last October 21—October 21, we had the first face to face, virtual, face to face annual meeting for a convention center in the United States included a lunch. We had 250 people in that convention center. They were all spaced out and we showed that it is safe to meet in Miami and that became the gold standard.

What we did then is took that and showed all of the customers, the potential customers that were out there, just pent up demand we talked about, and said, listen, you can come to Miami and Miami Beach and have a meeting, a convention safely. Why? We showed it. What we do every single week, and the staff is watching this as we speak, we bring meeting planners face to face to Miami. Not a tough sell, but to look at our hotels and look at our meeting space because the meetings and conventions are important. None of the destinations, not Miami, not Las Vegas, nobody can prosper without a robust, healthy convention business. We have had an investment.

We have had—we just had the Jewelers International Showcase, March 22, a B2B, March 22. They had record attendance. All they talked to us was, how can they bring more business to Miami and Miami Beach—March 22. We have Art Basel, you know, the top art show in the world in December coming back. So I am glad you

brought up meetings and conventions because we sometimes forget it. But thank you. It is important to jobs in our community,

Senator ROSEN. I think to all communities, what you are doing, what we are doing in Las Vegas can help set the standards. And then, Mr. Thompson, of course, you can help us market those around the world to let people know it is safe to come and travel. So unless you have anything else you want to add, Senator Scott, we are going to close this hearing for today.

I want to thank you all so much for participating in today's hearing. The hearing record is going to remain open for two weeks until Tuesday, June 1, 2021. So Senators, there will be Senators from this committee and others, will be submitting questions to all of you. And if they want to do that there, for the record, they will do that by Tuesday, June 1.

And so for those of you testifying today, we ask that your responses be returned to the Committee as quickly as possible and in no case later than two weeks after receipt. And I so appreciate all the work that you are doing to promote our great travel and tourism industry. And that concludes today's hearing. Thank you.

[Whereupon, at 4:23 p.m., the hearing was adjourned.]

A P P E N D I X

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. AMY KLOBUCHAR TO
ROSEMARY A. VASSILIADIS

Airport Safety. As the Administration’s rollout of vaccines continues to exceed its targets, the development of safe travel measures will play a critical role in restoring international travel and helping the industries and workforce that have been hardest hit by the pandemic.

Question. In your testimony, you highlight the need for testing and a cross-border strategy to restore international travel. Can you speak to what measures airports should be taking to contribute to safely opening our borders for international travelers?

Answer. In the near term, I believe America’s airports are now very well-prepared to welcome back the robust return of international travelers. Since the onset of the pandemic, airports across the country have taken considerable action to protect the health of the traveling public, as well as those who work at airports. These steps include enhanced cleaning and sanitization procedures, reducing touch points, upgrading HVAC systems to improve and filter air flow, plus so many other actions as recommended by the CDC and local health authorities throughout the pandemic. Many still offer onsite COVID-19 testing, as well as vaccination opportunities for employees and travelers.

The CDC currently requires all air passengers arriving to the United States from a foreign country to be tested no more than three days before their departure, and to present negative results or documentation of having recovered from COVID-19 to an airline before boarding a flight into the United States. With these existing requirements and any potential future requirements, it’s the air carriers—rather than airports—who are best suited to handle such initial verifications, well before a traveler actually steps foot within the United States.

With some modifications, these same processes could likewise be utilized to ascertain a traveler’s vaccination status prior to their departure for the United States, should such information be required on a voluntary basis. Verification of test results is already an airline responsibility, and they are performing admirably in this area. This sequence mirrors today’s layered approach of security requirements used by the airlines when a traveler books a ticket. For these reasons, I would suggest that all current or additional pre-travel requirements would and should be handled directly between air carriers and their customers; airlines know who plans to fly from the moment a passenger books a trip, whereas airports are not immediately privy to such details.

In fact the industry is already moving in this direction, as evidenced by the International Air Transport Association’s smartphone-based *IATA Travel Pass*, used globally by airlines such as British Airways, Emirates, Japan Airlines, Qantas, and Virgin Atlantic; as well as another option called *CommonPass*, in use with carriers including Cathay Pacific, JetBlue, Lufthansa and United. Both enable travelers to verify that their COVID-19 test results will be accepted at their destination, and can be used to verify one’s vaccination status when checking in online.

The Federal government must play a role in the formation and adoption of worldwide standards that would require interoperability of any and all so-called “digital health credentials” to authenticate testing, and potentially, the vaccination status for international travelers. Such actions from the Federal government are necessary to maintain international standards to expedite travel as well as commerce. Airports could assist airlines as needed, though most of this process would occur directly between a traveler and their air carrier, all long before travel commences.

Looking long-term, airports will need to continue to make investments in their infrastructure to better handle larger crowds, modernize their air filtration systems, improve sustainability efforts and address other improvements that will accompany the public’s widespread return to the skies. Access to more funding made available

by an increase in the Passenger Facility Charge (PFC) would go a long way toward helping airports in offering a safer, healthier and more convenient travel experience.

