

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

RPTS KERR

DCMN HOFSTAD

VACATION NATION: HOW TOURISM BENEFITS OUR ECONOMY

TUESDAY, MAY 7, 2013

House of Representatives,

Subcommittee on Commerce, Manufacturing, and Trade,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 10:32 a.m., in Room 2322, Rayburn House Office Building, Hon. Lee Terry [chairman of the subcommittee] presiding.

Present: Representatives Terry, Lance, Blackburn, Harper, Bilirakis, Long, Schakowsky, Butterfield, Sarbanes, Matheson, Barrow, Christensen, and Waxman (ex officio).

Staff Present: Kirby Howard, Legislative Clerk; Nick

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

Magallanes, Policy Coordinator, CMT; Brian McCullough, Senior Professional Staff Member, CMT; Gib Mullan, Chief Counsel, CMT; Andrew Powaleny, Deputy Press Secretary; Shannon Weinberg Taylor, Counsel, CMT; Michelle Ash, Minority Chief Counsel; and William Wallace, Minority Professional Staff Member.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. All right, I think we are ready to start.

Thank you all for being here. Good morning, and welcome to this morning's hearing of the Commerce, Manufacturing, and Trade Subcommittee.

And I am pleased to say that today we will be hearing from two stellar panels, one composed of the 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 their 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 almost by definition that can't be outsourced. According to Marriott's testimony, a new hotel opening can generate 1,000 permanent new jobs. For every five new hotel rooms they build, three American jobs are created. This does not take into account construction jobs or other indirect jobs that go into the building and maintenance of the property.

The U.S. Travel Association will describe similar statistics. For every 33 travelers who visit the U.S. from abroad, 1 U.S. job is created, they claim. And as if these numbers aren't convincing enough, we will also hear from the restaurants about how their members employ 13.1 million Americans thanks in large part to 25 percent of their

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

sales coming from the travel and tourism dollars.

These numbers are impressive. And as someone who once worked in the service industry at an amusement park and in restaurants, 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 find work and perhaps open their eyes to a career of 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, though we are getting fewer of these travelers to visit the U.S.

In 2010, Congress passed and the President signed into law the Travel Promotion Act. This law, among other things, authorized the public-private corporation 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. Now, however, as many Brand board members and supporters are sitting before us today, I would like to hear specifically in dollars and cents how you think Brand USA has helped your businesses and, by extension, our economy.

I would also like to hear from the local tourism directors what

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

role the Federal Government has in this type of program, given that Visit Florida alone plans on spending \$63.5 million in fiscal year 2013-2014 on travel promotion.

So thank you to this panel and our next panel for traveling to Washington, D.C., spending a night in a hotel, hopefully, and spending some money in our restaurants. I look forward to your testimonies and now yield the remaining minute to the gentlelady from Tennessee.

[The prepared statement of Mr. Terry follows:]

***** COMMITTEE INSERT *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mrs. Blackburn. I thank the chairman for yielding.

And I tell you, in Tennessee, we are pleased with what happens with our tourism industry.

And, Mr. Chairman, I ask unanimous consent to insert into the record a statement from the Tennessee Department of Tourism commissioner, Susan Whitaker.

Mr. Terry. Without objection, so ordered.

[The information follows:]

***** COMMITTEE INSERT *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

Mrs. Blackburn. And Commissioner Whitaker oversees a \$15.36 billion industry in our State, employs 143,000 Tennesseans, and she is a true travel professional. We appreciate her good work.

And I yield back.

Mr. Terry. Thank you.

[The prepared statement of Mrs. Blackburn follows:]

***** COMMITTEE INSERT *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. I will yield back the last 44 seconds and now recognize the ranking member of the committee, Jan Schakowsky.

Ms. Schakowsky. Thank you, Mr. Chairman. And thank you for yielding and for holding this important hearing.

I welcome all our witnesses and look forward to hearing from them, for me especially Ms. Speckman, who I am glad is here today representing Chicago's North Shore Convention and Visitors Bureau. Happens to be my home area.

Travel and tourism play a major role in our country's economy, with almost 8 million Americans in jobs tied to the tourism industry. It is important to determine how well the United States is doing in comparison to other countries in attracting foreign visitors. It is also important that we evaluate best practices in attracting visitors, both foreign and domestic, to different locations around the country. We can learn a lot from our panelists about what strategies are working and how they can be implemented.

Promoting travel and tourism is a national priority, and the House has worked in a bipartisan effort to promote the industry. The Travel Promotion Act of 2009, which established a nonprofit corporation to promote travel to the United States and of which I was a cosponsor, is just the most recent example.

Last year, President Obama brought our national effort a step further by designating a task force on travel and competitiveness,

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

which outlined a strategy to attract more foreign travel. The strategy included coordinated promotion of the United States as a destination of choice, efficiency measures to facilitate easier travel to and from the U.S., enhanced customer service, and performance-based measurements. It is a strong guiding document to help facilitate increased travel and tourism to the United States.

From the greatest city in the world -- that would be Chicago -- to the home of Abe Lincoln, to abundant activities in the great outdoors, my home State of Illinois has something for everyone. The State is actively engaged in advertising efforts to attract new visitors, and it has made planning Illinois travel easy with the EnjoyIllinois.com Web site. By ranking in the top 10 States for both domestic and international travel and with \$32 billion spent by visitors to Illinois in 2011, the effort to attract travel and tourism is paying off. My district has benefited significantly from the travel and tourism industry, and I look forward to hearing from Ms. Speckman about what has made Illinois and the North Shore so successful in attracting visitors.

I look forward to learning from the expertise of our witnesses and leveraging their insight in order to enhance national, regional, and local tourism.

And I will yield the remainder of my time to Dr. Christensen.

[The prepared statement of Ms. Schakowsky follows:]

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

***** COMMITTEE INSERT *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Dr. Christensen. Thank you for yielding.

And thank you, Chairman Terry and Ranking Member Schakowsky, for holding this hearing on the important role that tourism plays in the U.S. economy. And it gives me a chance to highlight the role it plays in the economy of my district, the U.S. Virgin Islands.

Whether it is because of a natural or financial disaster, many of the districts we represent are economically challenged. This sequester is only exacerbating this crisis. Fortunately, tourism, with some minor ups and downs, like health care, has been what has continued to create jobs and keep many of us afloat.

Today, it gives me great pleasure to introduce an individual who can outline the importance of this sector to our community and the person who with excellence and passion leads our Department of Tourism in the U.S. Virgin Islands. And she will be on the second panel, but let me just say a few words about Beverly Nicholson-Doty, who was appointed our commissioner of tourism in 2007.

Earlier in her career, Commissioner Nicholson-Doty served as the executive director of the St. Thomas-St. John Hotel and Tourism Association, and she was the president of the USVI Hotel and Tourism Association in 2004. I had the pleasure of being at the meeting when Mrs. Nicholson-Doty was elected the chairwoman of the Caribbean Tourism Council of Ministers and Commissioners in 2012.

Under her direction, the U.S. Virgin Islands has experienced

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

noteworthy growth in airline and cruise industry travel, including the return of the cruise industry to St. Croix. And under her leadership, we have seen our tourism product improve to meet the changing demands and to remain competitive. I am happy that she is here with us today to share her insight and experience in the tourism industry.

I have is a lot more to say, but I will save it for my 5 minutes. So let me welcome all of our witnesses here this morning and yield back my time.

[The prepared statement of Dr. Christensen follows:]

***** COMMITTEE INSERT *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Ms. Schakowsky. I yield back the remaining unless there is -- okay. I yield back my time. Thank you.

Mr. Terry. All right. Thank you.

At this time, I will yield to the gentleman 1 or 2 minutes, Lance, Leonard.

Mr. Lance. One and a half.

Mr. Terry. One and a half minutes to the gentleman from New Jersey, the vice chairman of this subcommittee.

Mr. Lance. Thank you, Mr. Chairman.

Tourism is one of the top job- and revenue-yielding industries in this country. And it certainly has a large economic impact in New Jersey, which attracts tourists for work and play to rural and urban settings alike. Whether for sports events in the Meadowlands in northern New Jersey -- and the Super Bowl will be held there next winter -- Federal area history in central New Jersey, places including the Battle of Trenton and the Battle of Princeton, important in our Nation's history, or agricultural venues throughout the State, there has been tremendous growth in the volume of visitors and in the size of their economic impact. The industry generates \$17.8 billion in consumer spending in New Jersey and directly supports over 150,000 jobs.

Many will recall the JetStar, a much-beloved roller coaster at the New Jersey shore in the town of Seaside Heights which became iconic

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

of damage from Superstorm Sandy when it was submerged into the Atlantic Ocean last October. Despite Sandy, New Jersey experienced a record-setting year, and we hope for an even better year this year.

Concerns within New Jersey's tourism industry are familiar to other States, as well. Struggles over seasonal or part-time worker coverage within the Affordable Care Act make it difficult to forecast business expenditures. Tax uncertainty causes confusion for those who own small businesses, and I know Congress is working on that in a bipartisan capacity this year.

Just last year, 2012, the U.S. recorded a \$45 billion trade surplus for travel and tourism, and international visitors spent an enormous amount of money here in this country. Bringing more tourists to the United States will improve those figures and boost employment.

We owe our tourism-supported businesses clarity in regulatory matters so they can focus on doing their job and bringing revenue streams into their communities. And, certainly, I welcome all visitors, domestic and foreign, to this country and, indeed, to New Jersey.

Thank you, Mr. Chairman.

Mr. Terry. Thank you.

[The prepared statement of Mr. Lance follows:]

***** COMMITTEE INSERT *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. And I now recognize the gentleman from Florida, Mr. Bilirakis, for his minute and a half.

Mr. Bilirakis. Thank you, Mr. Chairman. I appreciate it very much. Thank you for holding this hearing.

From my perspective as a Floridian, this is an excellent hearing topic. Florida is a global hub for commerce and travel, and the State is an exceptional attraction for tourism. Whether you would like to enjoy a nice walk on the beach, some sunshine, some excellent seafood, spectacular nature and wildlife, roller coasters, or professional sporting events, Florida has something entertaining and relaxing for everyone.

Tourism is the lifeblood of the Florida economy. More than 1 million Floridians are directly employed by the tourism industry. Throughout our entire country, one out of every eight American jobs depends on travel and tourism. Last year, international travelers to the United States spent more than \$128 billion. Increased tourism means more for America and for Floridians -- more jobs for Americans and Floridians.

I look forward to hearing from our witnesses today about the economic importance of tourism and how we can support it. In particular, I welcome Mr. William Seccombe to subcommittee. Mr. Seccombe serves as the president and CEO of Visit Florida, the State of Florida's official not-for-profit tourism marketing corporation.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Visit Florida serves as Florida's source for travel planning to visitors from across the globe. And I look forward to his testimony, of course, his presentation before this committee.

And I thank you, Mr. Chairman. I yield back the balance of my time.

Mr. Terry. Perfectly timed.

[The prepared statement of Mr. Bilirakis follows:]

***** COMMITTEE INSERT *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. And now the gentleman from Missouri, Mr. Long, is recognized for your minute and a half.

Mr. Long. Thank you, Mr. Chairman.

And it is indeed an honor to have you all here today and talking about tourism in the United States. And, particularly, I want to talk about tourism in my district, and that being Springfield, Branson, and Joplin, Missouri, the southwest corner of the State.

And there was a lady named Herschend, that her and her family found a little cave, a marble cave down just south of us, oh, probably 30 miles, back in the late 1950s and developed the cave, felt people would like to take tours of this cave. And then they decided, well, maybe they will build a little theme park, an 1880s theme park around it, and that grew up into Silver Dollar City. And now they just announced a year ago that they are going to build the world's largest wooden roller coaster with the steepest drop, 81-degree drop, 3 inversions.

When they announced that, to tell you the impact of tourism in this country and internationally, when they announced that, in Europe, they had people from Europe literally that bought plane tickets, came over, got hotel rooms, and rode the little train around Silver Dollar City where I used to ride with my grandmother. I loved it when they would hold her up on the train and rob her. But --

Mr. Terry. In 1880.

Mr. Long. Do you all hear static in the background?

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

But now those people came just to see where this was going to be built, this large wooden roller coaster.

From that, I would also tell you that my hometown is Springfield, Missouri, where a young college kid had a dream of putting a few fishing lures in the back of one of his dad's brown derby stores, and said, "Dad, I think we can sell discount tackle." That has grown into Bass Pro Shops, which is headquartered in Springfield. Drew over 7 million visitors to Bass Pro Shops in Springfield, Missouri, last year, and 1.9 million to Silver Dollar City, not to mention all the folks in Branson, which is the leading tourist destination in the United States, in my opinion anyway.

I rest my case.

Mr. Terry. Thank you, Mr. Long.

[The prepared statement of Mr. Long follows:]

***** COMMITTEE INSERT *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. Now I recognize the ranking chairman of the full committee, Mr. Henry Waxman.

Mr. Waxman. Thank you very much, Mr. Chairman.

I am pleased you are holding this hearing on tourism in the United States. And I especially thank you for inviting Ralph Witsell of the Discover Torrance Visitors Bureau to testify on the second panel.

Discover Torrance has worked diligently to promote Torrance, California, and the broader beach cities, South Bay region, including Redondo, Hermosa, and Manhattan Beaches as an attractive location for both leisure travel and business conferences. These communities have stunning views, exhilarating water sports, and incredible restaurants, and they provide affordable lodging with access to two major airports and attractions throughout the Los Angeles area.

