

THE PRESIDENT'S EXPORT COUNCIL

WASHINGTON, D.C. 20230

June 19, 2014

President of the United States of America
The White House
Washington, DC 20500

Dear Mr. President,

Last month marked the two year anniversary of the National Travel and Tourism Strategy (the Strategy) and the signing of an Executive Order tasking your Administration with attracting 100 million international visitors annually to the United States by 2021. The Strategy was an energizing document for agencies and the private sector, spurring them to work together to increase tourism exports to record levels. America's top services export is now travel and tourism and the industry recently exceeded pre-recession employment levels. There are three areas where we believe your continued support and engagement is critical to maintaining this positive momentum: supporting Brand USA and the JOLT Act, recommitting to the National Travel and Tourism Strategy with a focus on entry processes, and supporting infrastructure investment that helps the travel industry grow and remain globally competitive.

There is an expanding global marketplace for international travelers—in 2013, 1.1 billion international trips were taken. By continuing to promote productive policies that tap into this growing market and encourage visitors to come to the United States, we will continue to see growth in travel and tourism revenues and employment. In 2010, you signed the Travel Promotion Act into law, which created America's first ever marketing campaign to compete in the global marketplace for international travelers. Thanks to this action, we now have Brand USA encouraging visitors to come to the United States and educating travelers about our visa and entry policies to make their travel process smoother. A recent study of Brand USA by Oxford Economics found the following: a 47:1 return on investment, 1.1 million additional visitors, \$7.4 billion impact on the economy and over 53,000 domestic jobs created—all achieved at no cost to taxpayers.

Brand USA's continued efforts to attract a larger global share of the ever-increasing pool of international travelers is a critical component to achieving the goals set forth in both the National Travel and Tourism Strategy and the National Export Initiative. Brand USA must be reauthorized no later than September 30, 2015. Bipartisan legislation was recently introduced in both the House and the Senate to reauthorize the program for another five years. Congressional interest in passing reauthorization legislation this year reflects recognition that Brand USA's business model needs certainty and continuity to ensure the highest level of effectiveness. Your continued commitment to the organization and showcasing the benefits it provides the U.S. economy will be critical to the reauthorization effort.

Developing the Strategy was necessary to ensure our visa and entry policies anticipate the increase in demand generated by Brand USA's efforts. There has been significant progress since the Strategy was implemented: inbound international visitation has increased by eleven percent, total spending by four percent, exports by nine percent, and jobs by two percent.

This tremendous growth has been well supported by the Department of State and its efforts to improve visa adjudication processes. Currently, 92 percent of all U.S. tourist visa applicants receive interview appointments with consular officers in three weeks or less—exceeding the 80 percent goal set forth in the Executive Order—and 84 percent of applicants can get an appointment within 14 days. In Brazil, China, India, and Mexico, wait times are in the low single-digits compared to peaks in years past of three months. These wait times have been sustained despite increasing demand.

Notwithstanding this remarkable progress, there remain needed improvements to visa policy that must be changed by law. We support policies to modernize the criteria for entry into the Visa Waiver Program and further adjustments that would allow the State Department greater flexibility to streamline and improve the visa adjudication and renewal processes. Passage of the Jobs Originated through Launching Travel Act would accomplish these goals and mark another step toward our shared goal of increasing travel service exports. We appreciate the Administration's support of this legislation.

With increased international visitation to the United States, which reached a record seventy million visitors in 2013, it has become clear that our entry process also needs improvements to ensure a secure, efficient and welcoming experience at our ports of entry, particularly at key gateway airports where most international visitors arrive in the United States. The Department of Homeland Security (DHS) has expanded the Global Entry Program and the Transportation Security Administration's PreCheck program, both of which are designed to expedite "known travelers" through screening processes, allowing security personnel to focus on the travelers about whom they know less. This risk-based approach to screening rather than a one-size-fits-all method is a welcome step that should be expanded, properly resourced, and marketed in conjunction with the private sector to greatly enhance usage of both programs. Strategically expanding these programs could make a substantial impact on the efficiency of our screening efforts while maintaining our high standards for security.

