

Testimony of
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Subcommittee on Competitiveness, Innovation, and Export Promotion
of the United States Senate Committee on Commerce, Science, & Transportation

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Good morning Madame Chairman, Senator Martinez, and other members of the Subcommittee.

I appreciate the opportunity to be here today to discuss America's competitive position in travel and tourism—and to explain how increasing foreign travel to the United States can play a vital role in our nation's economic recovery.

I come wearing two hats, both as immediate past Chairman of the U.S. Travel Association--which represents a \$740

billion industry employing 7.7 million Americans--and as Chairman of Walt Disney Parks and Resorts, which employs 90,000 people and operates 11 theme parks on three continents, a top-rated cruise line, a major tour wholesaler and more than 34,000 hotel rooms.

The travel industry is vital to our nation's economic health. It generates \$2 billion in spending every *day*, and provides \$115 billion in tax revenue to the federal, state and local governments. But along with the rest of the economy, the travel industry has suffered during this recession, incurring its share of lost revenue and jobs.

Ladies and gentlemen, there is a way we can stem these losses, improve the nation's competitive edge and advance America's public diplomacy--by forging a partnership

between government and industry to promote international travel to the U.S. And the time to act is now.

Two years ago, I had the honor of testifying before you to present a document called “A Blueprint to Discover America,” which looked at how we can regain our nation’s once-dominant position in the market for international travel. After 9/11, overseas travel to the U.S. dropped significantly and has never fully recovered. Competition from foreign travel destinations increased significantly, and that is something we can’t change. In addition many overseas visitors stopped coming to America because they perceived they were no longer welcome here. That is something we *can* change.

Back in 2007, we had the luxury of talking about the “Blueprint” as a way to *gain* jobs and revenue. But now, in the midst of recession, it’s painfully clear how much we’ve *lost* by not fully implementing the Blueprint. Overseas visitors spend an estimated \$4,500 per person when they come here, and if arrivals had kept pace with global trends since 2001, that would have totaled \$182 *billion* in spending. That’s enough to support 245,000 jobs. Moreover, the added revenue generated by those visits would have yielded \$27 billion in tax receipts.

The “Blueprint to Discover America” recommended improvements in three areas critical to attracting new international visitors. And thanks to the efforts of Congress, we have had some important achievements. But much more work remains.

First, we need a secure, but user-friendly, visa process. We applaud Congress for expanding the Visa Waiver program, but for those travelers requiring a visa, the system needs to be more efficient and easier to navigate—while continuing to put America’s security first.

Second, we need to continue making the entry process a more positive experience—something that is already starting to happen thanks to the Model Ports program to improve our nation’s busiest airports.

Third, we need to promote the United States abroad—and that is where the most work remains. We need to tell the world about the improvements we have made to the entry

process. We need to invite international travelers to visit the United States. We need to tell them that they are welcome here.

The Travel Promotion Act— introduced yesterday by Senators Dorgan and Ensign, and co-sponsored by Chairman Klobuchar and Ranking Member Martinez, among others – would create a public-private entity that could speak with the authority of the United States government to tell the world, “We want you to visit.” It would work to reverse widespread negative perceptions that the U.S. is unwelcoming to overseas travelers. And it would complement and augment our nation’s public diplomacy efforts: We know from research that those who have visited the U.S. are 74% more likely to have an

extremely favorable opinion of America than those who haven't traveled here.

This new entity would combine the expertise of the private sector with the oversight and coordination of the federal government. It would serve as the primary voice for all travel-related policies. It would coordinate our national strategies to maximize the benefits of travel to America.

And it would ensure that international travel benefits *all* 50 states and the District of Columbia, including areas not traditionally visited by foreigners.

We are only asking the United States to establish what nearly every other major foreign market already has: a nationally coordinated and well-funded travel promotion campaign. To give you an idea of just how competitive the

overseas travel market has become: Greece and Mexico each spend \$150 million a year on promotion campaigns to attract travelers; China spends \$60 million; France, Germany, Italy and the U.K. spend a combined \$250 million.

It is important to point out that in these times when the Congress is understandably wary of new spending, the Travel Promotion Act would use NO taxpayer dollars. Instead, it would be funded through a small fee collected from overseas visitors, combined with matching funds from the travel industry. This isn't a free ride for industry. We will be contributing our fair share to make it work.

Indeed, we are already contributing. Recently, Walt Disney Parks and Resorts funded and produced a \$2.5 million video to welcome overseas travelers to the United States, which we donated to the U.S. government. You can now see that video at several of the nation's busiest airports, at 105 American consulate and embassy offices around the world, and even on some airlines just before arriving in the U.S. And, thanks to the interest of this Subcommittee, you will see it here today.

The idea behind the video was that if you make the entry process a more welcoming experience, more international travelers will visit our shores.

The starting point for this project was to decide what story to tell (creating compelling stories, after all, is what Disney does best). As we considered the options, we realized that America's greatest story is her people...their friendliness, their openness, their hospitality. *That's* what visitors find most remarkable when they come to the United States. And that is why we chose to showcase the people of America in this Welcome Video.

From the time visitors apply for a visa in a consulate overseas, to their arrival at an airport here in the States, they will be greeted by the ordinary people who make this nation extraordinary. And through every step of the entry process, the message to these visitors will be expressed in a single word, with universal meaning.

Welcome.

I thank you again for the opportunity to speak here today,
and I look forward to addressing your questions.

May we please show the video.