Today, travel and tourism is one of our Nation's top service industries. According to the Department of Commerce, over 7 million people are employed in jobs related to tourism. These jobs won't move offshore, and they often provide Americans with significant opportunity for advancement.

My home State of California is a major tourist destination for Americans from all over the country and is the transpacific travel gateway. The tourism and hospitality industry is an indispensable source of jobs and revenue, particularly in Los Angeles, which welcomed a record 41.4 million visitors in 2012. The congressional district

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

I am proud to represent in Los Angeles is the home of world-class tourist destinations like Beverly Hills, Rodeo Drive, and the Santa Monica Pier. My district also has lesser-known but wonderful destinations like the Conejo Valley. And I applaud the city of Agoura Hills for joining with Thousand Oaks to establish a tourism initiative to attract more travelers to this beautiful region.

President Obama demonstrated he understands the value of tourism promotion. One year ago, the administration released a national travel and tourism strategy that created a blueprint for effective Federal, State, local, and industry coordination to promote travel to locations nationwide.

This strategy, along with other efforts, has had an impact, particularly attracting greater numbers of international visitors, who tend to travel for a longer period of time and put more money into the economy. Just yesterday, the Department of Commerce released data showing that international visitors contributed \$43 billion to the U.S. economy in the first quarter of 2013, which is an increase of nearly 3 percent when compared to last year.

I have long advocated for a national tourism strategy that works for both internationally known attractions like Rodeo Drive and those that are lesser known like the pristine beaches of the South Bay. I also support efforts to ensure travelers have a positive experience throughout their trip, whether renting a car or booking a hotel room

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

or dealing with government entities like TSA and the National Park Service.

It is these insights in hearings like this that will enable us to better understand tourism promotion so that we can work together to maintain strong growth in travel and tourism industries. I look forward to all the witnesses' testimony and to our discussion at this hearing.

I just have to say, unfortunately, Mr. Chairman, there is another hearing going on in another subcommittee on energy policy that I also must attend, so I'll be back and forth. But I thank you for holding this hearing. It's an important one. And I am glad all of our witnesses are here today.

Whether you are hearing about California, which is the primary, wonderful destination for people all over the country or the world, or Chicago, which is called the second city for good reason, all of us represent places you all want to see and visit and spend a lot of money.

Thank you.

[The prepared statement of Mr. Waxman follows:]

***** COMMITTEE INSERT *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. Then Omaha must be the third city. And we are very proud of our pristine sandbars along the Missouri.

At this time, I am going to introduce our first panel. We have Roger Dow, president and CEO of U.S. Travel Association; Kathleen Matthews, executive vice president and chief of global communications and public affairs for Marriott International; Brian Rothery, assistant vice president, government affairs, for Enterprise Holdings; Lori Gaytan, senior vice president, Americas HR and global reward, InterContinental Hotels Group -- thank you; and Hudson Riehle, senior vice president, Research and Knowledge Group, National Restaurant Association.

And some of you are familiar with this process. Each of you will get 5 minutes. We will go from Mr. Dow to Mr. Riehle. You have a light in front of you. When you see the yellow, that means think about your conclusion.

So, Mr. Dow, we appreciate your testimony. You are recognized for 5 minutes.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

STATEMENTS OF ROGER DOW, PRESIDENT AND CEO, U.S. TRAVEL ASSOCIATION;
KATHLEEN MATTHEWS, EXECUTIVE VICE PRESIDENT AND CHIEF GLOBAL
COMMUNICATIONS AND PUBLIC AFFAIRS OFFICER, MARRIOTT INTERNATIONAL,
INC.; BRIAN D. ROTHERY, ASSISTANT VICE PRESIDENT OF GOVERNMENT AFFAIRS,
ENTERPRISE HOLDINGS, INC.; LORI GAYTAN, SENIOR VICE PRESIDENT OF HUMAN
RESOURCES, INTERCONTINENTAL HOTELS GROUP; AND HUDSON RIEHLE, SENIOR
VICE PRESIDENT, RESEARCH AND KNOWLEDGE GROUP, NATIONAL RESTAURANT
ASSOCIATION

STATEMENT OF ROGER DOW

Mr. Dow. Thank you very much, Chairman Terry.

I have to say this panel is extraordinarily well-versed in the facts. I could just leave right now because you have covered all the pertinent facts, but maybe I could add a little color. I have had the opportunity, I grew up in your State, and I have lived in six of your States, thanks to this great industry. So it is terrific to be here.

U.S. Travel is the nonprofit organization that represents all of the travel industry. I had the pleasure of testifying before this subcommittee last year on the economic impact, and I return with some good news.

You have stated the numbers extremely well. We are \$885 billion

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

to the U.S. economy of people that get their paychecks from folks like this, but another \$1.2 trillion when you think about all the people that make the vans and the signs and the flowers, et cetera; \$120 billion in taxes. So we are kind of a darling of the economy.

When you look at, just as you said, jobs, Mr. Long, one in eight jobs -- and in Florida you have talked about jobs, how important they are. And we are in the top 10 employers in all 48 States, territories, and the District of Columbia -- 2 states not, but 48 of the States. And that is terrific.

And I want to talk about one of the more lucrative sectors, and that is overseas travel. Thirty million overseas visitors came to the U.S. last year. They stay longer, 18 nights on average. They spend more, \$4,500 per person. And as you stated, every plane that lands, 33 of them add 1 new American job that can't be outsourced

We have been a very resilient group, restoring 85 percent of the jobs lost in the downturn versus the rest of the economy, 69 percent, and being the number-one service export, with \$160 billion to the U.S. economy. So every 1 percent that we improve adds another \$1.6 billion that wasn't here. These folks leave their money, and they go home. It is a wonderful thing for our economy.

Department of Commerce just said -- their numbers are released -- we are growing three times faster than all other industries. And enormous potential. You talked about 17 percent

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

share 13 years ago in 2000; now 13 percent. So it just shows the opportunity.

I come with some good news today. First of all, Brand USA, thanks to the support of so many of you, was enacted from the Travel Promotion Act, which 3 years ago passed. And Brand USA promotes the U.S. as a destination. It levels the playing field. The gentlemen from California and Florida are blessed with huge budgets to promote, but so many other States aren't, and territories. And this gives an opportunity to level the playing field across America, and I think that is one of the important roles.

And even for Florida and California, until people decide to come to the U.S., their dollars don't go very far. So this Brand USA does a great job of getting people to understand U.S. Just starting out, Brand USA has done a tremendous job of improving that important statistic of intent to travel here, double digits. In the countries where they are promoting, double digits intend to come to the U.S. So it is going to be is a huge opportunity. And, as you all know, not one penny of taxpayer funds fund Brand USA.

The second thing is the visa wait times, a lot of good things have happened. State Department has driven down the visa wait times by 90 percent. It used to be over a 100 days to get a visa interview in China and Brazil. It is now under 10 days and actually about 5 days.

Adding visa-waiver countries, we went from 27 to now 37, with

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Taiwan being added in as the 37th visa-waiver country in November. And those countries do a tremendous amount already improving travel. When South Korea went to the visa-waiver program, in the last 3 years, South Korea is up 63 percent -- 1.2 million visitors, \$4.2 billion, 34,000 jobs.

And there is legislation before you all, and one of my colleagues will talk a little more about that, the JOLT Act, which is very important to keeping these wait times down, adding visa-waiver countries from low-risk countries like Brazil, Chile, Argentina, Poland, very important to your area, and Israel, so very important. It is also important that that JOLT Act asks to test secure videoconferencing for interviews in many remote areas. So we have 37 cosponsors on the JOLT Act. I hope those that are not cosponsoring will do so.

But all this goes for naught if we don't do a better job of getting people into the country through customs. We have got this funnel that we built here, and Customs and Border Protection are operating as best they can with the resources they have, but they are resource-constrained. To me, it is just like having two cashiers at Costco on a Christmas holiday or during the holidays that just can't make it happen.

So there is legislation in the budget -- the budget has been presented -- for 1,200 new CBP officers, and the Immigration Act asks for 3,500. And we need those at our southern borders but also at our

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

airports that are very important. People tell us they are avoiding the United States because of the fact it is difficult to get through customs, a 4-hour wait sometimes, which is just inexcusable and drives people to other destinations.

Lastly, business travel is robust. For every dollar -- we just did a research study, came out today. Every dollar spent in business travel yields over \$12 in revenue and almost \$3 in profit. Those companies that travel more get more business, simple as that.

And I ask you, when we think about the government travel, that we really think about not having excess but important travel and keeping that measure of what is the right travel, where does it add value. And that would be very important.

I thank you for the chance to testify, and I appreciate all you do to support this industry.

Mr. Terry. Thank you.

[The prepared statement of Mr. Dow follows:]

***** INSERT 1-1 *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. At this time, we now recognize Ms. Matthews.

STATEMENT OF KATHLEEN MATTHEWS

Ms. Matthews. Chairman Terry, Congresswoman Schakowsky, members of the subcommittee, thanks very much for this opportunity to speak on behalf of my company, Marriott International, and also our industry.

Marriott, as you may know, is a global hotel chain of 3,800 hotels, 3,200 of which are here in the United States, where we got our start as a company 85 years ago. We operate in all 50 States, including many of your districts, and I hope we have had a chance to host you at one of our hotels over the years.

Our company, I think, is a really good example of the American dream. We started in 1927 as a nine-seat root beer stand not far from here on 14th Street NW. This was the dream of our founders, a young couple, J. Willard Marriott and his wife, Alice Marriott. They traveled from Utah across the country in a Model T Ford. That root beer stand became a chain of restaurants known as the Hot Shoppes. And 30 years after they had begun, they opened up their first Marriott hotel, also here, just across the river on 14th Street -- across the 14th Street Bridge in northern Virginia. That was the first Marriott hotel. And it was right near what was called Hoover Field, which is

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

now Reagan International Airport.

Today, we employ 325,000 people at our managed and franchise hotels. These are across 14 different brands that range from Ritz-Carlton at the top end all the way down to Fairfield Inn at the budget category but include Renaissance, Courtyards, and Marriotts.

We are proud to be part of the economic growth that Roger Dow has just talked about, especially during this economic downturn that we have just been coming out of. And as a company, beyond our profits, we also have a company purpose, and that is to open doors to a world of opportunity. Our number-one core value as a company is to put people first. That not only means taking care of our guests, but it also means taking care of all of those employees that wear the Marriott name tag.

So my hope today is to provide some information to the subcommittee that will help you further consider and support Federal policies that will help us as a company and as an industry to open more doors to that world of opportunity we all aspire to.

As the chairman referenced, every time we open up a new hotel, we generate hundreds of construction jobs, and we can generate in a large hotel as many as 1,000 permanent jobs. This is also contributing millions of dollars in tax revenues into government.

And our hotels become a focal point for so many things in the community -- community events, meetings. And they also spark additional development. So a hotel going into a place like Times

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Square can transform Times Square into a place that brings tourists back again and again.

And just as a local example, several blocks from here, we have construction cranes right near the D.C. Convention Center on 9th Street. This will be the site of the new Marriott Marquis, which is going to have 1,100 rooms, will spark tourism to our Nation's capital, and will have thousands of jobs associated with that new hotel.

Beyond the immediate jobs, we always like to talk about the ripple effect or the multiplier effect in our industry because the opportunities we provide boost disposable income that is reinvested into the local economy. This is the disposable income created by salaries but also by our supply chain as a company.

And partnering with global researchers right now, we are mapping that ripple or multiplier effect -- specifically, what any new hotel in any one of your districts would mean to the local community and the local economy, from our suppliers, our vendors, and all the people that we do business with. We are just in the beginning stages of this research. We are really excited when it is completed to be able to share it with you, as we are sharing it with governments all over the world, because this kind of a thing is happening everywhere around the world where we are building hotels and where travel and tourism is really growing.

But just kind of bottom line, we know that for every full-service

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

hotel, like a Marriott, we send millions of dollars of buying power back into local communities through the salaries and supply chain. And, as you said, Mr. Chairman, for every five full-time full-service hotel rooms that went add to the system, that creates three jobs. So, five hotel rooms, three new jobs to the economy.

And we also like to stress that these are not low-wage, low-opportunity jobs. Our jobs are a gateway to the middle class for many people, particularly for individuals who may have not had training, because they get the training at our hotels. We cross-train. We promote, where possible. We provide benefits for our employees. And at Marriott 90 percent of our workforce is full-time, even though the perception may be that these are part-time jobs.

And our industry, I think, is unique in this respect because a housekeeper can become the general manager of a hotel. A lifeguard can become the head of a major travel association. Roger Dow, to my right, started as a lifeguard at our Saddle Brook, New Jersey, hotel. It was our sixth hotel in the Marriott system. When he joined that hotel, he was told maybe Marriott will grow to 100 hotels. Now we are at 3,800 hotels in his lifetime. So this shows that incredible multiplier effect.

And, of course, as people join the middle class, they suddenly become travelers themselves, so you see this virtuous cycle continuing again and again. And that is why in 2012 we hit that amazing milestone,

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

which was 1 billion international trips made in the world. These were not 1 billion individual travelers but 1 billion individual trips of people outside their home country, many of them coming here to the United States.