I am encouraged by the recent news that President Biden has tasked the White House Covid-19 Response Team and National Security Council to lead expert working groups that will determine when and how to lift rules that now prevent many nations' travelers from entering the country. There has been talk of movement on potential changes to travel restrictions between the United States and Canada, as well as within the U.S.-United Kingdom corridor. These are welcome developments that hopefully will lead to more travelers very soon. Our industry and the numerous American communities, businesses, individuals and families who rely on open international travel eagerly await the outcome of these and other related developments.

Support for the Air Travel Industry. In 2020, the airline industry lost about 90,000 jobs as a result of the coronavirus pandemic. In 2019, my legislation with Senator Blunt to reauthorize Brand USA through 2027 was signed into law. Before the pandemic, Brand USA supported more than 45,000 jobs a year, and generated \$56 billion to our economy.

Question. Can you speak to how programs that promote the travel and tourism industry, like Brand USA, can help contribute to the recovery of the air travel industry and workforce?

Answer. International travel is a critical export for the United States and I am supportive of efforts to make this industry more competitive on a global basis.

According to the U.S. Travel Association, international travelers spent more than \$233 billion within our country in 2019 alone. That figure dipped dramatically to around \$83 billion last year as a result of the pandemic, but as we push closer to reopening it is vital that we continue to broadly present the United States, its amenities and attractions before would-be visitors across the globe. Brand USA has been an effective means for achieving this goal.

As you can imagine, many of those 45,000 jobs you cited are in Las Vegas, where international travel has taken on an increased importance over the past two decades. In 2019, McCarran International Airport enjoyed service from 11 different countries, and added new nonstop from far-away destinations such as Amsterdam, Paris and Tel Aviv. We were approaching 4 million annual passengers to and from international markets. Then came COVID-19, and today Mexico remains the lone market outside our Nation that enjoys nonstop Las Vegas service.

The rapid pace with which domestic air travel has resumed in recent weeks speaks to the ongoing consumer demand for air travel. I can only conclude a similar pent-up demand for international travel will exist once restrictions are lifted and it's safe to move about across borders once more.

Other nations around the world actively promote international tourism. With many now smaller in size as a result of pandemic-driven cutback and fleet reductions, the competition for visitors will be very intense in the short term. There will always be some global familiarity with the United States and its signature markets, be it a Los Angeles or New York, Orlando, San Francisco or even Las Vegas. We must continue to expand that familiarity to drive demand for air travel into U.S. gateways, and Brand USA is one of many channels to help achieve this goal.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. AMY KLOBUCHAR TO
CHRISTOPHER L. THOMPSON

Brand USA. From December 2019 to December 2020, we saw a nearly 76 percent decrease in international visitors. My legislation with Senator Blunt to reauthorize Brand USA—a proven public-private partnership that promotes international tourism to the U.S., through 2027—was signed into law in 2019. Before the pandemic, Brand USA supported more than 45,000 jobs a year, and generated \$56 billion to our economy.

Question 1. In your testimony, you note that the economic fallout from the pandemic has disrupted Brand USA's funding model, jeopardizing its ability to help restart international travel. Can you speak to the importance of helping to fund the Brand USA program for the economy, and can you elaborate on what resources are needed to maintain the health of Brand USA?

Answer. The pandemic has had a devastating effect on travel and tourism, and especially on communities, businesses, and individuals reliant on international visitor spending. Inbound international travel has historically been our country's number two export and its top services export. In 2019, travel exports were \$233.5 billion, delivering a \$51 billion trade surplus and directly supporting 1.2 million jobs. But from March through the end of 2020, overall international arrivals fell by 91

percent and overseas visitation was down a staggering 96 percent compared to the same period a year earlier. Over the entire year, including the normal first quarter, travel exports plummeted by 64 percent to just \$83 billion—a year-over-year loss of \$150 billion. Without a concerted effort, travel exports will continue to fall and lost jobs will be slow to return—and some may not come back at all.

Brand USA has developed a comprehensive approach to help rebuild traveler confidence and stimulate demand. A national campaign is critical because of how slowly the international segment is expected to recover, and because U.S. destinations and companies will invest comparatively fewer resources in international markets over the next couple years. Unfortunately, the pandemic has disrupted the funding model established by the Travel Promotion Act and jeopardized these plans.

Brand USA is funded by contributions from non-federal sources and matching funds from ESTA fees paid by visa waiver travelers during the prior Fiscal Year. We receive a dollar in matching funds—up to \$100 million per year—for each dollar of contributed cash or in-kind which clears the verification process at the U.S. Department of Commerce.

