

**TESTIMONY OF**

**DIANE SHOBER, DIRECTOR OF TOURISM  
STATE OF WYOMING**

**BEFORE THE**

**UNITED STATES SENATE SUBCOMMITTEE ON COMPETITIVENESS, INNOVATION, AND EXPORT PROMOTION  
OF THE COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION**

**SENATOR AMY KLOBUCHAR, CHAIRMAN**

**AT ITS HEARING TO RECEIVE TESTIMONY ON  
AMERICA THE BEAUTIFUL: PROMOTING OUR NATIONAL PARKS AS TRAVEL DESTINATIONS**

**April 27, 2010**

**Importance of the National Parks to Wyoming**

To say the national parks are important to Wyoming would be an understatement. Fortunately, we are home to America's first national park, Yellowstone, and the majestic Grand Teton National Park and as well as our first national monument, Devils Tower. Without a doubt, Yellowstone and Grand Teton National Parks are clearly the destination drivers for Wyoming's tourism economy. But it is also important to note the entire greater Yellowstone ecosystem is essential to the very fiber of Wyoming and the west. This ecosystem includes the head waters of major river systems, is home to multiple species of wildlife and water fowl, abundant outdoor recreation opportunities, learning and education in a unique outdoor laboratory, the source of thousands of jobs, provides quality of life for residents and visitors and so much more.

**Marketing Wyoming**

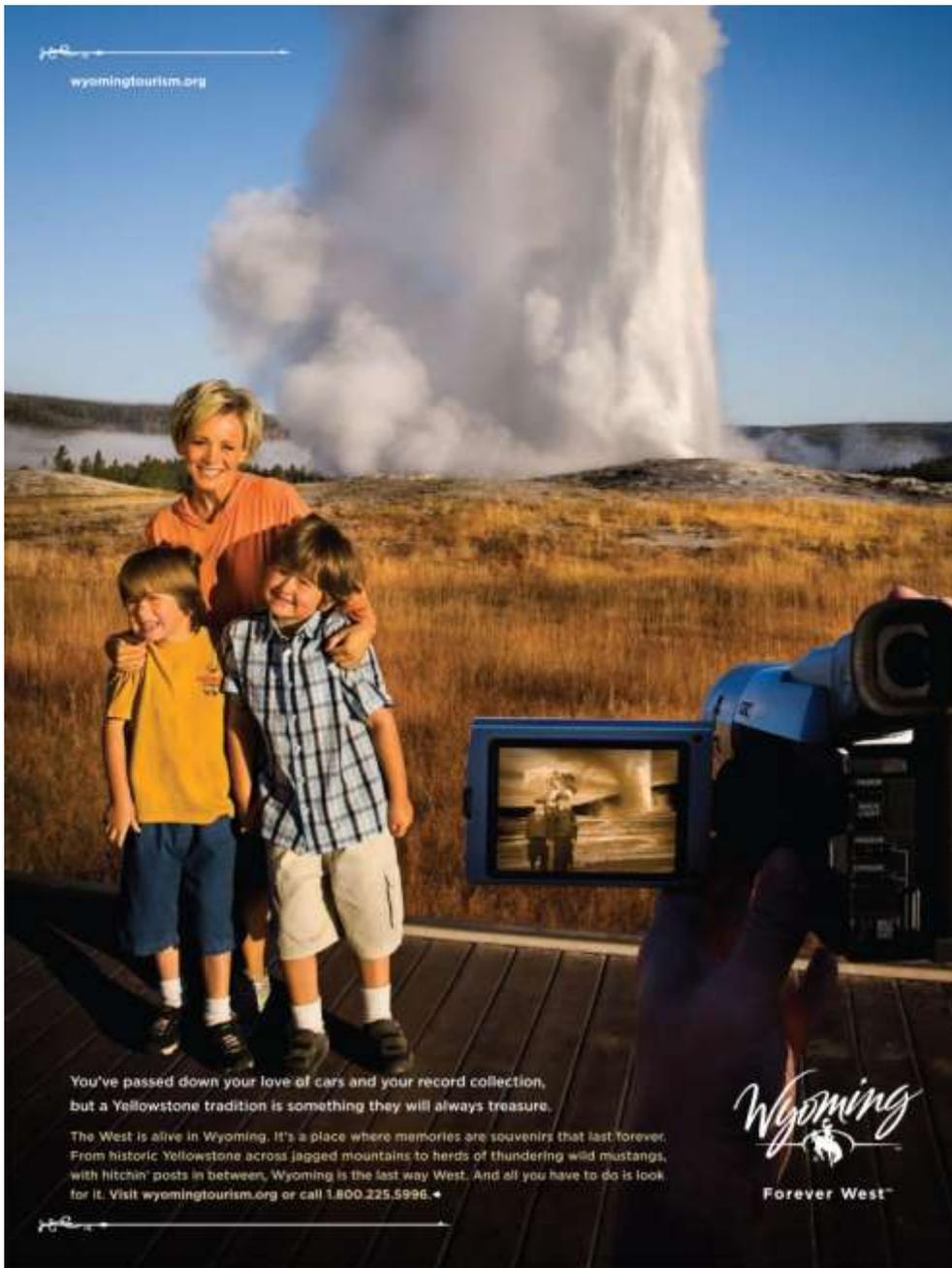
Tourism is big business in Wyoming. And our national parks are at the epicenter of our tourism industry. In fact, tourists were visiting Yellowstone long before Wyoming was even a state. And today we continue to build on that love affair that travelers from all around the world have with America's national parks.