So, as a company, we want more people to see the world, and this is a campaign we would love to have you join us as part of. Because if we want to get to 2 billion trips, there are a number of things that we want to do. I know my time is getting short, so just to reiterate what Roger Dow had talked about, we want to make sure that when people make that trip, that they go to Orlando or to Branson and not just to Paris, which is what the trend has been.

So we see other countries getting very competitive on this front. There is a lot of competition, as you talked about, Mr. Chairman. And so the number of things you could do would be to support Brand USA. Marriott is very involved with that. Our chairman is actually on the Brand USA board. Reauthorizing and making permanent reauthorization for Brand USA is a critical component for us to be competitive.

We also want to make sure that we continue to support the President's travel/tourism strategy with things like the JOLT Act. And that is another way that you really can support our industry.

So thanks very much for your commitment to this. We heard it in all of your remarks. And we look forward to helping you in this campaign to get more people to see America. Thank you.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

Mr. Terry. Thank you very much.

[The prepared statement of Ms. Matthews follows:]

***** INSERT 1-2 *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. Mr. Rothery, you are now recognized.

STATEMENT OF BRIAN D. ROTHERY

Mr. Rothery. Thank you.

Good morning, Chairman Terry and Ranking Member Schakowsky and members of the Subcommittee on Commerce, Manufacturing, and Trade. My name is Brian Rothery, and I am the assistant vice president of government and public affairs for Enterprise Holdings, which operates the Enterprise, Alamo, and National Car Rental brands.

Chairman Terry, thank you for holding this hearing on the impact of tourism to our economy. The rental car industry plays a vital role in the tourism industry, helping people get from point A to point B, whether they are conducting meetings, visiting family, or taking vacations, and particularly those international visitors that Roger mentioned that spend more and stay longer -- very important.

But first I would like to point out the special meaning of the name "Enterprise." Enterprise Holdings' founder, Jack Taylor, served as a decorated pilot in World War II while stationed aboard the USS Enterprise. After the war, Jack began with seven cars and one employee, what we now know as Enterprise Holdings. More than 56 years later, our privately held and still Taylor-family-owned company accounts for \$15.4 billion in revenue and operated 1.3 million vehicles

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

at 8,200 locations throughout the world. That was all in 2012.

So a bit about the rental car industry generally speaking. There are more than 18,000 car rental branches in the United States, operating a fleet of 1.9 vehicles, producing an approximate revenue of \$24 billion.

The simplest way to look at our industry is to divide the nearly \$24 billion industry into two equal parts: Approximately \$12 billion generate at the airport; the other \$12 billion coming from the neighborhood locations throughout the communities that you represent. The revenue parity between the airport and the neighborhood market continues to surprise many, despite the fact that these two markets have been roughly of the same size since Auto Rental News first reported that fact in 2006.

The industry groups its transactions into three categories: corporate, replacement, and leisure. So the \$12 billion neighborhood market is approximately 40 percent replacement, 40 percent leisure, and 20 percent corporate -- I will explain this in a moment -- while the \$12 billion airport market is approximately 60 percent leisure and 40 percent corporate.

So let's take a closer look. The neighborhood corporate rental accounts for \$2 billion in annual revenue. Examples include an architect renting a car to make a 150-mile roundtrip to go visit a job site or a State employee making a 200-mile roundtrip to visit the State

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

capital for a meeting in lieu of driving their personal vehicle.

It is also important to note the important role the neighborhood corporate market plays following natural disasters. The extensive network of locations throughout your districts and across the country are able to put utility companies, government agencies, insurance adjustors, and catastrophe teams on the road to help stimulate and get recovery under way as soon as possible.

Neighborhood replacement accounts for \$5 billion in annual revenue, consisting of rentals to consumers who need to rent a car due to the theft or repair of their own car. Many of these rentals are paid for by insurance companies as part of the claims process or are provided as a courtesy of an auto manufacturer while a vehicle undergoes warranty repair.

Neighborhood leisure accounts for \$5 billion in annual revenue. Examples include a larger vehicle to take a family vacation, a cargo van to take a child to college, a luxury car for a special occasion such as a wedding, or even a pickup truck to facilitate a weekend project in the yard.

Some are surprised to learn the car rental industry caters to the needs of many who do not own vehicles. For many urban dwellers, it isn't practical to own a car, and some renters simply can't afford car ownership. Whatever the reason, these customers rent when public transportation can't meet their needs.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Airport corporate rental accounts for \$5 billion, which serves the needs of those deplaning passengers needing a car on government or business travel.

And, finally, last but certainly not least, airport leisure accounts for \$7 billion in revenue, which is the largest single revenue category, and it is also the most fun, because most of those folks are going on vacation.

So a bit about employment in the car rental industry, picking up along what Kathleen just mentioned. The most recent data shows the car rental industry supported close to 124,000 jobs in the U.S., generating payroll of more than \$4.6 billion. Like many of these jobs throughout the travel industry, even entry-level positions in the car rental industry are often more of a career than just a job. In the case of Enterprise Holdings, nearly every member of our senior leadership team all began their career with Enterprise Holdings, just as I did 16 years ago, as an entry-level management trainee. We learned the business from the ground up. That is just the way we do it.

So now a bit about the car rental industry and its connectivity to the American automotive industry. In 2010, U.S. car rental companies purchased about 1 million vehicles from the big three -- about 16 percent of the output. Because rental car companies purchase so many cars, the rental car industry provides predictability

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

for the auto manufacturers confronting complex and costly scheduling and utilization concerns.

In order to sell used cars back into the consumer markets, rental car companies and manufacturers use a variety of channels, including auto auctions, auto dealerships, and some direct retail operations. Auto dealerships rely on the steady influx of reasonably priced, well-maintained, used rental vehicles that are, on average, 1 year old with relatively low mileage. Moreover, car rental companies purchase a diverse mix of models, providing excellent exposure for new car introductions. And as consumer studies reveal, consumers are more likely to buy a vehicle after renting it. We play a role in introducing consumers to new technology, including green technology, hybrid vehicles and so forth.

And I want to mention one thing as I am getting a note from the chair to wrap things up. We are here to present positive information about our industry, and it is largely positive. I would be remiss if I didn't mention the one thing that continues to be an impediment to our success.

Unfortunately, many State and local lawmakers continue to believe car rental taxes are a convenient way to export tax burdens to nonvoters. It is a modern-day version of taxation without representation. Senator Russell Long may have said it best: "Don't tax you. Don't tax me. Tax that fellow behind the tree." Today, car

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

rental customers are that fellow behind that tree.

The problem of excessive taxation of car rental customers, left unchecked, can and will harm our industry. And I encourage this Congress to explore ways to address the problem, the same way it did for trains, airlines, and buses in previous Congresses.

So as the U.S. continues to emerge from the recession, it is essential that Americans continue to travel and rent cars, it is essential that car rental companies and the entire travel industry preserve these meaningful jobs.

And I want to wrap up my remarks, and I would be happy to answer any questions.

Mr. Terry. Thank you.

Mr. Rothery. Thank you.

[The prepared statement of Mr. Rothery follows:]

***** INSERT 1-3 *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. Ms. Gaytan?

STATEMENT OF LORI GAYTAN

Ms. Gaytan. Chairman Terry, Ranking Member Schakowsky, and members of the subcommittee, my name is Lori Gaytan, and I am senior vice president of human resources for InterContinental Hotels Group. Thank you for the opportunity to speak today on how tourism benefits our economy.

IHG is the parent company for two of the most iconic brands in the hospitality industry, Holiday Inn and InterContinental Hotels. We are the largest hotel company in the world by number of rooms. Our 676,000 rooms host 157 million guests each year in 4,600 properties in nearly 100 countries and territories. More than 3,100 of our managed and franchised hotels are right here in the United States. IHG owns just five of those U.S.-based hotels. The rest are owned by franchisees, many of whom are small-business owners operating hotels in their local communities.

As others have testified today, the travel industry is a significant contributor to the U.S. economy. IHG asked Oxford Economics to quantify IHG's impact on economic development, and they found that IHG hotel operations and the spending associated with those hotels support close to 2 million jobs and \$100 billion in sales.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

In 2012, IHG hired 5,000 people in our corporate offices and managed hotels in the U.S. Our managed and franchised hotels employ approximately 220,000 employees in the United States. Last year, we opened 133 new managed and franchised hotels, and we are continuing to grow, with 1,250 hotels currently in our U.S. pipeline. We expect to hire 32,000 new employees to staff those properties.

Being hired by IHG is often the first step in a long and satisfying career. More than half of IHG's managers and two-thirds of our directors have been promoted internally. Paul Snyder, who is IHG's vice president for corporate responsibility, got his start as a line-level employee. He actually was a bartender at the Holiday Inn in Rolling Meadows, Illinois.

And Michel Chertouh joined IHG in Paris as a trainee in 1984. During the next 24 years, he worked in different jobs and properties around the world for various IHG brands. In 2008, Michel became GM of the InterContinental Hotel in Brazil. In his own words, "I have had a very rewarding career with IHG. To progress through so many different roles in so many different places has enriched my professional life and given me a unique perspective on the global hospitality industry." There are thousands more stories of entry-level jobs at IHG properties providing the first step to a long and rewarding career.

I would like to address what Congress can do to assure that travel

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

and tourism continues to serve as an engine for economic growth in local communities across the country. In 2010, Congress enacted the Travel Promotion Act, establishing the first-ever national program to attract more international travelers to the United States. It is funded through a matching program of up to \$100 million in private-sector contributions and a \$10 fee on foreign travelers from visa-waiver countries.

We are extremely concerned that legislative proposals to divert this fee to other purposes could derail what has been an incredibly successful effort to attract foreign visitors to the United States. We urge Congress to protect this funding source from being co-opted by other interests.

As we attract new overseas visitors to the United States, it is essential to assure that the process of obtaining a visa and clearing through customs is a welcoming one. The JOLT Act, introduced by Representative Joe Heck, would do just that, and IHG strongly supports its speedy enactment.

And while we wholeheartedly support Congress' effort to cut unnecessary spending and reduce fraud and waste, Federal travel policies must recognize the need for Federal employee travel to receive training, to meet with their peers, and to perform their responsibilities efficiently and effectively.

In conclusion, by welcoming travelers from around the world,

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

hotels are taking the lead in growing our economy and creating jobs within every State and congressional district in this country. IHG is a significant part of that growth and opportunity.

We urge Congress to act to remove obstacles that foreign travelers face in coming to the United States, to continue to provide the dedicated funding source that will allow Brand USA to promote the United States to overseas travelers, and to assure that responsible policies allow for legitimate travel by Federal employees.

Thank you for the opportunity to testify today. I will be happy to answer any questions you have.

Mr. Terry. Thank you very much.

[The prepared statement of Ms. Gaytan follows:]

***** INSERT 1-4 *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. And Mr. Riehle?

STATEMENT OF HUDSON RIEHLE

Mr. Riehle. Chairman Terry, Ranking Member Schakowsky, and members of the subcommittee, thank you for this opportunity to testify before you today on behalf of the National Restaurant Association. I am Hudson Riehle, senior vice president of the Association's Research and Knowledge Group.

We use a simple phrase at the Association to tell our industry's story: "America works here." Restaurants are job creators. We are an industry of predominantly small businesses, but together we are the Nation's second-largest private-sector employer. With more than 13 million employees, the Nation's nearly 980,000 restaurants employ about 1 in 10 working Americans. About half of all adults have worked in the restaurant industry at some point in their lives, and one in three got their first job in a restaurant. We employ more minority managers than any other industry.

Although many of our members are still dealing with the effects of the great recession, last year we added jobs at a 3.4 percent rate, double the 1.7 percent growth rate in the overall economy. We are on track this year for our 14th consecutive year of outpacing job growth in the overall economy.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

The fortunes of restaurants are obviously closely tied to travel and tourism. The Nation's nearly 1 million restaurant locations are starting to gear up for what we hope will be a strong summer season. Our members are looking forward to increased summer sales, but we are also proud of the thousands of jobs we will create because of those sales.

NRA research shows that roughly one in four industry sales dollars come from travel and tourism. The trend is even more prevalent among fine-dining establishments where travelers and tourists generate about 30 percent of revenues, on average. In addition, restaurants are also the Nation's second-largest creator of seasonal jobs during the summer months, with travel and tourism fueling that job creation. In a typical summer season, restaurants will add more than 400,000 jobs. That figure trails only the construction industry. We expect that restaurant employment during the summer months will be up about 7 percent above January levels. In some tourist areas, restaurant employment will jump by more than 20 percent during the summer months.

The restaurant industry benefits from growth in international tourism. Restaurant operators in the casual and fine-dining segments reported that travelers and tourists made up a larger portion of their sales last year than in 2011. And when restaurants do well, sectors from agricultural to transportation feel the benefits. Every dollar spent at restaurants generates \$2.05 for the rest of the economy.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Considering our projections for restaurants to ring up sales of \$660 billion this year, that adds up to a total economic impact of more than \$1.8 trillion.

The implications for the economy are huge. Our industry is in many ways America's training ground, and we drive careers, entrepreneurial opportunities, and philanthropic contributions in communities across America.

The Association strongly supports measures to deliver stronger travel and tourism to and within the United States. In particular, we support: one, reducing barriers to international travel, including the JOLT Act reforms in the Senate immigration bill; two, stepping up promotion of the United States as an international destination through continued public-private collaboration made possible through the Travel Promotion Act; and, three, increasing business meal deductibility.