We were pleased to see your renewed commitment to travel and tourism through your recent remarks in Cooperstown, NY and the memorandum establishing a national goal and airport-specific action plans to enhance the entry process for international travelers to the United States. We are hopeful that this next phase of the Strategy, with a focus on the entry experience, will encourage DHS to set needed targets and benchmarks for traveler processing. We expect your memorandum to serve as a catalyst for positive progress within DHS, much like the January 2012 Executive Order prompted State Department action to meet essential goals for efficient visa processing. We look forward to working with DHS and Commerce as they work in tandem to develop the goals and action plans requested in the memorandum.

Finally, we note that the United Nations World Tourism Organization is predicting sustained growth in travel and tourism for the foreseeable future, with an estimated two billion international trips being taken by travelers worldwide by 2030. Assuming demand for access to U.S. destinations grows proportionally and is accommodated by our visa and entry services, the travel and tourism industry faces an additional imminent challenge: a domestic infrastructure system that is increasingly unable to handle growing traveler volumes or facilitate movement

between ports, cities and destinations. At a fundamental level, our failure to compete with other global travel destinations in terms of transport reliability, intermodal connectivity and functionality inhibits both leisure and business travel. A robust, reliable and efficient passenger transport network is vital to sustained growth in travel services exports.

Unfortunately, the negative effects of limited infrastructure capacity are already being felt by the travel sector. Industry analyses show an increasing number of travelers altering or cancelling their trips as a result of escalating highway and airport congestion. Multiple critical interstate corridors connecting gateway cities to secondary destinations are projected to experience 140 to 160 percent of current average daily use (similar to Labor Day utilization today) within ten years. In the skies it is anticipated that, within a decade, on *two days every week* traffic levels at 25 of the nation's top thirty airports will be comparable to that currently experienced on the Wednesday before Thanksgiving—often the busiest air travel day of the year. Transit modernization is also important; U.S. cities without smooth intermodal connections between airports, rail and transit systems are less and less able to compete for major global conferences and events.

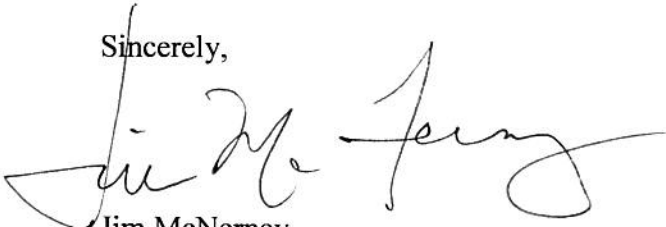
In March 2011, we made several recommendations to your Administration related to infrastructure investments that would increase our nation's capacity to export goods. Those recommendations remain germane today, and we again tender them by reference. We now further recommend that your Administration incorporate travel services export promotion in its broader infrastructure planning rubric.

As a first step, we applaud the Administration's inclusion of potential growth in travel and tourism as a "plus" factor in the awarding of federal transportation grants as part of the GROW America Act presented to Congress in April of this year. Further benefits could be gained through the development and execution of a national travel infrastructure strategy paralleling the comprehensive plan presented in our March 2011 letter. We recommend: (1) systematic identification of weaknesses and choke points in our travel infrastructure systems; (2) prioritization of infrastructure projects that will increase travel services capacity and exports by improving access to tourism destinations; and (3) development of a long-term comprehensive infrastructure funding strategy with Congress, and examination of existing and potential financing tools such as a National Infrastructure Bank leveraging private and other non-government resources to advance projects that could help drive exports. Our overarching national goal must be to build and maintain a travel infrastructure network that facilitates both domestic and international travel to and within the entire country.

In conclusion, the time is right to recommit to the National Travel and Tourism Strategy and we appreciate your efforts to that end. We celebrate the success of the efforts to improve our tourist visa processes, appreciate you undertaking a commitment to improve the traveler experience at our ports of entry, and look forward to a continuing and long-term commitment to support strategic travel infrastructure investments.

Thank you for your ongoing commitment to growing travel and tourism services exports, a key factor in ensuring we have many more record-breaking years ahead in this sector.¹

Sincerely,



Jim McNerney

¹ Please note this letter was prepared by the private sector appointed members of the PEC.