In 2005, we conducted a branding audit to shape the strategic vision for how we market Wyoming and what our marketing message should be. The outcomes clearly identified Yellowstone and Grand Teton National Parks and Devils Tower National Monument as unique differentiators for our state, along with the authenticity of the west. Since then, we have conducted our tourism marketing under the brand, Wyoming Forever West. Forever West embodies Wyoming's finest attributes, including wide open spaces, unobstructed views, mountains and wildlife and the western way of life.

Each year we spend millions of dollars on advertising Wyoming as a destination. Our advertising budget averages right at \$6 million annually and we deploy marketing messages via television, magazine, online, outdoor, direct mail and through social media campaigns. We hang our hat on the fact that traveling consumers associate Yellowstone, Grand Teton and Devils Tower as differentiators for Wyoming and you will always see one of them featured in our national advertising campaign.

Two examples of our print campaign are included:





While these are only two examples of our overall campaign, the essence of our message is carried throughout everything we do. And the good news is, it's working!

### **Economic Impact of Tourism**

The year 2009 brought more than its share of economic challenges to consumers and businesses around the world. While the Wyoming tourism industry was challenged as well, tourism remains a key part of our state's economy. For the first time in 12 years, though, we saw declines across all but one segment of the travel industry. Fortunately, the economy increasingly shows signs of life, which should give all of us hope for brighter days in the year to come.

Despite the challenges in 2009, leisure travel remained a high priority for many. Consumers adapted their travel plans to fit the times. They spent less during their travels yet, the impact numbers are still impressive, with over \$2.5 billion in direct travel spending generated for the state, which in turn generated \$111 million in local and state tax receipts.<sup>1</sup>

And the good news for us is that visitors still came. While national leisure travel declined by 2%, Wyoming's visitation actually grew slightly in 2009 from 7.31 million overnights to 7.33 million<sup>2</sup>. National park visitation was at an all time high; Yellowstone National Park recorded 3,295,187 recreation visits last year, resulting in a 5% increase over the previously recorded high 10 years prior in 1999 when visitation was 3,131,381.<sup>3</sup> And, Grand Teton National Park experienced a 4% growth in recreation visits over 2008<sup>4</sup>. The correlation between tourism marketing and increased visitation to our parks is no coincidence. We spend millions to invite consumers to visit our national parks and immerse themselves in this unique experience. While other states were forced to cut back, we were broadening the Wyoming footprint.

As I mentioned earlier, I am also a member (treasurer) of the Western States Tourism Policy Council (WSTPC) -- a consortium of 13 western state tourism offices. The mission of the WSTPC is to support public policies that enhance the capability of travel and tourism to have a positive impact on states and communities in the West. Visitors to the national parks are a vital part of the tourism economy of each of these 13 WSTPC member states.

The value of national parks to gateway communities, and vice versa, is also an important component in the tourism equation. National parks provide a product offering that serves as a lure for visitors and by accessing the parks through gateway communities, the economic value of tourism is boosted by the proximity of the national park. In turn, gateway communities provide much of the necessary visitor services such as accommodations, entertainment, shopping, outfitters and transportation, thereby relieving some of the pressure on the resource and thus enhancing the sustainability of the park itself.

A 2006 study conducted by the National Park Service Social Science Program and Michigan State University Department of Community, Agriculture, Recreation and Resource Studies further corroborates this important reciprocal relationship. Out of 1.15 million person trips to the area in 2006, key research results<sup>5</sup> include:

- 78% included an overnight stay, either in a motel, lodge or cabin (54%) or camping (24%).
- 16% of the campers stayed within the park while 7% camped within 150 miles of the park.
- 30% of the motel, lodge or cabin overnights stayed inside the park, 70% within the 150 mile region.
- Total visitor spending within 150 miles of the park was \$271 million of which one third was spent inside the park.
- Over 90% of visitors indicated the park visit was the primary reason for the trip to the area.
- Including direct and secondary effects, the \$271 million spent by park visitors supported 4,952 jobs in the area and generated \$336 million in sales, \$133 million in labor income and \$201 million in value added.