Business travel is an important economic driver within the travel and tourism industry. Many businesses of all sizes depend heavily on restaurants as a venue for conducting business. Currently, the business meal deduction is limited to 50 percent of expenses. Increased deductibility would bring the business meal deduction in line with other ordinary and necessary business expenses.

The National Restaurant Association looks forward to working with this subcommittee and all of Congress on these and other important

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

issues to enhance the benefits of tourism for the U.S. economy.

I welcome any questions you might have. Thank you.

Mr. Terry. Thank you, Mr. Riehle.

[The prepared statement of Mr. Riehle follows:]

***** INSERT 1-5 *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. And that concludes our first panel's testimony and starts the questioning of the first panel. And I will start with a simple question, and we can go down the panel, from Mr. Dow just on down.

I am just curious, when we want foreign travelers to come into the United States and spend their foreign dollars in the United States, where is our sweet spot? What are the countries that we should be recruiting?

Mr. Dow?

Mr. Dow. The sweet spot is Western Europe, U.K., Japan, France. The growth opportunity is in Latin America, Brazil, China. China is up 44 percent over the past couple years; it is a huge opportunity.

So Western Europe, very important. Asia, Latin America, the future.

Mr. Terry. All right.

Ms. Matthews?

Ms. Matthews. I would agree with Roger Dow on those opportunity states. The rising middle classes of China and Brazil represent a tremendous opportunity. And right now we are seeing a preference to visiting places like Europe because you can get one visa to travel to all the 22 European countries. And so, to be competitive with that, we really have to reduce wait times. We have had tremendous progress in doing that.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

I just got an email from Ambassador Gary Locke last night who said that they have reduced the wait times for a visa interview to 2 days in China even during peak season.

Mr. Terry. Wow.

Ms. Matthews. But there are more things we can do, such as exploring visa waiver. When we see visa waiver for countries like South Korea, we see a doubling in the number of visitors.

So reducing those barriers, making it easier, focusing on trusted travelers really is the way we are going to get that opportunity.

Mr. Rothery. I don't have anything to add.

Mr. Terry. All right.

Ms. Gaytan?

Ms. Gaytan. I don't have anything to add.

Mr. Terry. Mr. Riehle?

Mr. Riehle. Within the industry, the results are pretty clear. In other words, if you look at growth in restaurant sales on the west coast versus the east coast and the proportion that comes from travelers and tourism, the growth rates are substantially growing higher now on the west coast versus the east coast because of the Asian growth in that area.

But, in the end, all restaurant sales end up being local. And it is very important that we communicate to our members the importance that international visitation brings. Because if one is a fine-dining

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

operator located in Miami, it is an entirely different situation than being a quick-service operator located on an interstate highway. And it is important for them to --

Mr. Terry. Good point.

Mr. Riehle. -- recognize those differences.

Mr. Terry. Thank you.

And, Mr. Dow and Ms. Matthews, Brand USA, is there any way to quantify the impact of Brand USA?

Mr. Dow?

Mr. Dow. Yes. Brand USA is a startup. They began their promotion in U.K., Canada, and Japan. And pre- and post- measurement showed intent to travel here by 11, 12 percent and higher from those countries. We will begin now measuring the actual travel, but that is a great indicator.

So Brand USA has vehicles in place with the Department of Commerce to measure the activity and show the growth. But it is a no-brainer: If you promote America, they will come.

Ms. Matthews. I like to say, if the tree falls in the forest and nobody is there to hear it, you know, did the tree fall in the forest? I mean, you have to promote your country. And we have seen the aggressive promotion of Incredible India, Visit Britain. And we see the power of that in our own country with destinations in States that market themselves.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

And so for the United States not to be in that game, really, basically can hinder the economic growth that we are seeing. So that is why we are so supportive of protecting the revenue stream to support Brand USA, so that we continue to be part of that competition for travelers.

Mr. Terry. Mr. Rothery?

Mr. Rothery. Yeah, I think it is important to remember that it is a -- the industry needs to match their own money in order to --

Mr. Terry. That is a good point.

Mr. Rothery. And so if there is anyone that has their eye on whether or not it is going to be successful, it is the private industry that is going to be shelling out money.

So, as Roger pointed out, we can measure in these early days based on their previous proclivity to go and look at that versus on what actually happened. You know, we are at the very early stages of this, and we are all, you know, eagerly watching to see the results.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

RPTS CALHOUN

DCMN HOFSTAD

[11:33 a.m.]

Mr. Terry. Ms. Gaytan?

Ms. Gaytan. Nothing to add.

Mr. Riehle. America is obviously the world's leader in food service. And when we talk to members about the important of getting visibility in the decision-making matrix of these international visitors before they actually depart, in other words, the planning of the itinerary, we are big advocates of, obviously, placing food service options in front of these travelers before they even depart their home.

Mr. Terry. All right. Thank you.

And now the ranking member, Ms. Jan Schakowsky, is recognized.

Ms. Schakowsky. Thank you, Mr. Chairman.

Thank you for your excellent testimony, all of you.

As we know, the blunt and arbitrary cuts of the sequester are now in effect, and Federal agencies, including those who have been deeply involved in tourism, have experienced across-the-board cuts. For example, the National Park Service issued a sequestration planning memo that stated the National Park's budget could result in, quote, "reductions to visitor services, hours, and operations, shortening of seasons, and possibly the closing of areas," unquote.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Dow, do you have any concerns about the impact of the sequester on your member companies? And if so, what are they?

Mr. Dow. We have many concerns that travel does not become the face of sequester. With furloughs, FAA, fortunately, the House and the Senate stopped what would have been a disaster. To save \$160 million, we put \$9.3 billion and 83,000 jobs at risk, and the Senate and the House stopped that last-minute.

We are concerned with the same thing with getting through airports and the TSA. And as you so well stated, the National Parks, our treasures, we are very concerned that it could hurt there.

So we would love to see smart cuts in the right places versus across-the-board cuts that will have disastrous impact.

Ms. Schakowsky. Thank you.

Has anyone else on the panel noticed impacts to the tourism industry because of sequester? Okay.

I wanted to ask -- you know, we are all excited about the stock market going way up, and it looks like in some aspects the economy is improving. But, actually, middle-class America hasn't seen a raise in a very long time, and a lot of people are still suffering from the effects of the economic downturn, the recession.

I am just wondering, over the last several years, if you have seen any rebounding, any difference in tourism of ordinary Americans, who, it seems to me, probably one of the first things -- not probably; I

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

know -- you cut back on is going out to eat, taking that long weekend, planning your summer vacation. I am just wondering how the economy feels to you. I would think your industry would be a barometer of that, in many ways.

Anybody want to start with a crack at that?

Ms. Matthews. I can address that.

I believe that during the economic downturn we saw some of the greatest losses in our luxury brands. But, really, across all of our brands, we saw the impact of the downturn, and not only among American families who were reluctant and couldn't afford to travel, but also businesses that were reluctant to do that.

We have seen across-the-board, across-all-tiers growth as we have kind of rebounded from this. So whether you are talking about a Fairfield Inn, which could be a family going on a weekend, it could be a soccer team that is back on the road, or it could be somebody who is a traveling salesperson, we are seeing those rebounds in those lower tiers, as well.

Mr. Dow. One of the other things about this industry is that it employs the underemployed. The number of people that can start in this industry, as we are adding jobs 10 percent faster, you can't do that at Microsoft. But you can go to work down the street at the new Marriott hotel or one of these restaurants and grow a career.

There is a myth that we are a bunch of ticket-takers and

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

hamburger-flippers. We have all flipped a hamburger in our time; I am sure we all did take a ticket. But the bottom line, we are not doing that anymore. And so it is a career builder, where young, sharp Americans can be trained and grow. And we can employ the middle class probably much better than most other industries.

Ms. Schakowsky. Okay.

True, but I am wondering if, in comparison to prerecession days, if we are back or we are just climbing back or, you know, how we compare to those times. I am wondering if we have --

Ms. Matthews. In the first quarter of 2013, Marriott International exceeded our peak 2007 levels for our fee revenues. So that shows that we are back at the level where we had our peak production and growth.

Ms. Schakowsky. Is that the experience of everyone on the panel? How about the Restaurant Association?

Mr. Riehle. For restaurants, this year the total industry sales will be up 3.8 percent. It is the fourth consecutive year of sales growth.

Although the grow rates are definitely much more modest than prior to the recessionary period, there is substantial, substantial pent-up demand, in other words, what we call unfulfilled demand, for restaurant usage among tourists as well as residents. Almost one out of every two Americans report that they are not using restaurants as much as

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

they would like in their daily lifestyle.

And when we talk to our membership about it, it is very important to have a marketing promotional plan, both internationally and domestically, to nudge those consumers into that decision to patronage a food service establishment.

Ms. Schakowsky. Okay.

Ms. Gaytan?

Ms. Gaytan. At InterContinental Hotels, which largely in the U.S. we are a midscale brand, so very much servicing the middle class, occupancy is up. We still have not recovered as well with rate, but we have exceeded the prerecession levels in terms of occupancy.

Ms. Schakowsky. Great.

Thank you so much.

Mr. Terry. The gentleman from New Jersey, vice chairman of the committee, Mr. Lance.

Mr. Lance. Thank you very much, Mr. Chairman.

To Mr. Rothery -- am I pronouncing that right?

Mr. Rothery. That is correct.

Mr. Lance. You discussed in your testimony the fact that the taxes on car rentals is a growing challenge for your industry. Can you tell us in a little more detail what is happening, how widespread the practice is, and which of the jurisdictions are the worst?

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Rothery. So there are approximately 120 special taxes that go above and beyond the sales tax in that particular taxing jurisdiction. The problem really isn't unique to any one geographic area or State or city; it is really throughout the United States. I believe 43 States and the District of Columbia have some form of extra car rental tax. Of course, not every State has a sales tax, so there is a little bit of a difference there.

Mr. Lance. Are there States that do not have a sales tax and yet have taxation on car rentals?

Mr. Rothery. Yes, there are. I am going to be hard-pressed to come up with that off the top of my head, but I know there is at least one.

Mr. Lance. Uh-huh.

Mr. Rothery. And they range on a variety of different projects. You know, most notably, sports stadiums is kind of a popular one. But it is not unique to one particular area, to answer your question.

Mr. Lance. And could you provide the committee with a list of what these levels of taxation are across the country?

Mr. Rothery. Yes, absolutely.

Mr. Lance. Thank you.

And how will Obamacare affect your industry?

Mr. Rothery. You know, I don't know that we have a stance on it, you know, that we have formally taken. You know, we provide, you know,

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

health insurance to our employees.

Mr. Lance. And are most of your employees full-time employees?

Mr. Rothery. Yes, a large majority of our employees are full-time.

Mr. Lance. Marriott indicated 90 percent of your employees are full-time. And would that be a similar rate in your industry?

Mr. Rothery. You know, I would want to be serious about studying the facts before I respond to that question. But intuitively to me, you know, I would think that would be pretty close to be true. But I can get to the committee an exact answer.

Mr. Lance. Thank you.

And also the same question to the Restaurant Association. A number of significant restaurant chains have made public announcements about the need to cut their employees' hours because of Obamacare. And if you would update the committee on your views on that and where you think we might be headed.

Mr. Riehle. A typical restaurant pretax operating margin is about 3 to 5 percent of total sales. It is an extremely competitive industry. It has been and continues to be even more so now. When one thinks about operating costs for a restaurant, labor costs constitute about a third of a traditional restaurant industry sales dollar.

And the legislation -- I am just the research guy -- the legislation is, obviously, extremely complex. The industry is

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

extremely fragmented. There are almost 70 distinct restaurant segments that roll up into that \$660 billion.

So it is a complex piece of legislation overlaid an extremely complex industry, and so the outcomes are obviously very different for different types of operations and ownerships.

Mr. Lance. Generally speaking, what percentage of your employees are full-time?

Mr. Riehle. Okay. From a research definition, the difference between full-time and part-time, it is important to think of part-time in four different categories. In essence, you can be full-time part-time, you can be part-time part-time, part-time full-time, you can be seasonal.

Mr. Lance. I am sorry, I am not smart enough to understand that.

Mr. Riehle. Well, for the industry -- in other words, the industry is seasonal. In other words, sales in different -- there are certain locations that are only open for, say, 3 or 4 months of the year.

Mr. Lance. Uh-huh.

Mr. Riehle. There are individuals that work part-time in the industry full-time. And then there are full-time people that work part-time, you know, for a certain period of the year only.

Mr. Lance. I see.

Mr. Riehle. So the one hallmark of the restaurant industry

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

really is its extreme labor-intensiveness.

Mr. Lance. Uh-huh. Well, as we move forward, obviously, we are interested to know how the new healthcare legislation will have an impact on the various industries, particularly in tourism and, within tourism, related to your fine work in your industry.

Mr. Riehle. And I will make sure our policy people get back to you on that.

Mr. Lance. Thank very much.

Mr. Chairman, I yield back the balance of my time.

Mr. Terry. Thank you.

And now the gentleman from North Carolina, Mr. Butterfield, is recognized for your 5 minutes of fame.

Mr. Butterfield. Thank you, Mr. Chairman.

And thank all of you for your testimony today.

I will try to do this in less than 5 minutes. And let me start with you, Mr. Rothery, if we can.

Mr. Rothery, I appreciate the integral role that the rental car industry plays in tourism. Whether a family is renting a minivan or an SUV for a short weekend or trip, ready access to transportation options is a key to a successful tourism industry.

