

Opening Statement of the Honorable Lee Terry
Subcommittee on Commerce, Manufacturing, and Trade
Hearing on “Vacation Nation: How Tourism Benefits Our Economy”
May 7, 2013

(As Prepared for Delivery)

Good morning and welcome to this morning’s hearing of the Commerce, Manufacturing and Trade Subcommittee. I am pleased to say that today we will be hearing from two stellar panels—one composed of private sector leaders and another composed of local and state leaders charged with promoting tourism within their communities. Both groups will be able to offer firsthand knowledge of the importance of tourism to our economy and why Congress should be paying attention to this industry and finding ways to promote its growth.

The travel and tourism industry provides good, middle-class, domestic jobs that, almost by definition, cannot be outsourced. According to Marriot’s testimony, a new hotel opening can generate almost 1,000 permanent new jobs, and for every five new hotel rooms they build, three American jobs are created. This does not take into account construction jobs and other indirect jobs that go into the building and maintenance of the property. The U.S Travel Association will describe a similar statistic - for every 33 travelers who visit the U.S. from abroad, one U.S. job is created, they claim. And as if these numbers aren’t convincing enough, we’ll also hear from the restaurants about how their members employ 13.1 million Americans –thanks in large part to 25 percent of their sales coming from travel and tourism dollars.

These numbers are impressive. And as someone who once worked in the service industry - both at an amusement park and in a restaurant - I can attest that the jobs created when restaurants, hotels and amusement parks grow are good, honest, paying jobs that can help our young people get to work and perhaps open their eyes to a career with unlimited growth.

What is not impressive, and what I am concerned with, is the current status of the U.S. when it comes to competing for foreign travelers. In 2000, the U.S. had 17 percent of the worldwide market for tourism. Today we are somewhere around 13 percent. Why has there been a decrease? The average overseas traveler that visits the U.S. spends around \$4,500 and 18 nights per trip—but we are getting fewer of these travelers to visit us.

In 2010, Congress passed and the president signed into the law the Travel Promotion Act. This law, among other things, authorized a public-private corporation now known as Brand USA. While Brand USA is not the main subject of today’s hearing, I can say with a high level of certainty that it will be the subject of a future hearing. However, many of Brand’s board members and supporters are sitting before us today, and I would like to hear, specifically, in dollars and cents, how you think Brand USA has helped your business, and by extension, our economy. I would also like to hear from the local tourism directors what role the federal government has in this type of program, given that Visit Florida alone plans on spending \$63.5 million in FY2013-2014 on travel promotion.

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