

## **Key Tourism Facts**

- Tourism is without question is the US Virgin Islands' largest export sector/
- It helps to diversify our economy.
- Helps to promote an entrepreneurial class, stimulates investment, creates jobs and advances social development across local communities.

## **Economic Impact**

- Approximately 15% of the Caribbean region's GDP is derived directly from tourism
- In 2011 there were approximately 24 million stay-over visitors in the region
- In 2011 there were approximately 21 million cruise visitors in the region
- There are approximately 1.9 million individuals employed in the tourism industry in the region
- The World Travel and Tourism Council forecasts Travel and Tourism's contribution to the Caribbean's GDP will be \$70 billion by the year 2021

## **How Congress can help**

- We would like to participant meaningfully in the execution of the National Travel and Tourism Strategy.
- We would like continued funding of the Department of Commerce Survey of International Air Travelers.
- We respectfully request the expansion the Visitor Waiver Program to include Brazil, Chile and other Latin American countries.
- We support Brand USA's international campaign to encourage increased international visitation to the United States.
- We support the calls for the elevation of tourism development to cabinet level status.

## **In the US Virgin Islands**

Travel & Tourism accounts for roughly 30% of GDP for the US Virgin Islands (30.4% in 2011 according to the World Travel and Tourism Council (WTTC) study commissioned by the Caribbean Hotel and Tourism Association (CHTA); and is a key driver for capital investment (to the tune of US \$410 million in 2011). In terms of employment, Travel and Tourism directly or indirectly employs approximately 1 out of every 3 people in the USVI.

## **“Vacation Nation: How Tourism Benefits Our Economy”**

### **Commissioner Beverly Nicholson-Doty, United States Virgin Islands**

Good Morning:

Congressman Lee Terry and members of the Committee on Energy and Commerce.

I am Beverly Nicholson-Doty testifying on behalf of the Government of the United States Virgin Islands.

I bring you greetings on behalf of the Government and people of the United States Virgin Islands where I have the honor to serve as Commissioner of Tourism. I also extend greetings on behalf of the 32-member Caribbean Tourism Organization (CTO) which I chair. The United States Virgin Islands and Puerto Rico are active members of this organization.

President Obama's Executive Order announcing a suite of initiatives to significantly increase travel and tourism in the United States is not only a major step forward for the world's biggest travel and tourism economy, but it is also an opportunity for our Territory, the United States Virgin Islands, 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 to the US by 2021. Since that 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 visa issuance. We have seen progress in facilitating international travel to the United States.

The Government's comprehensive approach will continue to benefit our growing industry by drawing on the skills of different parts of the US Government. We respectfully urge Congress to ensure the Department of Commerce, as the lead agency, receives the support to continue to enhance the profitability of an industry which supports the direct employment of more than 7.7 million Americans.

We were most encouraged by the launch of Brand USA's international campaign to encourage increased international visitation to the United States and an improved, streamlined visa process. The US 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 US Customs and Border Protection and the Transportation Security Administration, strengthens national security while encouraging legitimate overseas visitors. Full funding of the Federal Aviation Administration programs also strengthens our safety and security efforts.

Expanding the Visa Waiver Program will create jobs and bolster our economy by welcoming millions of new international visitors to the United States. For example, the US Travel Association estimates if Brazil and Chile were admitted to the Program, it would double visitation quickly from these countries, thus generating \$10.3 billion in export revenues and supporting an additional 95,100 American jobs. Long-haul travelers to the US spend on average US\$4,000 on each visit. So, we applaud the president taking much-needed steps to expand the visa waiver program.

The Tourism Industry is now even more critical for the USVI since the closing of the Hovensa oil refinery on St. Croix. 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 US Virgin Islands places enormous pressure on the tourism industry's bottom line.

Diversification of our tourism product is necessary spanning from budget to luxury. However, this diversification in the current economic environment is difficult and places a heavy demand on our infrastructure and environment. It also directly affects our competitiveness, as we operate in the most tourism dependent region of the world.

We urge our Federal authorities to adjust visa procedures for cruise passengers. Currently, some cruise lines are opting to avoid US Ports on their itineraries because of the extensive process for clearance. This makes disembarking the ship a lengthy and costly process.

As an island territory, we are particularly reliant on airlift so the Survey of International Air Travelers is a particularly valuable source of information. It provides us data to determine what is required to ensure our destinations can be reliably served by efficient air service.

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 in visitors to our islands. Without reliable airlift we would be consigned to the backwaters of the global economy, and perhaps, a drain on the US taxpayers. If we are to be serious about growing international travel, and about driving it to all destinations in the US, we will need the information collected and we urge Congress to support continuation of the Department of Commerce Survey of International Air Travelers as called for in the Travel Promotion Act.

The development of the National Travel and Tourism Strategy is critically important for smaller parts of the country like the US Virgin Islands because, among other things, it stresses the need to focus on all our country's tourism destinations in a more consolidated fashion. That is much needed for offshore destinations like ours and Puerto Rico.

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 unique issues are addressed. We can bring a unique perspective to the design of the President's plan.

