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RPTR MERTENS

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REAUTHORIZING BRAND USA AND

THE U.S. SAFE WEB ACT

TUESDAY, OCTOBER 29, 2019

House of Representatives,

Subcommittee on Consumer Protection and Commerce,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 2:28 p.m., in Room 2322, Rayburn House Office Building, Hon. Jan Schakowsky [chairwoman of the subcommittee] presiding.

Present: Representatives Schakowsky, Castor, Veasey, Kelly, O'Halleran, Blunt Rochester, Soto, Matsui, McNerney, Rodgers, Burgess, Latta, Guthrie, Bucshon, Hudson, Carter, and Walden (ex officio).

Also Present: Representatives Welch and Bilirakis.

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Staff Present: Lisa Goldman, Senior Counsel; Waverly Gordon, Deputy Chief Counsel; Alex Hoehn-Saric, Chief Counsel, Communications and Consumer Protection; Zach Kahan, Outreach and Member Service Coordinator; Meghan Mullon, Staff Assistant; Joe Orlando, Staff Assistant; Alivia Roberts, Press Assistant; Tim Robinson, Chief Counsel; Chloe Rodriguez, Policy Analyst; Sydney Terry, Policy Coordinator; Rebecca Tomilchik, Staff Assistant; Anna Yu, Professional Staff Member; Margaret Tucker Fogarty, Minority Legislative Clerk/Press Assistant; Theresa Gambo, Minority Human Resources/Office Administrator; Bijan Koochmaraie, Minority Deputy Chief Counsel, Consumer Protection and Commerce; Tim Kurth, Minority Chief Counsel, Consumer Protection and Commerce; and Brannon Rains, Minority Legislative Clerk.

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Ms. Schakowsky. The Subcommittee on Consumer Protection and Commerce will now come to order. So let me thank all of you for coming. I appreciate it. We had a vote, and so I am glad that you are all here, and we can begin.

So today we are going to be talking about reauthorizing two important programs in the subcommittee's jurisdiction.

When I talk about my subcommittee to constituents of mine, I often tell them that the Energy and Commerce Committee has the broadest jurisdiction of any standing committee in the Congress, but also that this Subcommittee on Consumer Protection and Commerce also has the largest jurisdiction. And nothing makes this point more clear than today's hearing when we will discuss legislation to promote inbound travel and tourism to the United States and legislation to help the Federal Trade Commission protect Americans from fraud that originates overseas.

Brand USA was authorized to work directly with the United States tourism and travel industry to maximize the social and economic benefits of travel. The bill we are considering today was introduced by my friend and colleague and author of the legislation, Peter Welch, and I want to thank him for his leadership on this very important issue.

I am sure that all of my colleagues here would agree that their lives have been enhanced by their own travel, and we all appreciate tourism coming to our direction and experiencing what we each love so much about the districts that we represent.

Brand USA has been great for Chicago, and I am so excited to make sure that the program is reauthorized.

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I am also pleased that we are reauthorizing the U.S. SAFE WEB Act. Congress amended the Federal Trade Commission Act in 2006 to bolster the FTC's ability to combat fraud that originates overseas.

Doing so strengthened the FTC in four ways. One, it confirmed that the agency's jurisdiction extends to foreign wrongdoers that harm U.S. consumers. Two, it authorizes limited but proper collaboration with foreign law enforcement, including investigative assistance and the sharing of information. Three, it enhances the FTC's ability to receive information from foreign countries by allowing confidential treatment of information received. And four, it promotes relationship building by allowing the FTC to participate in staff exchanges with their foreign counterparts.

The bill we are discussing today, which would reauthorize these authorities for another 7 years, was introduced by my friend and colleague and ranking member of the subcommittee, Cathy McMorris Rodgers, and I want to thank her for her leadership on this issue and her partnership on the subcommittee as ranking member.

I am proud to be the cosponsor of both these pieces of legislation and look forward to working with staff and stakeholders.

