



Testimony Of

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**Before The
Subcommittee On Competitiveness, Innovation and Export Promotion
of the
Senate Committee on Commerce, Science and Transportation**

Hearing On

**The National Economic Impact Of Travel And Tourism
May 13, 2009**

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Chairman Klobuchar, Ranking Member Martinez and other distinguished Members of the Committee: Thank you for the opportunity and privilege to appear before you on behalf of Carlson Hotels Worldwide and the greater Carlson organization. I would particularly like to thank Senator Klobuchar for your leadership in calling this hearing and your passionate support of the travel industry both in our home state of Minnesota and in the national arena.

Carlson is a Minnesota-based company with global hotel, travel, restaurant and marketing businesses that are inter-related in and to the travel industry. I lead Carlson Hotels Worldwide which has over 1,020 hotel locations under five brands. Other parts of Carlson include Carlson Wagonlit Travel, T.G.I. Friday's Restaurants and Carlson Marketing which is one of the nation's leading meeting, event and incentive companies. Globally Carlson and its brands employ 160,000 people in more than 150 countries, with over 50,000 of those jobs here in the United States. The jobs of these individuals and the overall vibrancy of our businesses are reliant on the health of the travel industry.

Specifically today, I would like to address the topic of business related travel, including travel for meetings, conferences, events and performance incentives. Business travel creates 2.4 million American jobs, \$240 billion in spending and \$39 billion in tax revenues. These statistics are provided by the U.S. Travel Association of which Carlson is a member.

This part of our industry has been the source of undeserved and crippling attacks in recent months. Critics have mislabeled many meetings and events as unnecessary and frivolous, causing companies that have received federal government support---plus many more that have not---to cancel business travel activities. An environment has been created in America where legitimate business travel is being questioned and cancelled. This translates into additional loss of jobs, taxes and travel-related revenues for an industry that is already hard-hit from the general economic recession.

Business travel is not an optional luxury or a perk of well-paid executives. Meetings mean business in the American economy. There is no substitute for the face-to-face, hand-to-hand and heart-to-heart results of business meetings. They

are a strategic tool for training, education, sales, customer interface, new product development and motivating performance. All of these are vital in rebuilding America's economy and creating new jobs that we so badly need at this time.

But the trend is ominous. According to estimates by Smith Travel Research and the U.S. Travel Association, meetings, events and incentive cancellations in January and February of 2009 resulted in more than \$1.9 billion in lost travel spending and cost nearly 20,000 America jobs. Nearly 200,000 travel-related jobs were lost in 2008 and an additional 247,000 will be cut this year, according to data compiled by the U.S. Department of Labor. Those who are losing their jobs represent the hard working faces of America: bellmen, room attendants, banquet servers and cooks.

With so much at stake, we seek your support on three key fronts. First, we are asking all members of Congress and federal policy makers to change the rhetoric that labels business travel, meetings and incentive travel as frivolous and unnecessary. The unintended consequence of this mischaracterization is job loss, lost tax revenues and further stress on this important industry.

Second, we ask your support for a unified set of meeting standards for companies receiving emergency government assistance funds that have been developed by the hotel, travel, meeting and incentive industries. These guidelines have been submitted to the Treasury Department as a policy for these companies to guide them in organizing justifiable meetings, events and incentive travel. They also represent a common sense approach that would apply to any business. They serve as a standard of "best practices" for corporations to conduct meetings, incentives and events with complete transparency and accountability.

And finally, you will also be hearing this morning about another vital initiative to build the vibrancy of America's travel industry: The Travel Promotion Act. We fully support this pending legislation as a foundational strategy to create jobs in travel, tourism and hospitality. It will make America more competitive in the global travel market and grow the nation's inbound travel.

Today's news is filled with commentary on how to "get America moving again" on all economic fronts to recover from this deep recession. For the one in 10

Americans who are part of the travel industry, “getting America moving again” literally is the solution. Today, we ask for your support in making that happen.

Thank you again Chairman Klobuchar, Ranking Member Martinez and other Members of the Committee for your leadership and engagement on these issues.