Although this research was conducted 4 summers ago, the magnitude of the impact remains notable and is applicable to park visitors today.

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<sup>1</sup> Source Dean Runyan and Associates, The Economic Impact of Travel on Wyoming, 1997-2008 Detailed State and County Estimates

<sup>2</sup> Strategic Marketing and Research, Inc. 2009 Wyoming Overnight Visitor Profile

<sup>3</sup> National Park Service Public Use Statistics Office

<sup>4</sup> National Park Service Public Use Statistics Office

<sup>5</sup> Impacts of Visitor Spending on the Local Economy: Yellowstone National Park 2006, Michigan State University Department of Community, Agriculture, Recreation and Resource Studies

Last year, 68% of all summer airport travelers into Jackson Hole were Grand Teton and Yellowstone bound. Repeat visitation is high with 77% stating they will probably or definitely return for a future visit.<sup>6</sup>

Seeming somewhat recession proof, Cody, Wyoming near Yellowstone's East Gate, remained a viable community despite economic challenges elsewhere. Sales tax collection on accommodations actually increased by 2% over 2008<sup>7</sup>, attributed to the increase in visitation experienced in the park in 2009.

Throughout their entire system, Taco John's restaurants, a quick service Mexican chain headquartered in Cheyenne, Wyoming, experience seasonality of sales impacted by location and geography. The gateway markets in an around national parks and monuments, particularly in the Wyoming restaurants experience huge impacts on seasonality of sales. The Taco John's in Cody, Wyoming does 46%<sup>8</sup> more business in the summer months than it does in the winter months. The Taco John's markets that pool their advertising dollars for publications like the Sweet 16 which focuses on US Hwy 16 out of South Dakota to Yellowstone find it extremely beneficial to publicize the route to the Park.

These spikes in sales obviously provide jobs in these communities, provide the independent Taco John's franchisee his livelihood, and help to build chains like Taco John's into a 400+ regional business entity, which located in Wyoming helps the overall business diversity of our state.

### **Working with the National Park Service**

The Wyoming Office of Tourism has a good working relationship with the national parks within our state. I personally believe it is in our best interest to be proactive in cultivating a relationship with each park and its leaders. I enjoy working with both Yellowstone Supt. Suzanne Lewis and Grand Teton Supt. Mary Gibson Scott. However, due to our role as a marketing agency, most collaboration is done in conjunction with the park's concessionaires who have marketing budgets and a vested interest in marketing their particular park. Both Xanterra Parks & Resorts and Grand Teton Lodge Company have been proactive partners in marketing our national parks and the state of Wyoming. Our collaboration includes co-operative advertising, hosting travel trade and media fams (familiarization tours), providing product for sweepstakes and promotion efforts. Their executives serve in leadership roles at both the state and local level.

Although the National Park Service adopted a very good national tourism strategy, its implementation and effectiveness have been limited, in part due to lack of funding but also due to lack of acceptance at the individual park level. If the budget for the National Park Service Tourism Office were increased to \$1 million dollars from no more than \$200 thousand at present, the office could work more closely with the travel and tourism industry and with gateway communities, and also to promote lesser known national parks. While the National Park Service was created to manage these public lands and provide responsible stewardship over their use, there often times appears to be an imbalance between protection and access and visitor services. It is my belief that visitors who personally experience these natural wonders are much more likely to have a deeper understanding about the resource and its importance to our world. Tourism provides a means of education to the greater public and plays an important role in the economic sustainability of parks and their surrounding regions. By effectively implementing their national tourism strategy, the National Park Service could be more proactive in shaping tourism development and associated impacts.

Film projects are an integral part of tourism development. One of the challenges we face is access to the park or park resources. While the discrepancies in rules, applications and fees vary from park to park, the challenge stems more from the response to these requests. We fully understand/support fees being assessed for commercial

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<sup>6</sup> Jackson Hole Airport Board

<sup>7</sup> State of Wyoming, Department of Revenue and Taxation

<sup>8</sup> Marketing/Franchise Operations, Taco John's International, Cheyenne, Wyoming

projects and agree that their needs to be a process and system to protect the resource. However, the required wait time for a permit and the low priority in which these requests are given are counterproductive to customer service and the accessibility of public lands.

In a proactive effort to rectify this situation, I am pleased to report that the Wyoming and Montana Film Offices are conducting a training session in West Yellowstone next month for federal employees. We are bringing in a third party producer from Los Angeles to discuss how federal land management agencies and film companies can work more cooperatively together. Film permitting staff from both Yellowstone and Grand Teton National Parks and the Shoshone and Bridger-Teton National Forests will be in attendance.