Three factors have challenged this funding model. First, ESTA collections are stagnant, resulting in only \$62 million in available matching funds this year and potentially as little as \$10 million next year. Second, Brand USA's partner base and the travel industry more broadly continue to face significant hurdles to making pre-COVID levels of contributions. Third, the Brand USA Extension Act (2019) raised the minimum proportion of cash contributions from 30 percent to 50 percent, which is a major hurdle for our cash-strapped industry partners to meet.

These are structural impediments only Congress can solve. That's why the Travel and Tourism Advisory Board recently recommended an extraordinary \$250 million appropriation to Brand USA, outside the matching process, to provide the resources to hasten the international travel recovery. The TTAB also recommended temporary suspension of the 50:50 cash-to-in-kind ratio for greater matching flexibility.

Oxford Economics estimates that such an appropriation would lead to more than 1.7 million more visitors who would collectively spend \$4.5 billion, generating nearly \$700 million in Federal taxes and support more than 40,000 new jobs. It would also allow the United States to return to 2019 levels of arrivals and spending in 2024 instead of the current forecast of 2025.

Fiscal Year 2022 will see historic growth rates in returns to global travel as the world begins to move again. How our country responds will determine the trajectory of our sector's recovery and many other parts of the economy.

Question 2. One report found that if international travel is not reopened soon, the U.S. economy is projected to lose \$175 billion in spending by the end of 2021. Can you speak to the role international visitor spending plays for local economies?

Answer. States and communities across the country rely on traveler spending for economic development, job creation, and tax revenues. The international segment of the overall U.S. travel and tourism economy is particularly valuable because international visitors on average spend more time and money, and visit more places, than domestic travelers.

In 2019, according to the U.S. Travel Association, travel generated \$2.6 trillion in economic output that supported a total of 16.7 million American jobs across the economy, including 9 million direct jobs and 7.7 million indirect and induced jobs (travel drives output and employment throughout the whole economy, including sectors like manufacturing, construction, finance, and more). These figures make travel the country's seventh-largest private sector employer; travel-dependent leisure and hospitality is the largest small-business employer in the United States. Importantly, some 1.2 million American jobs were supported directly by international traveler spending.

In addition to its direct revenue and job creation effects, travel provides essential support to state and local governments to pay for public services like firefighters and police, teachers, water and transportation infrastructure, and more. Without the incremental tax receipts generated by travel, local residents would have to pay more in taxes each year for these services. According to data from the U.S. Travel Association, total tax receipts from travel in 2019 were nearly \$170 billion, of which \$45 billion were state tax receipts and nearly \$44 billion were local tax receipts.

The past 15 months have been a stark reminder of the important role the travel sector plays in the vitality of economies at the local, state, and national levels. Towns and cities have seen their hotels, restaurants, attractions, and small businesses suffer job losses that have impacted families and communities.

The catastrophic drop in travel has had a devastating impact on the industry. According to Oxford Economics, cumulative U.S. travel and tourism losses have now surpassed \$600 billion after contracting 42 percent in 2020. This lost spending resulted in a cascading loss in tax receipts of \$75 billion across the federal, state, and

local levels through April 2021. And the leisure and hospitality sector alone lost 22 percent of its jobs last year and accounted for nearly 40 percent of all jobs lost during the pandemic.

The travel industry, and in particular international travel, will play a major role in our country's economic recovery, but it will involve building back from a deep hole.

Question 3. In January 2021, the total value of travel and tourism-related exports was less than one-third of the amount compared to the same time in 2020. Can you speak to how developing safe travel measures, including coordination between the private sector and both Federal and state governments, will help to boost travel exports?

Answer. While Brand USA does not have a role in policy formulation, our market research tells us that restoring consumer confidence in travel to the United States is key to recovery. The single most important factor in rebuilding this confidence is getting on top of the pandemic so that Americans are safe to travel around the country and destinations are able to open up at full capacity. This will demonstrate to the world that the United States is open for business and ready and eager to receive visitors again.

At the same time, the pandemic caused governments to enact various protocols, requirements, and restrictions around travel to curb the spread of the virus. Multi-layered and evolving guidance has added to traveler confusion and hesitancy. While hygiene and safety protocols adopted by public and private entities are important factors in restoring confidence in travel, there is a need for consistent and transparent policies and procedures around testing, vaccinations, and quarantines so international inbound travelers know what to expect. All things being equal, the simpler and more harmonized the travel experience, the more competitive the destination.

Brand USA will continue to communicate whichever protocols are ultimately worked out by governments and the private sector to allow for a safe resumption of international travel. We look forward to welcoming international visitors back to our shores while maintaining the health and safety of the traveling public.

Brand USA has developed a comprehensive approach to help rebuild traveler confidence and stimulate demand. The recovery campaign will focus on three sequential tasks to jumpstart international travel and help relieve some of the financial shortfalls in the industry. First, rebuild traveler confidence by demonstrating the United States is ready to receive them. Second, welcome the world back through an inspiring creative approach that evokes the possibility awaiting in a trip to the USA. Third, entice and convert the inspiration and pent-up demand into booking a trip.