And now I would like to yield the balance of my time to Congresswoman Robin Kelly.

[The prepared statement of Ms. Schakowsky follows:]

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Ms. Kelly. Thank you, Chairwoman Schakowsky, for holding this legislative hearing on H.R. 4779, the SAFE WEB Act, and H.R. 3851, Reauthorizing Brand USA.

H.R. 4779 is an important bipartisan bill that will allow the FTC to continue international cooperation for investigations of fraud and abuse. Online criminals know no borders, and Americans are often targeted from abroad. With the SAFE WEB Act, the FTC can share information and prohibit third-party recipients of a subpoena from notifying the target during an investigation. These are essential tools to build cases that can bring victims needed justice.

As an international leader in consumer protection, the FTC will also be able to continue its relationship building with international staff exchanges. These exchanges provide continued leadership for the FTC and help train other partners in enforcement best practices.

It has been a true pleasure working with Ranking Member McMorris Rodgers on the SAFE WEB Act.

And I yield back.

[The prepared statement of Ms. Kelly follows:]

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Ms. Schakowsky. The gentlelady yields back.

And now I am happy to recognize Mrs. Rodgers, our ranking member, for an opening statement of 5 minutes.

Mrs. Rodgers. Good afternoon, and welcome to the Consumer Protection and Commerce Subcommittee legislative hearing today on reauthorizing two important U.S. programs, Brand USA and the U.S. SAFE WEB Act.

Earlier this year, this subcommittee held an oversight hearing with the Federal Trade Commission where we focused much of our attention on data privacy and how we can come together in Congress to deliver a Federal bill that provides uniform and strong consumer protections.

At that same hearing, the Commission impressed upon us the importance of the U.S. SAFE WEB Act and the need to extend it. The commissioners testified that it was key to the FTC's international work, and we agree.

Today is the first step in extending this vital program. I want to thank the gentlelady from Illinois, Robin Kelly, along with Mr. Bucshon and Chair Schakowsky, for joining on this bill to extend the U.S. SAFE WEB Act so that it doesn't expire next September. Our proposal extends the program to 2027 and requires additional reporting from the 2006 bill so the FTC can report back on the critical work performed over the past decade.

Since its passage in 2006 and its reauthorization, this program has proven to be an important part of the Commission's work. In our digital and connected world, the internet and e-commerce knows no boundaries, so it is vital to provide tools for the

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Commission's international work.

Thanks to the internet, small businesses, like etailz in Spokane Valley, can now reach people and customers globally. The internet has also made life-changing innovations possible that have raised our standard of living and connected us with the world.

However, it has also presented new opportunities for criminals and bad actors. There is spam, spyware, misleading claims, privacy violations, data security breaches, telemarketing fraud, and more.

To protect Americans, the FTC is our top cop on the beat both here at home and abroad. Thanks to the SAFE WEB Act, the Commission can work on cases with an international dimension. Specifically, the Commission can share evidence and provide assistance to foreign authorities.

The Commission can also enter into enhanced enforcement cooperation with foreign counterparts through staff exchanges, international agreements, and other mechanisms.

And the program has been a resounding success. Because of the SAFE WEB, the Commission has responded to more than 130 information-sharing requests, issued more than 115 civil investigative demands in more than 50 investigations on behalf of foreign agencies, and secured settlements against companies that violated children's privacy online, engaged in sweepstakes scams, deception, and so much more.

The program has been critical to securing the EU-U.S. Privacy Shield, which was extended by the EU Commission last week. Because the internet is borderless, this agreement safely and securely preserves the ability for U.S. companies to do business

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online in the EU by allowing transatlantic data flows.

U.S. SAFE WEB is a successful tool for the FTC to protect Americans from online threats from overseas, and I am so pleased that we are extending it today on a bipartisan basis.

I also want to thank Mr. Welch and Mr. Bilirakis for their leadership in reauthorizing Brand USA. Brand USA is a vital program to attract foreign visitors to the U.S. at no cost to taxpayers. Their focus on bringing tourism to areas like eastern Washington is spurring economic growth and is creating excitement around other parts of the country outside of the big city gateways.