In the tourism industry increasing the length of visitor stay is import. Our location can be used to leverage additional days for visitors who extend their visits to the US by experiencing the islands of the USA.

Our economy needs the economic boost from more tourists. We will look at how we in the US Virgin Islands can harness the increased visitors from Brazil, China and other beneficiary countries. We expect the influx in tourists to the United States to benefit the Caribbean as a whole, especially from long haul destinations.

We would also support any initiatives which would elevate tourism development to cabinet level status, which after all is commensurate with its almost \$2 trillion annual contribution to the national economy.

You know the figures: travel is the number one export in America. Travel and tourism means jobs and provides answers to our nation's increasingly complex economic challenges.

New Yorkers know this only too well.

After the terrible events of September 11, New Yorkers, perhaps for the first time, realized how big tourism was when they lost it. But they also saw how resilient an industry it was and how it led to the City's recovery. Knowing you could help the world's greatest city back on its feet by visiting it was a huge boost for recovery efforts.

The US Travel Association estimates that the industry generated \$129 billion in tax revenues for local, state and federal governments.

Imagine, were it not for this industry, each American household would pay more than \$1,000 in additional taxes without the tax revenue generated by travel and tourism.

The US Travel Association reiterated that travel jobs cannot be outsourced; while other jobs have been shipped overseas, jobs tied to national parks, iconic cities and beautiful shorelines can no more be outsourced than the attractions themselves.

In turn, these travel-related jobs give American workers a first foothold on the job ladder and provide valuable skills and education that lead to rewarding careers.

The vast majority of travel businesses employ 10 or fewer people. And, an overwhelming majority of the small tourism enterprises are owned by women.

If further supported by responsible policies, travel can contribute to a strong, upwardly mobile job market and expand opportunities for American workers, especially women and youth, to succeed.

We take this relaxation business seriously and we will continue to enact policies to enable responsible tourism to lead the growth of our economy while providing memorable experiences for those of you who visit our shores.

We think committing to responsible tourism is a smart decision because figures confirm sustainable tourism not only preserves valuable resources for the enjoyment of future generations, but it also produces profits in the present.

Devoting resources to develop a sustainable tourism industry for today and the future has a very strong potential for a high return on investment. This is especially true for a territory like ours - rich in natural resources and cultural heritage. Other regions, with few natural attractions, have profited from sustainable management and conservation of their resources.

But, we can do so much better in partnership with Federal agencies helping us conserve our natural resources while making them more accessible to responsible travelers on land as well as on, and under, our waters.

The National Parks Service, for example, could also guide us in preparing our landscape and seascape for visitors and for conservation as well as sharing their smart partnership lessons with the private sector.

We look forward to participating in the increasing development of educational models to ensure the best and brightest of our youth can select tourism as their first, and not last, resort for a career and contribute to efforts to make the US Virgin Islands a world leader in sustainable tourism.

As one of the most tourism-dependent areas of the country, it is crucial to ensure our constituents fully understand the preservation of these valuable natural and cultural resources will determine our success in the future.

We have to pay close attention because it is our very success which can threaten our most valuable assets, and visitors are becoming increasingly aware of the potential negative impact of tourism on the natural beauty, cultural and historical offerings of a destination if not managed well.

They want to feel their visit contributes to the conservation and enhancement of a destination's environment, culture, health and general well-being.

Visitors are now relentless in their pursuit of destinations, accommodations, activities and attractions which have implemented sustainability practices and policies.

We recognize many of our enterprises are at varying stages of environmental consciousness so we must work together with relevant federal authorities to ensure we can provide the enabling environment for an industry seeking to maximize its sustainable tourism development.

And, we must educate our industry to the tangible benefits of sustainable practices and how to make those profitable. Our private sector has to be given an enabling environment and equipped with the tools it needs to flourish and prosper.

Sustainability speaks to more than the preservation of the environment – it is about the preservation of a people’s culture and heritage. To assist in this effort we should work with our friends in community-based organizations. These groups, partnering with mainland organizations, can help develop our community benefit tourism and assist us in government to design inputs to future national travel and tourism strategies.

The sensitive planning of responsible tourism is no longer just a "feel good" activity but an essential component of a sound national tourism strategy. Sustainable tourism is good tourism policy. It is good for the people of our nations, it is good for the visitor experience, and it is good for business and local communities. Indeed, it is now a fact that we can "earn green by being green."

The Caribbean, where the USVI is located, has long been a leader in tourism but we cannot rest on our laurels – we have to keep refreshing our product. We are one of the world's most desired destinations, but the time has come for us to put our heads together and up our sustainable tourism development game to ensure we remain in the lead.

I urge you to ensure our National Travel and Tourism Strategy uses the US Virgin Islands as an arm of friendship as well as of sound regional cooperation. After all, a healthy Caribbean tourism industry means more visitors coming through the mainland to get there. It's a win-win.

I'm sure there is no need for me to remind you that vibrant tourism industries provide jobs in the islands and elsewhere - thereby reducing the need to migrate to the US.

And, of course, you know the most effective way to increase security is to provide ample jobs for a dynamic economy backed by vibrant democratic institutions.

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.