Mr. Rothery, there has been some discussion about the lack of Federal regulation of the industry. In December of last year, at the end of the 112th Congress, stakeholder discussions produced a

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

bipartisan bill, S. 3706. It is my understanding that there is now broad support for 3706 by both the rental car industry and key consumer advocacy organizations.

So I want to get you on the record today. Does your company support Senate bill 3706?

Mr. Rothery. Yes, we support -- Enterprise Holdings supports the effort to codify the practices of the industry, which is to make sure that vehicles that are declared recalled by the manufacturers and NHTSA, that they are safe. And there is an agreement between rental car companies and also consumer groups.

Mr. Butterfield. And why is it important for the industry to be regulated by uniform standards?

Mr. Rothery. Well, I think it is important that consumers have a degree of confidence when they rent a car that it is safe and it is safe to operate that vehicle. You know, I think it just fairly speaks for itself.

Mr. Butterfield. All right.

Finally, to you, Mr. Dow, I have served on this subcommittee for some time now. I was involved in the drafting of the Travel Promotion Act and supported its passage. The TPA, as we call it, created a public-private partnership known as Brand USA to promote U.S. tourism to people around the world. It is clear that Brand has been a success, with international visitors to the U.S. continuing to increase rapidly.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

What can States and the Federal Government do together to make sure we have the resources needed to accommodate more and more international tourists?

Mr. Dow. Well, first of all, Mr. Butterfield, I thank you for your support. You were there from the get-go and helped make it happen, so we appreciate that.

What can be done is to make sure that the money for Brand USA stays in place. That has been said several times. And States can work together. What Brand USA does is, as I mentioned earlier, it levels the playing field. So let's say that North Carolina wants to promote just in Scandinavian countries or Italy. You can do that through them, which you almost couldn't afford to do on your own before.

So it brings you the opportunity to take your dollars in your State and make them very scaleable to go after direct markets you want to go to and with matching funds that will come in. So it really stretches your dollars, and it can bring people specifically you want to get to.

So it is a huge opportunity. And the most important thing is we must reauthorize this when it comes up because, as I say, it primes the pump, and it will build a great number of jobs and revenue for this country.

Mr. Butterfield. And we want our visitors to make repeat visits to the United States, not just once in a lifetime.

Mr. Dow. You got that right.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Butterfield. And that is going to require flexibility. Do you agree?

Mr. Dow. I think it certainly is. And one of the challenges we have is, when visitors come into this country, is there are not enough people in Customs and Border Protection. So you see in areas like Miami, L.A., New York, some of the bigger airports, O'Hare, where lines can be 3 and 4 hours. And these people -- I saw one just the other day, she said, "Our exhibitors are not coming back to this convention ever again. We are going to the conventions in Germany or Shanghai." We can't afford to let that happen.

So we need to get the resources, that these good men and women are just stretched to the max. And that will ensure they come back. And we have done a lot of research that says, if you fix it, we will come.

Mr. Butterfield. Thank you.

I yield back, Mr. Chairman.

Mr. Terry. Thank you.

And if I am correct, 2015 is the year that TPA must be reauthorized, but we will probably start working on it late this year and into 2014.

Mr. Dow. If you want to start right now, we are with you. Thank you very much.

The Chairman. I thought you would be.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

The gentleman from Florida, Mr. Bilirakis, is recognized for your 5 minutes.

Mr. Bilirakis. Thank you, Mr. Chairman. I appreciate it very much.

Mr. Dow, one of the aspects of tourism that I am interested in is pushing tourists out beyond the typical tourist destinations. How can we either attract international visitors to new locations or capture and push those traditional-destination visitors out beyond those locations to new cities or destinations for an extra day or 2?

In other words, we want them to visit Disney, but we want them to stay a couple extra days and visit our sandy beaches on the east and the west coast of Florida. So do you have any ideas on how we can do that?

Mr. Dow. I have many ideas.

First of all, when those visitors come to an Orlando, a Miami, a New York City, a Chicago, an L.A. for the first time, that is where they stay. The next time, they take -- and they will stay maybe 7 days there and 7 days elsewhere. The third trip, 2 days there and elsewhere.

And I think Brand USA allows you to promote those areas, because the travelers today are looking for the authentic destination, the real America, the history, to get out to the Nebraskas, the Tennessees, places like that, and to other areas in Florida that have the real life of America.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

So this is a huge opportunity. And if you look at what Brand USA's advertising is doing, it is showing those areas. It is not pushing the Las Vegas and the New Yorks that are part of the travel, but it is pushing people to those areas who don't have the wherewithal to attract those markets.

Mr. Bilirakis. Very good. Thank you.

Mr. Riehle, I was pleasantly surprised to learn from your testimony about the enormous impact that tourism has on the restaurant industry. Florida has a large array of unique culinary attractions, such as seafood, Cuban food, Greek food from Tarpon Springs, where I am from, just to name a few examples.

Can you expand on how tourism has a multiplying economic factor and how that benefits the restaurant sector and local economies?

Mr. Riehle. Absolutely. Culinary tourism, which is the industry term, is a rapidly growing area for the industry. In other words, both domestically and internationally, certain regions are obviously famous for certain cuisines. And in terms of the marketing mix to potential travelers, it is very important, because dining is such an important, integral experience associated with travel, that the operators and the visitors and convention associations market specifically the cuisines for which these different regions are known.

That is not to say other cuisines aren't important, but it is true when you do the culinary research that certain travelers to certain

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

areas expect to have certain cuisines highlighted in those travel experiences in those areas.

Mr. Bilirakis. Thank you.

Mr. Dow, we touched on this a couple times, but this is so very important. Canadian visitors are an enormous source of tourism to Florida. As you know, we have the Blue Jays in Dunedin, Florida. Last year, Canadians made more than 3-1/2 million visits to Florida and spent more than \$4 billion in the State. Seasonal Canadians visitors are integral members of our local communities and economies. Thank God for them.

Canada is one of the countries in which the Customs and Border Protection operates preclearance customs facilities. Understandably, CBP is cautious about discussing resource levels, of course, for security reasons, as you know. However, airlines are regularly denied additional precleared transborder flights from Canada to the United States because of capacity issues.

Can you speak to the benefit of the preclearance customs program, particularly from Canada? And I know you touched on it a couple of times, but it is so very important.

Mr. Dow. Well, I think the preclearance is extremely important in the areas it is going on right now because it allows you to look at the traveler in their area, and if you want to isolate certain people, it gives you that capability. But it takes the logjam off the Customs

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

and Border Protection people, who, as I said, are overstressed, and I think that is a huge opportunity.

I was just yesterday in Tampa, just down the road from you, and they are building a brand-new international terminal. They could only handle 300 passengers. Now they can handle 1,200. And when you promote in Greece to Tarpon Springs, the great area there, through Brand USA, those people can now get in.

So if we can get them precleared in other areas, it will certainly add to the capability and capacity of Customs and Border Protection.

Mr. Bilirakis. Well, thank you very much. I appreciate it.

I yield back, Mr. Chairman.

The Chairman. Thank you.

And now, Dr. Christensen.

Before I start your 5 minutes, though, some people have wanted to take pictures of your person up here testifying. And since this is a tourism hearing, we encourage photos. So feel free to just come on. Just don't stand in front. Do what you want to get your photo.

Dr. Christensen, you are now recognized for your 5 minutes.

Dr. Christensen. Thank you, Mr. Chairman.

And we have been really lucky to hear from some of our greatest experts on the importance of tourism to our economy and what you think Congress can do to make a good thing even better. So I want to thank you again for coming to share your ideas and your suggestions with us.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

And I have many questions. I want to use at least part of this time to put a few issues on the record that are pertinent to my district.

First, all of you have worked within the territories. And we are often left out, so I am just going to ask for your support, whenever legislation is being written, that you always remind everyone to include the territories, where it is beneficial to us.

And on the Visa Waiver Program, of course, we talked about the bill. The President has his initiative, as well, addressing improving and expanding the Visa Waiver Program. And while we support also expanding it to China and to South America -- I know my commissioner is very interested in expanding it to South America -- we have long wanted to at least have it extended for the Virgin Islands and the CARICOM countries.

And we have legislation that we are about to reintroduce that would create a demonstration program. There is a precedent in Guam already for a visa waiver. We have never had one, but our economy could really use the lift. And it would be helpful to some of the smaller islands in the Caribbean, as well. So we hope that we can get the industry and the committee's support for that when we introduce it.

St. Croix has been very hard-hit, as we have lost our largest private employer for the territory. We have been on an almost, I think it is about, 10-year journey to National Heritage Area for St. Croix. It brings increased branding, funding support, and a longer-staying

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

tourist that spends more. It is a designation that is fully in sync with what our commissioner has envisioned for tourism in St. Croix. And her department has actually participated in this study on which we are hoping to base our designation. St. Croix has so many areas and events that are connected to the Nation and to the world, and it really would be a great designation.

I am wondering, what has been your experience with National Heritage Areas? We have about 40 of them in the country. What has been the experience of each of you? Maybe you would want to comment if you have had that experience of working with the National Heritage Areas in tourism.

Mr. Dow. This is an extremely important area. And, as I said, people want to see these areas, and they are so important. And you mentioned some visa-waiver opportunities. These are low-risk countries and certainly should be included. And that would certainly help these areas that are hard-hit, because you have such a beautiful destination.

So I think the more we can push the natural beauty and all the things that are important -- and, again, Brand USA can surgically allow St. Croix to promote where they need the business and make their dollars really work much harder than they have been able to on their own. So I think it is a critical opportunity before you.

Ms. Matthews. Many of Marriott's select service brands are

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

located near some of the National Heritage sites that you talk about. We opened up our first hotel on an Indian reservation in the southwest USA. We have hotels throughout the Virgin Islands.

Dr. Christensen. You do.

Ms. Matthews. And, really, they are some of our --

Dr. Christensen. Even one on St. Croix.

Ms. Matthews. -- most beautiful properties.

And so, as Roger said, we would be very supportive of visa waiver for those territories. They are low-risk travelers. And security is a very important concern. As we talk about, sort of, greater mobility of people, we are also very concerned about security and being smart about that in this visa process.

And I think that, you know, infrastructure is so critical. So whether it is investing in our airports -- because our airports are not competitive with some of the best new airports in India and in China, and that is a deterrent. So investing in airports, continued pressure on airlift, which is critical to a place like the Virgin Islands, and rapid rail is another area of critical importance and investing to get to these tertiary, secondary markets. Because if you have rail and good roads in addition to newer airports, you are going to really get much more broader benefit to all parts of the United States and our territories from the travel and tourism opportunity that we see.

Dr. Christensen. Okay.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

I think I am running out of time, so thank you for the opportunity.

Mr. Lance. [Presiding.] Yeah, thank you, Dr. Christensen.

Next, we will hear from Mr. Harper from Mississippi

Mr. Harper. Thank you, Mr. Chairman.

And welcome to each of you. Thank you for taking the time to share your input with us.

And, Mr. Riehle, if I could follow up a little bit with some earlier questions, just to give you my experience, even before Obamacare passed, I was getting calls from restaurant owners in my district worried about the impact, because, as you said, the profit margin is pretty thin. And I have had a number of restaurant owners with multiple restaurants who said that if they had to pay the penalty or provide health insurance, they would be out of business.

And so we have seen a number of restaurants that are taking people who were full-time people, turning them into part-time employees, or maybe sharing them with other restaurants. Are you seeing that, hearing that experience as perhaps an unintended consequence of Obamacare?

Mr. Riehle. We, obviously, survey restaurant operators every month, and we ask them about top challenges. And the top challenge, obviously, now still remains the economy.

The second top challenge now from the restaurant-operator perspective is government. Roughly about one out of five restaurants

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

operators reports that that is their top challenge. And, obviously, part of that is related to the ACA and sequestration. But in terms of their ability to plan --

Mr. Harper. Okay, well, hold on. You are saying the restaurants are saying sequestration is actually having an impact on them?

Mr. Riehle. When you survey restaurant operators and ask them what their challenges are --

Mr. Harper. Well, you said government, but --

Mr. Riehle. Yes. Correct.

Mr. Harper. -- are you saying that government includes -- and, of course, I can't call it "ACA" because it is not affordable. So if I refer to it as "Obamacare," you will excuse me.

But are you defining it as Obamacare and sequestration? Or is that how it is defined within this survey or this question that you do?

Mr. Riehle. Well, there are basically four challenges for the restaurant operator.

Mr. Harper. Okay. Now, we are on very limited time, so I apologize on that.

Mr. Riehle. Okay.

Mr. Harper. But your industry is extremely important to tourism, it is important to our economy. But the fact is, if you provide health insurance or you have an additional cost, perhaps a premium

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

increase -- and, Ms. Matthews, I will talk to you in just a moment, with Marriott -- if you have an increased cost, that is going to get passed on to the consumer, will it not? I mean, it would have to, I would assume.

And let me ask you, Ms. Matthews. I know that we all have to be diplomatic, but the fact is, what we are seeing is a lot of companies or chains are looking at this. If they have to provide health insurance at a greater cost, then their choices are really three: turn them into a part-time employee that will not receive a benefit, or pay that additional cost out of the corporation, or ask the employee to pay a bigger share. Am I correct on that?

