



WRITTEN STATEMENT

OF

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**TESTIFYING IN HIS CAPACITY AS THE VICE CHAIR OF THE
TRAVEL AND TOURISM ADVISORY BOARD**

ON

**“EXAMINING THE 2022 NATIONAL TRAVEL AND TOURISM
STRATEGY”**

**BEFORE THE U.S. SENATE COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION’S
SUBCOMMITTEE ON TOURISM, TRADE, AND EXPORT
PROMOTION**

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Subcommittee Chair Rosen, Ranking Member Scott, Chair Cantwell, Ranking Member Wicker, and members of the subcommittee, I'm Brad Dean, CEO of Discover Puerto Rico and the Vice Chair of the Travel and Tourism Advisory Board (TTAB). Thank you for the opportunity to appear before you today to address the 2022 National Travel and Tourism Strategy ("Strategy").

The TTAB serves as the advisory body to the Secretary of Commerce on matters related to America's travel and tourism industry. Over the past year, the TTAB's efforts have focused on advising and supporting the Department of Commerce in various matters related to travel and tourism.

The organization I lead, Discover Puerto Rico, is a public-private entity created in 2018 to help shape and lead a recovery of tourism in the Commonwealth of Puerto Rico following the devastation wrought by Hurricanes Irma and Maria, which occurred nearly five years ago. To the surprise and amazement of many, Puerto Rico's tourism industry recovered in just two years after those hurricanes but, of course, like our counterparts worldwide, we were severely impacted by the global pandemic. In fact, our 2020 began with several successive earthquakes followed by the pandemic. Yet as we emerged from the depths of that crisis, the worst ever in the history of our industry, Puerto Rico's tourism industry set all-time records in 2021, with more visitors, more tax collections and (perhaps the most important statistic of all) more people employed in leisure and hospitality than ever before in our history. And, through the first six months of 2022, we are on pace to reach even greater heights this year. In an island that is no stranger to adversity, we have relied upon travel and tourism to strengthen the Commonwealth of Puerto Rico as we transition 'from surviving to thriving'.

It is with this perspective that I earnestly study and evaluate the strategies and tactics identified in the Strategy.

National Travel and Tourism Strategy

First and foremost, I commend Secretary Raimondo for her leadership and vision to establish a new national strategy, and for being an outspoken champion for travel and tourism within the administration. I'd also like to thank Assistant Secretary Harris, the Tourism Policy Council, and the leadership and staff of the International Trade Administration (ITA) and the National Travel and Tourism Office for their work to craft the Strategy. Last, but certainly not least, I'd like to thank my TTAB colleagues, especially our Chair Mr. Bill

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Hornbuckle, who joins me here today, for the time and expertise they contributed to this important effort.

Over the past year, the TTAB developed seven sets of recommendations to positively impact travel and tourism, covering topics such as COVID-19 recovery, national visitation goals, workforce, technology, and climate change.¹ Several of the TTAB's recommendations were included in the final Strategy, and I can confidently say that the process has been collaborative, inclusive and thorough – bringing together diverse perspectives from across the public and private sectors.

The Strategy lays out a roadmap to accelerate travel's economic recovery and build a more sustainable, inclusive, resilient, and globally competitive industry for the future. The strategy also establishes a national goal of welcoming 90 million international visitors who will spend an estimated \$279 billion annually by 2027.

To achieve these goals, the Strategy is organized around four pillars:

- Promoting the United States as a travel destination;
- Facilitating travel to and within the United States;
- Ensuring diverse, inclusive, and accessible tourism experiences; and
- Fostering resilient and sustainable travel and tourism.

Within these pillars, the plan describes 21 separate strategies and more than 100 identified actions that the federal government can take.

Analysis, Priorities, and Next Steps

The timing of this new Strategy could not come at a more important time, as we should not simply seek to return to pre-pandemic levels but, rather, aim to accomplish nationally what the people of Puerto Rico have recently accomplished: rising up in the face of adversity, building forward bigger, better and stronger, using the power of travel and tourism to spur economic growth and create opportunities for Americans in all 50 states and every U.S. jurisdiction.

¹ <https://www.trade.gov/travel-and-tourism-advisory-board-recommendations-0>



The Strategy is broad, bold, and ambitious. There is, perhaps, no more ambitious goal stated in the Strategy than the new national goal of welcoming 90 million annual international visitors by 2027, which aligns with TTAB's recommendations and would ensure the U.S. regains its global market share of international visitation.

Considering the profound reduction in international travel over the past two years, that goal might appear to be unrealistic. Admittedly, to grow from 22 million international visitors in 2021 to 90 million in 2027 is a huge leap which requires a record pace of growth never before seen at the national level. Yet recent research reassures us that international visitors are eager to visit the United States and that recovery is already underway.² In my island of Puerto Rico, we welcomed more than twice the number of international visitors in the first quarter of 2022 as compared to 2021³, and we expect that recovery pace to accelerate now that COVID-19 testing for inbound international arrivals has been lifted. We must now take the necessary steps to convert traveler interest into commerce.

