

WRITTEN TESTIMONY FOR THE RECORD

OF

CHRISTOPHER L. THOMPSON

PRESIDENT AND CEO

BRAND USA

ON

“OVERSIGHT AND IMPLEMENTATION OF TRAVEL AND TOURISM LEGISLATION”

BEFORE THE

UNITED STATES SENATE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

SUBCOMMITTEE ON TOURISM, TRADE, AND EXPORT PROMOTION

JUNE 13, 2023

Chairwoman Rosen, Ranking Member Budd, and Members of The Subcommittee:

Thank you for holding this important hearing on oversight and implementation of travel and tourism legislation, and I appreciate the opportunity to testify on behalf of Brand USA, the destination marketing organization for the United States.

I last testified before this Subcommittee in May 2021 during the height of the COVID-19 pandemic. At that time, international inbound tourism to the United States was largely at a standstill, our borders were closed to would-be travelers from our largest and most lucrative source markets, and there was no clear indication when the USA would reopen for business – or what restrictions would be imposed on visitors when it did.

At that hearing, I testified to the devastating effect COVID-19 had on communities, businesses, and employees that rely on tourism dollars, especially those spent by international visitors. I also testified to the debilitating impact the pandemic had on Brand USA's funding model, which is made up of contributions from non-federal sources like state tourism offices and travel brands, and matching funds from ESTA fees paid by visa waiver travelers during the prior fiscal year.

In July 2021, the "Restoring Brand USA Act" was introduced with bipartisan support in both chambers. The bill made available \$250 million in extraordinary funding to buttress Brand USA's finances with funds drawn from ESTA collections between 2010 and 2020 that exceeded the maximum \$100 million available to Brand USA in each of those years. The text of that bill was included in the "Consolidated Appropriations Act of 2022" and became law.

This dedicated funding continues to allow Brand USA to maintain business operations, rebuild our global infrastructure, and lead a concerted recovery effort to welcome the world back to the United States.

The recovery of the U.S. travel and tourism industry's lucrative international segment is on a solid upward trajectory. In 2022, most source markets saw growth in travel that was double the rates of 2021, with total international arrivals to the USA reaching 65 percent of 2019 levels and long-haul travel 60 percent. According to preliminary estimates from the National Travel and Tourism Office, the USA welcomed 51.8 million visitors in 2022, a 134 percent increase from 2021.

Tourism Economics predicts the total number of international arrivals to the United States will reach 81 percent of 2019 levels this year and we should surpass 2019 figures by the end of 2025, with some markets like Canada, India, and the United Kingdom exceeding 2019 numbers as soon as next year. We plan to hasten the return to pre-pandemic levels in traditional source markets and forge new paths for our industry in new markets to get beyond recovery and set a course for the longer-term future. My optimism is fed by my 40 years in destination marketing, as well as our proprietary market intelligence, which shows consumer likelihood to travel to the United States in the next twelve months is equal to or greater than 2019 responses.

But while these statistics and forecasts are encouraging, there is much work to be done to keep the USA top of mind and create a sense of urgency for consumers to visit the USA *now*.

To move consumers more quickly from aspiration to action, Brand USA recently launched a new campaign in ten key global markets. The campaign showcases how the USA delivers on the promise that whoever you want to be and whatever experience you long for, the United States is where you can find it. To capture attention and convert into travel booking, we serve up content that features both iconic and lesser-known destinations and attractions, from the best places to taste local cuisine to stepping into the song lyrics or movie locations that first inspired a visit.

We also create platforms and programs to allow communities throughout the country to connect directly with overseas travelers and distribution channels. These efforts are particularly helpful to those destinations that otherwise lack the resources or bandwidth to maintain an ongoing international presence. In just one example, next month I will be leading our fifth of five sales missions this year. This upcoming mission to Japan and Korea features several dozen participants, from major gateways to Asia like Chicago, Las Vegas, and Seattle, as well as cities and states like Memphis, Minnesota, Texas, and Wyoming.

Finally, packaged travel remains a critical distribution channel globally, and we maintain boots on the ground in 20 markets to ensure the travel trade has the resources and connections to drive new visitation to the USA. In addition to time-tested strategies like travel agent training and familiarization tours, we have delved fully into developing itineraries that tour operators can offer directly to their customers. Our “Road Trips USA” program features dozens of itineraries anchored where the planes land and visiting a plethora of places beyond the gateways—including many lesser-known destinations and experiences that are not always tied into global distribution networks. This year we are working with over 65 major global tour operators to promote these itineraries.

Again, I’d note that none of our ongoing marketing initiatives could be as quickly deployed, widespread, or robust without the leadership of the U.S. Travel and Tourism Advisory Board, this Subcommittee, and our champions from both parties in both chambers who support the work we’ve done over the past twelve years and supported the “Restoring Brand USA Act.”

I’m barely able to scratch the surface of all of Brand USA’s current marketing efforts today. I am submitting our *Annual Report for FY2022* and our *FY2023 Objectives and Business Plan* for the record.

While I’m optimistic international inbound travel is on track towards complete recovery within the next two years, I am also acutely aware of the significant headwinds which have the potential to stifle this growth.

Some obstacles like global inflation, a strong dollar, and geopolitical uncertainty can only be overcome with time. Other barriers include limited air service capacity, especially in Asia. Policy issues like long wait times for first-time visa applicant interviews or the COVID-19 vaccine requirement that was just rescinded a month ago require more challenging solutions. Global competition to attract travelers is fierce and government and industry must work together to make travel to the United States easier.

Over the next few years, large-scale international events and celebrations of our own national history will give the USA an even greater opportunity to shine on the world stage. America's semiquincentennial, the 100th anniversary of Route 66, and FIFA World Cup will take place across the United States in 2026, with high potential to host Expo 2027 in Bloomington, Minnesota, and the Olympic games in Los Angeles in 2028. Brand USA is committed to working with our partners across the travel and tourism industry, government, and others to promote these iconic events - but until then, we must continue to work collaboratively to realize the economic benefits that come from meetings and conventions, business travel, the family vacation, and even solo adventures.

As the travel and tourism sector regains its footing, we will surpass pre-pandemic levels of visitation and spending and lay the groundwork for the long-term future of our industry. We will aspire collectively for the goals of the National Travel and Tourism Strategy, and we will drive new opportunity and vitality in communities throughout our great country.