Ms. Matthews. So Marriott International as a company is very committed to providing health coverage to all of its employees. And, as I said earlier, 90 percent of our employees are full-time. We actually during the downturn provided health care to anybody who was working at least 30 hours. So while we had to cut back hours on employees during the downturn to be able to manage through the downturn, we did not take away their health care, even if they were working under the hours that normally would define full-time and part-time.

We have seen our healthcare costs go up, but they were going up tremendously prior to the Affordable Health Care Act being passed. So we have seen that trajectory of increased healthcare costs. We will see additional costs as we take on new enrollees, whether they are

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

26-year-old children of our employees or people that maybe had decided not to take -- people who decided to take the risk of not taking healthcare coverage.

We are doing a number of things to control our costs, and that has been our approach. So we are very focused on prevention for our employees. We have aggressive programs on nutrition, on exercise, things that can lower our costs. We have a penalty if somebody is a smoker that they now have to pay. So we are looking for ways to manage our costs as we see them going up.

But we see this as a combination of just normal healthcare cost escalation, in addition to some additional costs by virtue of the pool of enrollees increasing.

Mr. Harper. And I think you hit on one of the things I think is very important, having traveled abroad fairly recently, is we are becoming to be at a greater disadvantage on our infrastructure and the appearance of some of our international airports in how we will compete. As some explained to me in a foreign country, it is the coolness factor, too, and how we compete on that and how we promote our States and our country.

And for us, Mississippi, promoted as the birthplace of America's music, very important, with the birthplace of Jimmie Rodgers, the father of country music, B.B. King, and so many others in our State.

So I think it is important that we all look at ways we can promote

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

good people into our country. And thank you very much for your time.

I yield back, Mr. Chair.

Mr. Terry. [Presiding.] Thank you.

The chair recognizes the gentleman from Utah for your 5 minutes.

Mr. Matheson. Thank you, Mr. Chairman. I appreciate you holding this hearing.

I come from a State where tourism has always during my lifetime been the biggest industry in our State, between our ski industry and our national parks. But it is important we look from a national perspective, too, and figure out how we compete with the rest of the world and make sure that we have the opportunities to attract travel and tourism business in this country. So I appreciate you holding this hearing.

I had a question for Ms. Matthews.

In your testimony, you cited a number of different accolades that Marriott has received for its human resources policies. And one I noticed is that you have been named one of Working Mother Magazine's 100 best companies to work for in this country. Can you tell me what policies have led Marriott to being placed on that list for over 20 years?

Ms. Matthews. Marriott has a very inclusive policy. We want the broadest array of talent to be able to work in our hotels, and so that includes men and women and people of many cultural and minority

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

backgrounds.

As a company, we have always had very women-friendly and family-friendly policies, whether it is onsite daycare at our corporate headquarters in Bethesda, Maryland; whether it is leadership programs that develop talent, whether they are men or women, but we have women's leadership programs that granted us these accolades, I would say.

I think you see women rising within the company. Our new global officer for sales, marketing, and brand is a working mother with three young children who started in an entry-level position in our company. So you see those great success stories within the company, as well.

So those are some of the reasons why we would have gotten those accolades.

Mr. Matheson. That is great.

Mr. Riehle, I have a question that is a little off-topic from what you have heard so far today, but to the extent that restaurants need to avoid having cost pressures that make it more difficult to provide service to tourists -- and this is a question that another subcommittee on this hearing may be covering more, which is impact of government policy on food prices with the renewable fuel standard and the fact that 40 percent of the corn produced in this country doesn't go to food, it goes to fuel.

And I was wondering if the Restaurant Association has researched this issue, if they have taken a position on this issue about how it

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

affects food prices for your members.

Mr. Riehle. Yes. Going back to this survey about operator top challenges, the third top challenge now is food cost. Roughly about a third of the restaurant industry sales dollars goes to cover food and beverage purchases.

Wholesale food price inflation in 2011 was 8.1 percent. It was the highest rate in over 30 years. And this year, it is running about 2.6 percent, on top of another 2 percent increase last year.

So, from the operator perspective, there is no way to pass through those costs of dampened consumer demand, so it really forces a very introspective look in terms of the operating cost structure and where efficiencies can be achieved.

But the policy staff has a position on what you are talking about, and I will make sure they get back to you. But, in general, from the operator perspective, there is no substitute for stable, predictable, wholesale food price inflation.

Mr. Matheson. Okay. I appreciate that.

Mr. Chairman, I yield back.

Mr. Terry. All right. Thank you.

So that concludes the questions of this panel. I want to thank you all. You did a wonderful job and were very helpful. We thank you very much. So, panel number one, you are now dismissed.

The second panel, if you will just give us a few seconds to get

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

sorted out here.

Mr. Riehle, I was thinking you had mentioned about food tourism. So I was thinking about Nebraska, and I thought, you know, we are known for our beef and our steaks. So to add to added-value tourism, maybe a tour of a slaughter plant?

Mr. Riehle. There are lots of different drivers for the restaurant industry.

Mr. Terry. If we can get the second panel seated. If we can get our witnesses to please take their seats.

Well, I want to thank the second panel. And most of them have been introduced by their respective Members who requested their presence.

We have Bill Seccombe and Sharon Zadra that was not introduced because she didn't have somebody from Nevada here, but she is a board member with the Reno-Sparks Convention and Visitors Authority; then Gina Speckman, executive director of Chicago's North Shore Convention and Visitors Bureau; Ralph Witsell, Discover Torrance Visitors Bureau; and then Beverly Nicholson-Doty, commissioner, U.S. Virgin Islands Department of Tourism.

I thank you for being here.

And just like with the first panel, you will have 5 minutes. There is a clock right up here. Evidently, our lights showing green, yellow, and red are not working, so you will have to pay attention up

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

here.

So Mr. Seccombe?

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

STATEMENTS OF J. WILLIAM SECCOMBE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, VISIT FLORIDA; SHARON ZADRA, BOARD MEMBER, RENO-SPARKS CONVENTION AND VISITORS AUTHORITY, COUNCILWOMAN, CITY OF RENO, NEVADA; GINA SPECKMAN, EXECUTIVE DIRECTOR, CHICAGO'S NORTH SHORE CONVENTION AND VISITORS BUREAU; RALPH WITSELL, EXECUTIVE DIRECTOR, DISCOVER TORRANCE VISITORS BUREAU; AND BEVERLY NICHOLSON-DOTY, COMMISSIONER, U.S. VIRGIN ISLANDS DEPARTMENT OF TOURISM

STATEMENT OF J. WILLIAM SECCOMBE

Mr. Seccombe. Mr. Chairman, thank you, and, Members, thank you for the opportunity to be here today.

As the president and chief executive officer of Visit Florida, our State's destination marketing company, I probably have one of the best jobs in the world: 825 miles of the most beautiful beaches in the world, the theme park capital, home of American golf, the home of American cruise lines, award-winning State parks, and incredible communities, from Jacksonville to Tampa to the Florida Keys.

And when you think tourism, when you think Florida tourism especially, you think it is all fun and games. And, in fact, the millions of visitors that come to Florida every day are enjoying just that. But it is also the number-one industry in our State, and it is

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

a key economic driver, the biggest industry in our State. And I can tell you that the travel and hospitality industry in the State of Florida was the key industry that led Florida out of the recession of the last several years.

It is our vision to make Florida the number-one travel destination in the world, and we are in pretty good place to do that. Last year, we had our second consecutive record year of 89.3 million visitors to the Sunshine State. Over 500 million vacation nights were spent in Florida. And those visitors spent \$71.8 billion on hotels and shopping and dining and attractions around the State.

To put that into perspective, there are more people visiting the Sunshine State today than live in 11 U.S. States. It is a huge economic engine; it is a huge driver of Florida's economy.

Those visitors will spend \$196 million today in Florida, and that generates \$4.3 billion in State sales tax collections, 23 percent of all the State's sales taxes collected in the Sunshine State. Those 1.6 million people that are visiting Florida today are employing 1,053,000 Floridians. It is a huge, huge driver of the economy. And that number has been growing like the visitor numbers: 36 months of consecutive growth in the hospitality sector in the Sunshine State.

As I look to the future of Florida tourism, I can tell you our next major benchmark is trying to get from 89 million visitors to 100 million visitors. And what does that look like? I can tell you that

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

the economic impact of reaching a goal like that is significant. We would be able to create another 121,000 jobs. The average salary of those jobs, according to Florida TaxWatch, would be over \$43,000 per person. So they are, again, big, real jobs for the Florida economy. It would generate an increase in personal income in Florida of \$5.3 billion a year.

So for Florida to be able to reach that kind of economic number and be the number-one travel destination in the world, we obviously continue to be very aggressive in our marketing efforts, both domestically and internationally. And we are fortunate to have a Governor and a legislature in the State of Florida that recognizes the importance of tourism to our economy and to job creation. And they just funded our organization for the next fiscal year at an 18 percent increase in our funding.

We know tourism marketing works. It works at the State level, it works at the city level, and it works at the national level as well. I can tell you, for us to achieve our vision, the only way we are going to be able to do that is seeing a huge increase in international visitation. Fortunately, in the last 5 years, international visitation to the State of Florida has more than doubled. So it is growing, and that is very, very good news. Ten percent of all Canadians visited Florida last year. We had a record 10 million overseas visitors.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

But the only way we are going to be able to continue to grow moving forward is with the help of Brand USA. I can tell you that I very much, along with the entire Florida tourism industry, appreciate your support of Brand USA and the Travel Promotion Act.

Visit Florida was a founding partner of Brand USA. And our organization, along with 50 other organizations in the State, contributed over \$8 million to Brand USA to help them be successful. Again, destination marketing works. And we know that if we help Brand USA promote the United States of America, you know, a rising tide raises all ships, and Florida will be a beneficiary. But the success of that organization is critical.

As we heard from Roger Dow earlier, a 12 to 14 percent increase in intention to visit the United States as a result of their initial campaigns, that marketing is working. Again, it is not only good for United States, it is not only good for Florida, it is good for all of the destinations around the country.

And what they are doing now with full funding is going into really a second year of their kind of fully operational marketing program. It is going to allow them to market in areas and markets that are key and incredibly critical to Florida's future success, marketing in Brazil, Canada, China, Mexico, the United Kingdom.

So at Visit Florida and, I can tell you, not only our organization but the entire Florida tourism industry is 100 percent committed to

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

the success of Brand USA. And we believe that with your continued support of Brand USA we will be able to, again, see Florida tourism industry numbers increase but also international visitation to all of the United States increase, as well.

So thank you for your support, and we very much appreciate it.

Mr. Terry. Wow, that was perfectly timed.

[The prepared statement of Mr. Seccombe follows:]

***** INSERT 2-1 *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. Ms. Zadra, you are recognized for 5 minutes.

STATEMENT OF SHARON ZADRA

Ms. Zadra. Greetings, Chairman Terry and Ranking Member Schakowsky, and Members. I am Reno Vice Mayor Sharon Zadra and before you as a representative of the Reno-Sparks Convention and Visitors Authority. And thank you for allowing me to be here with you today.

The Nevada Commission on Tourism estimates that more than 50 million visitors come through Nevada each year, making tourism Nevada's largest export industry, infusing more than \$56 billion into Nevada and providing 30 percent of the State's employment, generating \$2.7 billion in State and local tax revenue, which represents roughly 26 percent of all tax revenues in the State.

There are more than 425,000 residents in the greater northern Nevada metropolitan area, which welcomes 4-1/2 million visitors each year. Studies show that visitors to our area report spending more than \$450 per person per day, which at an average length of stay of 3-1/2 days translates into a total impact of \$7 billion in tourism-related spending each year.

Although we in northern Nevada are working to diversify our economy with recent acquisitions such as a \$1 billion Apple data-processing center, there is no question that tourism will continue

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

to be the fuel of our economic engine.

The city of Reno has teamed with private entities to add more than 600,000 square feet of convention and entertainment venues downtown. And, certainly, the draw of Lake Tahoe, which is recognized as America's greatest lake by the readers of USA Today, cannot be underestimated.

But one of the attributes that truly sets us apart and helps drive tourism is our 290-day special events seasons. Thousands come from around the globe to watch the world's only closed-course pylon air race at our National Championship Air Races. We attract more than 50,000 "burners" from around the world for the counterculture festival known as Burning Man. More than 11,000 of them fly into the Reno-Tahoe International Airport, and that air travel alone accounts for \$10 million in economic impact. Six thousand classic cars invade the area for Hot August Nights, filling our hotels and streets. And new this year, we are bringing the world-renowned car auction company Barrett-Jackson to Reno for one of its four nationwide events.

Tourism is critical to northern Nevada because tourism creates jobs. Leisure and hospitality leads job growth in our statistical area. It added 1,500 jobs alone in the past year. Tourism paves our roads and builds new ones to support our growing population. Tourism builds schools and educates our children, who will continue to direct us at all levels of local government and in leadership roles.

Nevada is not alone in its reliance on the tourism industry, and

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

so I plead that every State representative support tourism-related initiatives and to ensure that the tourism industry sees sustained growth.

I encourage beginning now the reauthorization of the Brand USA, as we have discussed earlier today. Making it easier for tourists to obtain entry visas helps our Nation's economy. Surely, there may be reforms that are needed, but I believe Brand USA will continue to play an integral role in growing the U.S. travel and tourism industry.

