

Statement of John F. Edman, Director  
Explore Minnesota Tourism  
Before the  
Committee on Commerce, Science, and Transportation  
Subcommittee on Competitiveness, Innovation, and Export Promotion  
United States Senate  
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Madam Chair and members of the subcommittee: My name is John Edman and I am director of Explore Minnesota Tourism, the official state tourism agency for the state of Minnesota. I want to thank you for all you have done to address the issues travel and tourism in the U. S., and thank you for giving me the opportunity to talk about the economic impact of travel and tourism in my home state of Minnesota.

I am very pleased to have the opportunity to comment on the travel industry's impact on the economy from the perspective of a smaller state like Minnesota. Travel and Tourism Works for America, and this industry is crucial to our country's overall economy. The leisure and hospitality sector generates \$1.7 trillion in gross sales and supports one in nine jobs nationwide. Domestic and international travelers purchase a diverse range of goods and services, which impacts the economies of each of the fifty states.

Minnesota is located in the north-central part of the country and is well-known for its abundance natural resources, including our 10,000-plus lakes. For well over a century, our lakes and woods have drawn visitors for outstanding outdoor recreation. Minnesota is also home to vibrant large cities and small towns. Our largest metropolitan area, Minneapolis-St. Paul, is headquarters to more than twenty *Fortune 500* companies, drawing business travelers from around the world. The Twin Cities area is also a major tourism destination, drawing visitors for its top-notch arts and museums, sports, and shopping.

Travel and tourism in Minnesota is an \$11 billion industry, a vital part of our diverse economy. It impacts every county in our state, and is comparable to agriculture in its contributions to the gross state product. Travel and tourism also generate more than 17 percent of Minnesota's annual sales tax revenues, almost \$700 million. What's more, our leisure and hospitality sector accounts for more than 238,000 jobs, or roughly 11% of all private-sector jobs in our state.

Each year, 39 million travelers come to Minnesota to enjoy our natural resources and cultural attractions, attend conventions and do business. These visitors spend money at businesses throughout the state, including hotels, resorts, restaurants, shops, museums, gas stations, car rentals and more. But these direct expenditures also generate a wide variety of secondary impacts across Minnesota. From financial services to printing, a wide variety of Main Street businesses benefit from spending by the leisure and hospitality sector.

Travel and tourism generates business in every region of our state, from large metropolitan areas to small towns and villages, from our north woods and lakes to our rural areas. More than half of the economic impact of travel and tourism in Minnesota is in the Minneapolis-St. Paul metropolitan area. But travel and tourism are important to local economies throughout the state. There are many areas where the hospitality industry is a primary business and lead employer. Although summer is Minnesota's primary season for leisure travel, the economic impact of travel and tourism in our state is felt year-round.

Minnesota's primary travel market is the North Central U.S., although we attract leisure and business travelers from across the country. Minnesota has felt the impact of several trends in domestic travel in recent years, responds to the public's concern about the economy. These trends include travel closer to home, more last-minute travel planning, and higher demand for good values in travel spending.

In addition to domestic leisure and business travelers, Minnesota draws visitors from around the world for business, education, cultural exchanges and vacation travel. Among our draws for international leisure travelers are the Mississippi River, our great Lake Superior, the cosmopolitan Minneapolis-St. Paul area and Mall of America, the largest shopping and entertainment mall in the U.S. The Mall of America alone attracts more than 3 million international visitors annually.

Our most important international market is Canada; we have seen significant growth in the number of Canadian visitors in the past year. Other target markets include the United Kingdom, the Scandinavian countries, Germany, Japan, and Mexico. Minnesota sees tremendous growth opportunities for new markets such as China. For cost-effective international marketing, Explore Minnesota works with coalitions of other states, such as Great Lakes USA and Mississippi River Country. These partnerships allow us to expand our reach by working with other states on common goals.

Minnesota's travel and tourism industry is showing signs of gradual improvement compared to our industry's health just a few years ago. This reflects the slow recovery U.S. travel is undergoing following the significant toll the recession took on this industry. In Minnesota, we have seen a gradual increase in hotel occupancy and revenues as leisure travel rebounds and businesses begin to spend more on travel again. We are also starting to see longer haul travel and an increase interest in travel from abroad. International travel can significantly help the hospitality industry Minnesota and other states recover from the impacts of the recession. In addition, the United States needs to be ready to compete effectively in the international travel market as the global economy expands in years to come.

As Minnesota and other states strive to attract new visitors from abroad, it is important that the U.S. is welcoming and makes it easier for visitors to come to our country. America's burdensome visa process drives millions of international visitors to other countries, which

imposes an enormous cost for Minnesota and all of our fifty states. Key to economic growth and job creation in the travel sector is a smarter visa policy to reduce wait times and increase ease of travel. As director of the state of Minnesota's official tourism agency, I strongly support the International Travel Facilitation Act.

Facilitating the visa process is important, but it is not the only thing that we can do. I am very pleased that Congress last year authorized the Corporation for Travel Promotion to create a strong brand for the U.S.A. in the international travel market. This public and private program is exactly the kind of effort we should be making as a country to speak with one voice, cut through the clutter, and increase the market share of travelers to this incredible collection of fifty diverse states. Efforts such as these promote the entire country and bring jobs and growth for us all.

Travel and tourism is a huge economic driver for jobs, economic development and state revenue for all fifty states. I greatly appreciate all the efforts this committee has made to support travel promotion and travel-related jobs in the U.S. and the attention that you are giving our industry through hearings such as this. Travel and tourism works for Minnesota, works for America, and works for us all. Thank you, Madam Chair and committee members, for giving travel and tourism the attention that it deserves.