### **Travel Promotion Act**

It is true that our national parks are beloved by Americans but Yellowstone is clearly recognizable around the world. It is an American icon. It was most obvious in the summer of 1988 when wildfires raged and were the top news stories everywhere. The worldwide concern over the health, wellbeing and future of Yellowstone was paramount. In fact, it was so profound that in September of 1988 the Federal Government, under the then Dept of Commerce USTTA, organized and paid for a coalition to travel to Europe to meet with travel agents, wholesalers, operators and media in London, Frankfurt and Paris to address their questions and concerns and assure them that Yellowstone was intact and visitors could indeed still experience the wonders of this national park.

Just spend an afternoon at Old Faithful or hang out in the lobby of Jackson Lake Lodge and you will personally know that these parks are revered by cultures from around the world. Clearly a tourism opportunity to promote our national parks as travel destinations to international visitors.

Thanks to the support and work of this Committee particularly, Senators Rockefeller, Klobuchar, Dorgan and Ensign the Travel Promotion Act was approved by Congress and signed into law on March 4<sup>th</sup> of this year.

The bill creates a nonprofit Corporation for Travel Promotion to better communicate our security policies and promote America as a premier travel destination. It will help address the sharp decline in the number of international visitors the United States has experienced since 2000.

The fact is that the world travel market is expanding but our share is shrinking. According to the U.S. Travel Association, of which I am a member, the U.S. welcomed 2.4 million fewer overseas visitors in 2009 than in 2000. Had we kept pace with the growth in international long-haul travel since 2000, the U.S. economy could have gained an additional \$509 billion in spending.

Yet, overseas tourists are going elsewhere and the reason is painfully simple; we haven't made a coherent effort to tell America's story – to say to legitimate foreign visitors that they are welcome here and that we are working every day to improve the entry experience for them.

We need look no further than last year's selection process for the 2016 Olympics. In explaining his vote against Chicago, an IOC member from Pakistan went out of his way to note that going through the entry process in the U.S. can be a harrowing experience. President Obama responded by offering "a reminder that America at its best is open to the world." The President was right.

The new Travel Promotion Act will go a long way to ensuring that the world views us as we really are, ready to welcome those who want to visit us and tour our national parks. And by attracting millions of new international travelers, the public-private partnership established under the new law will help generate \$4 billion annually in new revenue, create 40,000 new jobs and generate \$321 million in new tax revenue each year for the U.S. economy.

As the federal government moves to implement the Travel Promotion Act, it's critical that two issues receive immediate attention. First, funding for the new Corporation for Travel Promotion must be secured as quickly as possible. This year, the Corporation is eligible to receive \$10 million in start up funds from the U.S. Treasury. The funds are needed to form the Corporation, hire staff, develop marketing plans, lease office space and conduct activities that will allow the Corporation to credibly and successfully secure voluntary industry financial investments in year two. Without this initial transfer of funds, there is a great risk that the Corporation's efforts will be undermined from the outset.

I know the Committee is aware of this concern and is working with the Departments of Commerce and Homeland Security to determine the best path forward to provide the \$10 million transfer to the Corporation before Oct. 1. I thank you for your efforts to date and urge you to continue to work toward a successful resolution to this issue.

Secondly, a new effort is needed to provide the new Corporation for Travel Promotion and every state in America more reliable and valid data on where international visitors travel when they visit the U.S. Unfortunately, today, states like Wyoming are considered statistically insignificant and therefore we have no reliable data on the volume of our international visitors, their country of origin or the estimated economic impact to our state. This information is a fundamental component necessary for any international marketing campaign.

Without more reliable and valid data, the new Corporation for Travel Promotion will be unable to successfully target its marketing resources to attract more visitors, and states like Wyoming– which will be asked to provide matching in-kind and cash fund – will be unable to justify additional investment in the overseas markets as they cannot justify their existing investment based on the current lack of critical volume and spending data.

It is my hope that this Committee will work together with the Commerce Department and the states to achieve the collection of international traveler data that provides valid and reliable data for each of the 50 U.S. states and the five U.S. territories.

### **Presidents Initiatives on Travel & Tourism**

Like many others, we are very encouraged by this Administration's interest in this industry as an economic driver for America. The recent "America's Great Outdoors Initiative" is of particular interest to Wyoming, as was the passage of the Travel Promotion Act. We fully understand the value of travel as a means to provide immediate economic stimulus and look forward to doing what we can to support efforts to assure a healthy and prosperous future for Wyoming and the United States.