Also, please consider legislation that will end the practice of prohibiting travel to locations perceived to be a resort or vacation destination. As far back as 2009, some Federal agencies have restricted travel to resort locations. Unfortunately, these bans have been decided without consideration for whether or not holding a Federal Government event in the banned locale actually presents a savings or better value to the American taxpayer. My representative, Congressman Mark Amodei, soon will introduce legislation to address this.

Lastly, if any Members of Congress wish to become more involved in promoting travel and tourism nationwide, please reach out to Congressman Amodei and anyone else on the Nevada delegation. Each works tirelessly to support this industry. Joining the bipartisan Travel and Tourism Caucus, chaired by Congressmen Jo Bonner and Sam Farr, is also a great way to join the solution.

To simply summarize, tourism creates jobs.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

Thank you, Chairman Terry, for showing your leadership on this very important issue and allowing me to share northern Nevada's experience. And I look forward to answering any questions you may have.

Mr. Terry. Well done.

Ms. Zadra. Thank you.

[The prepared statement of Ms. Zadra follows:]

***** INSERT 2-2 *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. Ms. Speckman, you are now recognized.

STATEMENT OF GINA SPECKMAN

Ms. Speckman. Hi. Chairman Terry, Ranking Member Schakowsky, and members of the subcommittee, thank you for allowing me to testify about the importance of tourism to our economy.

My name is Gina Speckman, and I am the executive director of Chicago's North Shore Convention and Visitors Bureau. I have worked in the travel and tourism industry for 25 years, and I have had the opportunity to see the benefits of the convention industry during my tenure at the Chicago Convention and Tourism Bureau and the impact on smaller communities in my current position representing the cities just north of Chicago.

The great recession inflicted damage on almost every sector of the American economy, including travel. Travel, however, has bounced back from the downturn far more quickly than any other industry.

In the cities I represent, the local hotel tax that is paid for by visitors is a trusted revenue stream made even more attractive as it is not paid for by local residents. Even during the economic downturn, when drastic cuts were made to the budgets of the municipalities I represent, the dollars invested in the convention and visitors bureaus remained intact. Why? Because the investment in

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

tourism promotion has a proven track record of performance, and in tough economic times the incremental revenue brought in by visitors is more important than ever.

Dollars derived from tourism is also an important mechanism for funding economic development initiatives. In the city of Evanston, for example, the hotel tax funds the economic development department and all the initiatives they undertake to bring technology, retail, and manufacturing businesses to the city. Thus, not only does tourism benefit the businesses that count and only thrive with visitor dollars, but the taxes derived by increased visitation is the backbone of these entire cities' economic development plans.

Of all the revenue sources that flow into the State of Illinois, the hotel tax revenue is growing faster than all other State taxes, higher than liquor, sales, cigarette, motor fuel, gaming, or income taxes. In 2012, the hotel tax in Illinois increased 23.42 percent over the year.

The travel and tourism industry has rebounded back to the levels we were at before the recession. In 2012, \$2.3 billion in taxes were created by tourists in Illinois, representing 93.3 million visitors. How many other industries can boast this growth?

And, of course, one of the main metrics of economic health is jobs. On Chicago's North Shore, 1 out of every 10 jobs is related to hospitality and tourism. When the recession ended, hotels and

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

restaurants immediately brought on new employees to meet the demand. Though many frontline jobs in our industry are entry-level, many are not. And our industry is very proud of the fact that we nurture, develop, and promote talent. Show me a general manager of a major hotel, and I promise you he or she started as a bellman or a front desk clerk. Our jobs cannot be outsourced, and we immediately have the infrastructure to hire staff quickly.

In 2010, the Travel Promotion Act was signed into law, which resulted in the creation of Brand USA, allowing our country to have a national advertising presence in the international marketplace. Prior to its establishment, the U.S. had no cohesive international presence, and other countries benefited from our absence by taking our visitors.

In a short time, Brand USA has established advertising programs that have allowed States, convention bureaus, and private tourism entities the ability to co-market our product and be part of this big effort. For my area, it allows me to finally market internationally in a way that was not available to me previously or was cost-prohibitive. Partnering with Brand USA in the State of Illinois, I will now have videos and online marketing materials in different languages backed by the advertising force afforded Brand USA.

My constituents are thrilled, and we finally feel that the tide has turned in fighting for the international visitor dollar. In April

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

2014, Chicago is hosting International Pow Wow, which is the international convention of tour operators, and we are very excited to be a part of it.

Now that Brand USA has established focus to position the U.S. as a premier destination for visitors, we need to continue the momentum of increasing the amount of visitors coming to our country. Passage of the JOLT Act, House bill 1354, would allow travelers from countries closely tied to the U.S. -- Poland, Israel, Chile, Brazil -- to be part of the Visa Waiver Program, expand the successful Global Entry program, and reduce visa wait times. I encourage you to include provisions of the JOLT Act in any comprehensive immigration reform package.

Also, the Travel Promotion Act, as you have heard, is coming up for reauthorization in 2015, and we encourage you to please promote that.

Thank you for allowing me to testify.

Mr. Terry. Well done.

[The prepared statement of Ms. Speckman follows:]

***** INSERT 2-3 *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. Mr. Witsell, you are recognized for your 5 minutes.

STATEMENT OF RALPH WITSELL

Mr. Witsell. Thank you, Chairman Terry and distinguished members of the subcommittee, and the Ranking Member Waxman also, for having me here.

For the record, I am Ralph Witsell, the executive director of the Discover Torrance Visitors Bureau. We are a 501(c) nonprofit organization funded by the Torrance hotels of 50 or more rooms.

And for logistics, Torrance, California, is situated about 12 miles south of the Los Angeles International Airport. And our goals are designed to increase the economies of the city through sustained growth in tourism spending, which results in significant increases in the economic impact of the areas of earnings, tax collections, and jobs.

We have come to Washington to demonstrate how tourism impacts economic development. The U.S. Travel Association, in March of this year, announced that travel and tourism generates \$2 trillion for our economy and supports one out of every eight of our Nation's jobs. These results have been achieved with an industry becoming more focused and unified while working together.

And I would like to localize my approach to the subject of tourism, collaboration, and jobs. Like so many working Americans with me, my

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

position was eliminated and I was laid off in early 2010, and I became a statistic in regards to unemployment. I was fortunate to land a tourism job and really appreciated and respected a community that developed this tourism organization and allowed me to be the next new job in California. In turn, I needed an assistant and a sales manager, and just like that, tourism created two more jobs. Wow, this system is great.

The incremental room nights my staff has booked impacted hotel revenue, as well as the dollars the visitors have spent in my community have definitely been a plus. Here we are, little Torrance, California, now getting our share of the California drive market, plus a few meetings.

I know, small stuff when you look at the big picture regarding tourism and all the discussion here today, but it gets better. I am a huge supporter of collaboration and realize that regional marketing creates even more economic development. So I approached my neighboring cities, Manhattan Beach, Hermosa Beach, and Redondo Beach, and we agreed to market the region as "the Beach Cities, South Bay, Los Angeles." So now I am not just promoting one city but my city, Torrance, as the gateway to the South Bay's beach cities. This new recognition makes the region much more marketable, accessible, and provides a true southern California experience for the visitor.

Now, Discover Torrance is primed to be a player in the

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

international arena. But even with the partnership with the beaches, it probably won't be enough of a factor to say to a young middle-class Chinese couple searching on the Internet in Shanghai to focus on the South Bay of Los Angeles for their first visit to the United States. This is where we collaborated with Visit California, our State's tourism agency, and, also, we are soon going to collaborate with Brand USA, who both regularly travel abroad hosting sales missions to promote California. These cooperative opportunities allow smaller communities to promote their respective regions right along with well-known icons such as Disneyland, Universal Studios, Hollywood, Beverly Hills, and Los Angeles.

In closing, I would like to state that California is reaping the fruits of our labor, as international travel is California's top export. According to Visit California, the \$19.1 billion spent in California in 2011 was equal to the combined value of the State's top four product exports.

According to a January 2013 report by the Legislative Analyst's Office, "Employment in the leisure and hospitality sector consistently outpaces almost every other industry. Even during the great recession, while California was shedding 1.3 million jobs, travel businesses lost fewer than most. And leisure and hospitality has recovered quickly, adding more than 100,000 jobs since February of 2010. And it is the number-five employer with the State."

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

And, with that, Mr. Chair, that concludes my testimony.

Mr. Terry. Well done. Thank you.

[The prepared statement of Mr. Witsell follows:]

***** INSERT 2-4 *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. And, Ms. Nicholson-Doty, I appreciate your attendance. You are recognized.

STATEMENT OF BEVERLY NICHOLSON-DOTY

Ms. Nicholson-Doty. Good afternoon, Chairman Terry and subcommittee members. Thank you for this opportunity. I am Beverly Nicholson-Doty, commissioner of tourism for the U.S. Virgin Islands, and I bring you greetings from my home and on behalf of the Caribbean Tourism Organization, which I chair.

The President's Executive order announcing a set of initiatives to significantly increase travel and tourism in the United States is a major step forward for the world's biggest travel and tourism economy. It is also an opportunity for our territory, the USVI, to look at how we might secure new opportunities arising from this bold initiative.

We welcome the administration's goal of attracting 100 million international travelers by 2021. Since the announcement, we are pleased to learn strong progress has been made, both through the Executive order establishing a national travel and tourism strategy and through a series of improvements to the visa processing.

The government's comprehensive approach will benefit our growing industry by drawing on the skills of different parts of the U.S. Government. We respectfully urge you to ensure that the Department

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

of Commerce receives the support to enhance the profitability of an industry which supports the direct employment of more than 7.7 million Americans.

We are most encouraged by the launch of Brand USA's international campaign to increase visitation to the United States. The U.S. is seeing increased demand in the global travel market, and we look for ways of attracting some of these new visitors to our shores.

The President's strategy to expand the Visa Waiver Program, coupled with increased funding for U.S. Customs and Border Protection and TSA, strengthens national security while encouraging legitimate overseas visitors. Full funding of the FAA programs also strengthens our safety and security efforts. Expanding the program will create jobs and bolster our economy by welcoming millions of new international visitors to the United States.

We urge our Federal authorities to review visa and entry procedures for cruise passengers. Currently, some cruise lines are avoiding U.S. ports on their itineraries. One reason cited is the extensive time to process foreign arrivals. This makes disembarking a lengthy and costly process.

The development of the National Travel and Tourism Strategy is critically important for smaller parts of the country like the U.S. Virgin Islands because, among others things, it stresses the need to focus on all our country's tourism destinations in a more consolidated

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

fashion. This is much needed for offshore destinations like Puerto Rico and the U.S. Virgin Islands.

It is critically important for island territories of the United States to have a voice in the implementation of the President's initiative to ensure our distinctive issues are addressed. We can also bring a unique perspective to the design of this plan.

In the U.S. Virgin Islands, the tourism industry is now even more critical since the closing of the Hovensa oil refinery on St. Croix.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

RPTS KERR

DCMN HOFSTAD

[12:35 p.m.]

Ms. Nicholson-Doty. This event caused the loss of thousands of jobs, with an estimated 20 percent impact on our economy.

In addition, the extremely high cost of energy in the U.S. Virgin Islands places enormous pressure on the tourism industry's bottom line. As an island territory, we are especially reliant on airlift, so the Department of Commerce Survey of International Air Travelers is a particularly valuable source of information.

We regard airlines as an integral part of our infrastructure. Just like roadways and bridges on the mainland, without these aerial highways, we cannot fly visitors to our islands. Without reliable airlift, we would be confined to the backwaters of the global economy and perhaps be a drain on the U.S. taxpayers. We will all benefit from the information collected, and we urge Congress to support the continuation of this survey called for in the Travel Promotion Act.

Another critically important issue is devoting resources to develop our sustainable tourism industry. This is especially true for a territory, like ours, rich in natural resources and cultural heritage. Working in partnership with Federal agencies to conserve our natural resources while making them more accessible to travelers

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

is an important step in the enhancement of tourism.

In closing, tourism sustainably developed and in harmony with a national tourism strategy enhances our environment, our culture, our wealth, our education, our health, and our security, and a vibrant visitor industry keeps our people gainfully employed.

Thank you.

Mr. Terry. Well done.

[The prepared statement of Ms. Nicholson-Doty follows:]

***** INSERT 3-1 *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. I will start the first questions with you, Ms. Nicholson-Doty. You had mentioned with the cruise industry the -- will you describe again the problems when they want to pull into a port in the United States and the visas? You had mentioned there is a problem.

Ms. Nicholson-Doty. Yes.

Mr. Terry. Please state that again.

Ms. Nicholson-Doty. Yes. There is a movement among several of the smaller but very upscale cruise lines where they are avoiding U.S. ports. We find that they are homeported in other places outside of the U.S., and the reason being is that if it takes 2 or 3 hours for a cruise line to clear on embarking in a territory, it affects our commerce, it affects their bottom line. And, therefore, they are avoiding U.S. ports.

Mr. Terry. Is this something inherent to the Virgin Islands, a territory, versus Miami?

Ms. Nicholson-Doty. I think that we are seeing some of the smaller lines, where they indeed have a higher demographic, that they are avoiding U.S. ports all together.

Mr. Terry. Okay. That is interesting.

We actually invited the cruise industry to be part of this panel, and they declined. I am not sure why. They are a big part of it. So I am a little disappointed in that. But that is interesting that you bring that issue up.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

For Mr. Witsell and Mr. Seccombe, you come from big States with big budgets for tourism. Some detractors of Brand USA would say there isn't a need for a redundant Federal program. Do you believe it is redundant? How do the two work together?