Because the Strategy is so broad, one key challenge will be to identify areas of focus and specific next steps. To overcome this challenge, I believe the administration, Congress, and the travel and tourism industry should focus on a few key areas and take several specific steps this year.

When it comes to promoting the U.S. as a travel destination, the United States Congress and the administration are to be commended for taking a first and very important step that makes recovery possible: reauthorizing and fully funding Brand USA, the nation's destination marketing organization. The results produced by Brand USA prior to the pandemic have proven the efficiency and unrivaled impact of this public-private partnership and I firmly believe full recovery of international inbound travel would not be possible without a fully funded Brand USA. In addition, the federal government should:

- **Launch a second round of Economic Development Administration (EDA) grants specifically targeted at reviving the meetings, conventions and events travel segment.** While leisure travel has enjoyed a robust recovery, the meetings, conventions and events segments lag behind. The Travel, Tourism and Outdoor Recreation grants administered by the EDA under the American Rescue Plan have enabled communities throughout our nation to revive travel and tourism and are an important part of the robust leisure travel recovery. Learning from the successes of this grant program, the government should consider launching a second grant

² International Air Transport Association (IATA), Passenger Forecast March 2022.

³ Airline Data Inc., March 2022 International Passenger Analysis.



program designed to accelerate the recovery of meetings, conventions and events.

- **Focus on facilitating state, local, territory and tribal bids for large-scale international events.** In 2021, domestic and international business travel spending on large meetings and events was down a startling 70% compared to 2019. Unfortunately, U.S. bids for large international events are often unsuccessful due to concerns about lengthy visa processing times, long wait-times at customs, or inadequate infrastructure.

The administration can commit visa processing resources, customs staffing, or infrastructure investments to support large international events that will be hosted in the U.S. or to make U.S. bids for future events more competitive. Congress can provide additional funding for ITA, Customs, and State to support facilitation services.

When it comes to facilitating travel to and within the United States:

- **Focus on reducing visa wait-time to an average of 15 days or less in the top inbound markets that require a visitor visa.** Of the top inbound markets that require a visitor visa and are able to travel to the U.S., Brazil, Mexico, and India account for 77% of the visitors. As of May, average wait-times in these three countries exceeded 380 days. To achieve the national goal of welcoming 90 million international visitors by 2027, the administration should focus first on reducing average visa wait times to less than 15 days in these three markets⁴:

Congress and the administration should also take steps to modernize and improve visa processing, including:

- Increased staffing at the embassies and consulates in high-priority countries.
- Conducting group processing for large tours and events being held in the U.S.
- Offering expedited visa processing fees for B1 and B2 applicants
- Waiving B1 and B2 visa renewal interviews for low-risk applicants.
- Enacting legislation to authorize the use of video conferencing technology for low-risk renewals.

⁴ Note: China is the second largest inbound travel market as measured by visitor volume. However, we did not include China in this initial list of recommended countries because the Chinese government still severely restricts outbound travel by Chinese citizens.



- **Seek a secure, seamless, touchless travel process.** Beyond visa processing, we should aspire to develop a best-in-class system of travel facilitation and processing that optimizes the use of technology, protects personal privacy and ultimately delivers a safe, seamless, and efficient travel process by eliminating unnecessary touch points. This will require extensive collaboration with private sector partners, but the Federal government must play a key role. Beyond cost and time savings, reducing person-to-person contact has important public health benefits, as we observed during the pandemic.
- **Target infrastructure dollars towards the travel industry's most pressing infrastructure needs.** The Infrastructure Investment and Jobs Act can transform how Americans move and how destinations compete in the decades to come – but only if the travel industry has a seat at the table, identifies its investment priorities, and actively seeks funding.

The administration should proactively develop guidance for State Tourism Offices, regional tourism alliances, local destination marketing organizations, and travel businesses that identifies funding opportunities for investments in travel mobility, resiliency and sustainability.

The Department of Transportation should promptly update its national travel and tourism infrastructure strategy and appoint a Chief Travel and Tourism Officer to promote travel related investments and policies across all modes.

When it comes to ensuring diverse, inclusive, and accessible tourism experiences, the Strategy prioritizes this as a primary objective necessary to extend the benefits of travel to all communities throughout the United States. In Puerto Rico, we recognized early on that to differentiate our island from the competition and position Puerto Rico as the premier leisure and business travel destination in the Caribbean region, we must rely upon something more than sandy beaches and warm weather. Promoting the rich, vibrant culture of Puerto Rico and a myriad of unique, memorable experiences while ensuring we remain a welcoming, inclusive island has provided a foundation for a brand marketing strategy that has grown annual visitation to record levels. In fact, this has been so successful our marketing strategy has evolved to positioning Puerto Rico as not simply a vacation destination but, more so, a fun, vibrant, passionate lifestyle through an open invitation to travelers to *Live Boricua*. From our experience, I can attest to the remarkable potential of offering diverse, inclusive and accessible tourism experiences, but I must also acknowledge that we could not have accomplished this without unwavering support and widespread cooperation from our