Mr. Seccombe, you first, then Mr. Witsell.

And, by the way, Mr. Witsell, I think it is interesting, in your testimony you said that you were going to use Brand USA. So I think you have a little slightly different perspective on this than Mr. Seccombe from Florida.

Mr. Seccombe. Mr. Chairman, I believe it is important to recognize that the global tourism industry is hypercompetitive, and the United States and every destination within the United States are competing against countries and destinations around the world for precious, you know, vacation time and hard-earned dollars. And, again, it is incredibly competitive. And the United States having the opportunity through Brand USA to compete at an international level will -- again, from my perspective, a rise in tide raises all ships. And Florida, as a, you know, number-one travel destination in the world, it is going to benefit from that.

However, I think we are also a microcosm of the United States, as well. Florida has 19 million people. We have Miami and Walt Disney World and some great businesses. But, also, as we talk about cultural and heritage, this is our 500th year since Juan Ponce de Leon landed

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

in Florida. And we spend an awful lot of time making sure that every destination within the State has the opportunity to capitalize on what is our biggest industry.

So I think Brand USA is faced with a similar challenge as we have, is that it is not just the big destinations or the big ports, but once we expose travelers from around the world to the United States, they will travel across the United States, and their money will follow.

Mr. Terry. Mr. Witsell?

Mr. Witsell. Thank you, Chairman Terry.

In regards to Brand USA or either Visit California, basically our challenges as a smaller, say, secondary destination is we need recognition. And so, by collaborating with these two organizations and being able to take advantage of their distribution channels, of their sales missions in, say, Shanghai or China or Mexico or Canada, it just makes sense, in regards to my smaller budget, for me to take advantage of the expertise in the international market.

I have been with the Torrance Bureau, running it for the last 7 months. And, basically, there has always been a feeling within California to support Visit California. But if you look at the opportunity to make sure that we are not missing anything, I think it behooves us to look at every opportunity available.

Mr. Terry. Quickly, for each of you, starting with the gentleman from Florida, Mr. Secombe, tell me what you feel is the greatest

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

barrier preventing or inhibiting in any way foreign travelers from coming into your area.

Mr. Secombe. I believe the single biggest challenge right now is one of marketing and continuing to -- continue to raise awareness of the United States as a destination, certainly Florida.

We do have challenges that I think continue to be important with our border control and making sure that we are providing, one, security on one hand but also a welcoming experience on the other, to make it easy so that visitors from around the world are not coming to our airports and waiting 3 or 4 hours to clear customs and to go through border security. So I think that that would be the single biggest issue near-term.

And I think long-term our challenge is going to be to continue to invest in the transportation infrastructures, that we provide the kind of welcome that visitors are accustomed to.

Mr. Terry. Well, this is a little bit more of a lightning round, with 1 minute left.

Ms. Zadra?

Ms. Zadra. The lightning-round or the easy answer would be: Ditto, absolutely ditto for the State of Nevada. The transportation piece is critical for us, as is the marketing budget.

I would add to that a severe need still for the easier, more timely issuance of the visas. It has had a remarkable, in a negative way,

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

impact on the State. We had an experience in Reno alone where an international piece of business that we sought and achieved actually performed at about 20 percent of its international draw because of the visa issue.

Mr. Terry. Ms. Speckman?

Ms. Speckman. I think customs and the experience of the traveler coming into Chicago O'Hare is an issue for us. We just started and the city of Chicago is investing \$5 million in upgrading our airport, but it still doesn't address the customs issue and the staffing of customs, which are not part of the airport's control. You can have a plane landing and you will have 300 people come off and only 2 people working. And it has to do with issues of hiring and hours and union rules. But the experience of the traveler is waiting in line for hours in a very unwelcoming environment of an older airport.

So a lot of our gateway airports, you know -- every time I am in the airport in New York, there are buckets. Anytime it rains, there are buckets on the floor. The infrastructure of our airports compared to our competitors in the world is lagging.

Mr. Terry. All right.

My time has expired. I apologize, Mr. Witsell and Ms. Nicholson-Doty.

Now I recognize the gentlelady from Chicago, Ms. Schakowsky.

Ms. Schakowsky. Thank you.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

So, visits to the United States are highly concentrated in five States. I am sure everybody knows them: New York, Florida, California, Nevada, and Hawaii. I am sure that many visitors also come to the U.S. Virgin Islands.

And it has always been sort of, I don't know, frustrating to me, when I talk to international visitors, why more of them don't come to the central part of the country, don't come to Chicago, to the Midwest. I was encouraged by what Mr. Dow said earlier about visitors looking for authenticity and wanting to get a real feel of the United States. And there is no more welcoming place, I think, than the Midwest and Chicago.

So I am wondering, Ms. Speckman, how do you broaden the base? I certainly want visitors to go to all these other places, too, to these five other States who depend so much on tourism, but how do you broaden the base? And how has Brand America helped do that?

Ms. Speckman. Well, Brand USA has --

Ms. Schakowsky. Brand USA.

Ms. Speckman. You know, it just started, too. And the State of Illinois is now a partner with Brand USA. And, just last week, it announced a program to all the convention bureaus in Illinois which will allow us to co-op and market our areas and produce collateral and video in different languages that is now affordable to us. Through Brand USA and through the State underwriting a major portion of it,

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

we now can get involved.

And, really, now, what we do in trying to get the travelers to come to the Midwest and Chicago is to market to what people are looking for, and that is experiences. Yes, people know the big-name cities, but people really want to come and see the United States. And a big draw in our area is Route 66, which starts in Chicago and goes to California.

We rely heavily, too, on some icons we have, like Lincoln. The movie "Lincoln" premiered this year, won the Academy Award. Well, they did a lot of promotion in the openings, the State of Illinois did, in Europe when that movie opened.

So what we are really trying to do is show Chicago as a city. A lot of times, it takes people coming to Chicago to see how beautiful it is, and returning. And we --

Ms. Schakowsky. People are often shocked by that.

Ms. Speckman. They are always shocked by that.

Ms. Schakowsky. I know.

Ms. Speckman. Exactly. They are always shocked that they always love it. That is why it is very important that we are hosting all the tour operators from around the world in Chicago in April 2014, because they will see our area. And I am bringing them up to the North Shore, too.

Ms. Schakowsky. I wanted to ask you that, too. I saw you kind

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

of identifying it, it has felt like, with Mr. Witsell, talking about, you know, Chicago is one thing, but then how do you get people out of the city and come to the North Shore? I mean, what are the messages that you want to convey, and what are the conveniences or whatever? What is the attraction?

Ms. Speckman. Well, we work a lot with Choose Chicago, which is the Chicago bureau. And we are in their visitors centers, we take part in a lot of their advertising and marketing programs, so that people that want to see the Chicago Botanic Garden, which is actually not in the city of Chicago but on the North Shore, or want to come to Northwestern University or the Baha'i House of Worship, which is the only one in the Western Hemisphere, let alone the United States --

Ms. Schakowsky. I just took some visitors there last weekend, yeah.

Ms. Speckman. Yeah, I mean, that is on the North Shore. So people think things are in Chicago when really they are in the outlying regions. So we really try to work together to do that.

Also, I have collateral that I do that tells downtown concierges to tell people how to take the city train: This is the stop you get at, this is how many minutes it takes, here is what you can do when you get off on the L or the metro station in Chicago on the North Shore.

And then, also, we kind of try to work and we market to people before they come to the area. You can take the Chicago train from

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Evanston to a Cubs game quicker, easier, and cheaper than you can from staying downtown, where it costs \$50 a night to park and \$300 a night to stay in a hotel.

Ms. Schakowsky. And how are you funded? And how are these travel organizations funded?

Ms. Speckman. Well, every State is different and every bureau is different. But, in Illinois, half of the funding of most of the bureaus comes from the State of Illinois. It has a very aggressive tourism program.

Ms. Schakowsky. Okay.

Ms. Speckman. So a 6 percent hotel tax goes to the State, and we get a portion of it. So that is half of our funding, and the rest is through municipality support and membership.

Ms. Schakowsky. Okay.

Unfortunately, my time is up. Thank you very much.

Mr. Terry. Thank you.

And, by the way, according to our tourism, the most visited place by Omahans is Chicago.

Ms. Schakowsky. Yes.

Mr. Terry. So, you are welcome.

Now, Dr. Christensen, you are recognized for your 5 minutes.

Dr. Christensen. Thank you. We would welcome them to the Virgin Islands, too. But thank you.

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

And thank you, Ms. Speckman, for mentioning the travel and tourism task force that we have here, the steering committee. I have been on it since coming to Congress, and I am glad that they are becoming active again.

I would like to ask my commissioner a question.

2017 is a big year for the Virgin Islands that is probably not well-known. Could you explain what it is and maybe some of the plans of how we can use that time to expand on our tourism product and what role maybe the subcommittee or Congress should be playing in it?

Ms. Nicholson-Doty. Well, we have two important things. First of all, it celebrates our transfer from -- 2017 will celebrate 100 years of our transfer from Denmark to the United States. So this is a major event for us in the U.S. Virgin Islands.

Also, it represents 7 percent of our -- 7 percent of our business is international business. Of that, a full half comes from the Scandinavian countries. However, there are cities within the U.S., like Solvang, California, where there is a very heavy Danish population. What we are looking at for 2017 is how we make that entire triangle. We look at visits from Denmark to the U.S. Virgin Islands, which we have been extremely successful with, but also how do we tie it in and in some cases to smaller areas in non-major cities in the U.S. where we can have linkages.

Dr. Christensen. Denmark, South Carolina. Minnesota, where

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

there are a --

Ms. Nicholson-Doty. Absolutely.

Dr. Christensen. -- lot of Scandinavians, as well. Thank you.

I just wanted to make a couple of comments, as well, apart from the fact that I wanted to highlight the fact that we will be celebrating 100 years of being a part of the United States family in 2017. But one thing that always troubles me, and I notice that government travel is just a very small percentage of U.S. travel, but any travel to the U.S. Virgin Islands by Congress or by government agencies is always seen as a junket.

And, you know, I would like to invite this subcommittee to begin to change that by perhaps having a hearing in the U.S. Virgin Islands to discuss some of the concerns that we have -- some of the concerns that we have that come under the jurisdiction of the subcommittee.

One other area that is important to us -- and I don't know if you wanted to comment on this. Well, I probably shouldn't ask you to comment on it, as chair of CTO. But, you know, the Virgin Islands adheres to all the minimum wage -- the minimum wage, all of the labor and other laws. And so that makes us somewhat noncompetitive with some of our Caribbean neighbors who don't have to pay the high wages or be in accord with some of those laws.

We do have the benefit of duty-free. And, at some point, I know this is not in the committee's jurisdiction, but we would be asking

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

to increase our duty-free allowance to make us more competitive with our Caribbean neighbors. And we would ask for the support of both the industry and the committee.

I heard Ms. Matthews talk about, in her response to me, about airports. And are there any plans to improve on our airports, to expand our airports? I don't know where you would grade them on a scale of 1 to 10, but she seemed to put a lot of importance on --

Ms. Nicholson-Doty. Absolutely.

Dr. Christensen. -- the airport experience.

Ms. Nicholson-Doty. Absolutely. And I think that it is a critical area for the Virgin Islands.

We have two airports. The St. Thomas airport, which is considered a medium-size airport, with approximately 700,000 visitors that come through that airport each year, is certainly in need of an upgrade, especially if you compare it to the region, the Caribbean region, in terms of the improvements that are being made.

But as you look internationally, as well, at the airports, airports are a significant source of -- it is the gateway, it is the gateway to a destination. And so, looking at our airports is very critical, and the upgrade that is needed in comparison to the rest of the world.

Dr. Christensen. Well, thank you.

I don't have any further questions, but I look forward to having

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

a subcommittee hearing in the Virgin Islands in the near future.

Mr. Terry. If we can drive there, we can have a field hearing. That is, I think, a new rule.

Dr. Christensen. Oh. Seriously?

Mr. Terry. Well, it is unstated at this point. None of us have had the guts yet to ask for a field hearing.

So I want to thank all of our witnesses for being here today. That concludes all of the questions that we have for you. Thank you for coming here.

And this is a really important issue. This is about jobs that can't be outsourced and hundreds of billions or even now one gentleman said, when you put in all the indirect jobs and money, it is a trillion-dollar industry. So I want to thank you for being here.

And this won't be our last hearing on the subject. Maybe the last for this month on this subject, but we will have more because of its importance to our economy.

Now, a couple of housekeeping notes. I ask unanimous consent to include in the record a statement from the American Motorcycle Association. And it has been shared with the minority, so --

Ms. Schakowsky. Without objection.

Mr. Terry. Without objection then. Hearing none, so ordered.

[The information follows:]

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee’s website as soon as it is available.

***** COMMITTEE INSERT *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. And I remind Members that they have 10 days to submit their questions for the record.

And I would ask you guys, if you receive questions from any of the Members, a prompt response is requested. And, by the way, prompt for some, usually with more government agencies, is not 6 months.

[The information follows:]

***** COMMITTEE INSERT *****

This is a preliminary, unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker. A link to the final, official transcript will be posted on the Committee's website as soon as it is available.

Mr. Terry. At this time, we are dismissed.

[Whereupon, at 12:55 p.m., the subcommittee was adjourned.]