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partners throughout the Commonwealth of Puerto Rico, including businesses, municipalities and the central government. If we are to leverage this same type of effort nationally, it will require widespread collaboration on numerous fronts. Additionally:

- **Congress and the administration should focus on restoring a diverse and inclusive travel workforce.** Like the rest of the economy, the leisure and hospitality sectors are experiencing significant workforce shortages. Filling open positions in our industry was not easy before the pandemic, but it's proving to be even more challenging today. In Puerto Rico, we currently employ 86,250 U.S. citizens⁵ in leisure and hospitality, an all-time record for our island. Yet local businesses regularly tell me they are still understaffed. When record employment is not enough, it's clear just how deep and expansive this workforce challenge is.

Today, there are 1.5 million jobs open in the leisure and hospitality sector, which accounts for one-out-of-eight jobs open nationwide. For every 100 jobs that are open nationwide, there are only 48 Americans looking for work.

The administration can build a more diverse, inclusive, and robust travel industry workforce by taking steps to:

- Target Department of Labor and Department of Commerce grants towards workforce recruitment and apprenticeships in the travel industry.
- Expand access to and prioritize efficient processing for temporary work visas, especially in the top countries for H-2B and J-1 visas.
- Collaborate with the private sector to develop and utilize career education content that can be useful to young Americans evaluating future career options.

Congress can help by enacting legislation to expand the number of available temporary work visas, especially the H-2B and J-1 programs.

When it comes to fostering resilient and sustainable travel and tourism:

- **Focus on reducing the carbon intensity of transportation fuels.** According to the World Travel and Tourism Organization, more than 50% of emissions from travel and tourism come from transportation.

⁵ Bureau of Labor Statistics, May 2022.



The administration can focus on expanding the availability of EV charging stations at popular travel destinations and attractions by targeting Community Grants towards popular travel destinations and attractions, such as convention centers, hotels, National Parks, entertainment venues, and other businesses that travelers frequent.

- Congress can also enact legislation to expand and increase the Alternative Fuel Infrastructure Tax Credit (Section 30C credit) through 2031.
 - Congress can also establish a \$1.50-\$2.00 per gallon blender's tax credit for SAF that achieves at least a 50 percent reduction in lifecycle greenhouse gas (GHG) emissions compared to conventional jet fuel. The World Economic Forum and others have called SAF "the only viable option to decrease emissions in the aviation sector."ⁱ
 - Congress can also enact legislation to increase the Section 179D deduction for energy efficiency projects that enable a building to acquire LEED Platinum certification, currently capped at \$1.88 per square foot.ⁱⁱ
- **Engage small businesses and seek community-based solutions.** While our industry is becoming more aware of its environmental impact, many small businesses still lack the expertise to effectively address complex issues such as sustainable development, climate impact or carbon emissions. Providing meaningful, reliable baseline measures and assisting small businesses by identifying actionable steps will be necessary if we are to make broadscale progress. Ultimately, these efforts must extend well beyond the C-suite into the local networks of citizens, governments and tourism-related business operators.

In Puerto Rico, El Yunque, the only tropical rainforest in the U.S. Forest Service System, is a treasured asset and our most visited attraction. Innovative leadership by the local U.S. Forest Service Office is making major strides of progress in sustainable tourism, balancing economic growth with eco-friendly travel practices and community impact. By addressing basic issues such as accessibility and water quality through local community-based planning, engagement and training, what began as a quest for sustainable tourism has evolved into micro-business economic development and more efficient visitor flows.

Conclusion:

The development of the first National Travel and Tourism Strategy in more than a decade is a necessary step forward in building a more resilient, sustainable, robust and competitive travel industry for the future.

It also highlights the need for Congress to enact the Omnibus Travel and Tourism Act of 2021. Simply put, the Act would:

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- Ensure national travel and tourism strategies are consistently developed and carried out across administrations;
- Establish an Assistant Secretary of Travel and Tourism charged with carrying out the national strategies on an annual basis and coordinating travel policies across the Federal government; and
- Provide permanent statutory authority for the TTAB to solidify this productive public-private-partnership.

I'd like to thank Subcommittee Chair Rosen, Ranking Member Scott, Chair Cantwell, Ranking Member Wicker, and all subcommittee members for holding this important hearing and for your continued support of America's travel and tourism industry. Together, I believe we can ensure that the best days of our travel and tourism industry lie before us, and not behind us. I look forward to answering your questions.

ⁱ World Economic Forum, "Ten Critical Insights on the Path to a New Zero Aviation Sector," October 2021. <https://missionpossiblepartnership.org/wp-content/uploads/2021/10/MPP-Aviation-Transition-Strategy-2021.pdf>

ⁱⁱ Office of Energy Efficiency & Renewable Energy, "179D Commercial Buildings Energy-Efficiency Tax Deduction." <https://www.energy.gov/eere/buildings/179d-commercial-buildings-energy-efficiency-tax-deduction>