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Thank you again to our witnesses for being with us today, and I look forward to discussing these two important bills.

I now yield back.

[The prepared statement of Ms. Rodgers follows:]

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Ms. Schakowsky. The gentlelady yields back.

And the chair now recognizes Mr. Welch for 5 minutes for an opening statement.

Mr. Welch. Well, I will be brief, because I think, Madam Chair, in addition to saying thank you for holding this hearing, you really covered why this is so important.

But Brand USA, why wouldn't we want to do it when it is working. And we have a challenge. There is a huge economic benefit from tourism. International tourism is especially useful for our economy, and we are going to be hearing from the witnesses about the thousands of jobs and billions and billions of dollars of revenue.

But there is another reason, I think, Mr. Bilirakis and I have worked on this. We do have a dispute, by the way, the two of us. He has some illusion that foreign visitors are attracted to Disney World, not Ben & Jerry's, but there is room for both of us.

Mr. Bilirakis. There is room for both of us, absolutely.

Mr. Welch. But here is the thing that is so important and what I find so really good working on issues where there is common ground. The tourism industry, it really requires people who live in each one of our communities to be so invested in what it is they are offering, their bed and breakfast or their Disney World or their Ben & Jerry's, whatever it is. It is local people who have enormous pride of place. And what they are selling, in effect, or offering, is this invitation to visitors to come and enjoy it.

And it is so beneficial not just for the folks who work there, not just for the State revenues, but for sustaining that sense of community that all of us, all of us, in every part of this country, eastern Washington, in Florida, in Vermont, in Illinois, that we want to encourage and assist.

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So this is a public-private partnership, you know, a little bit on the visa and then significant contributions from the industry in kind, and this advertising makes a difference.

So it is really a thrill to have this hearing. And thank you so much for being so strong an advocate of this, Chairwoman Schakowsky and McMorris Rodgers.

And to my partner, thank you. But come up and get some Ben & Jerry's, all right?

Thank you.

[The prepared statement of Mr. Welch follows:]

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Ms. Schakowsky. You could bring it.

Does the gentleman yield back.

Mr. Welch. I am sorry. I yield back.

If we get this bill passed, Ben & Jerry's all around.

Ms. Schakowsky. That is a deal. Hey.

The chair now recognizes Mr. Walden, ranking member of the full committee, for 5 minutes for his opening statement.

Mr. Walden. Thank you, Madam Chair.

And good afternoon to our witnesses.

I am very pleased that the chairwoman has agreed to have this subcommittee hearing. It is really important work. And we have talked about this a time or two, about moving this forward.

And while the Travel Promotion Act's funding authorization of Brand USA, as well as the U.S. SAFE WEB Act, do not expire until next year, I think it is really important. We know the challenges of successfully moving legislative priorities through both Chambers in a timely fashion. It is hard work no matter what is going on.

This subcommittee can do great things for consumers and does, and I want to be optimistic we can move these items as well as other priorities, such as autonomous vehicles, and I know our teams are working on that, and privacy also, in a bipartisan manner.

My friend, Mrs. Rodgers, and myself will surely -- well, I guess they say here debate who has the better wineries in our neighboring States.

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Mrs. Rodgers. No debate.

Mr. Walden. There is no debate, that is right. But maybe we can agree a good way to solve the argument is if travelers from abroad come find out for themselves, and we could be there to help referee this.

The Bureau of Economic Analysis also reinforces our assessment of such benefits by reporting that foreign visitors account for a disproportionate amount of U.S. travel and tourism spending. And for those who might criticize the Brand USA program, they should know it does not cost taxpayers one dime.

So please direct your travelers our way if you are critical of it. I would like to make them aware of not just our great wineries and breweries, but also deepest freshwater lake in America, Crater Lake, the Painted Hills, the Pendleton Round-Up, "Let'er Buck," and our countless mountains, rivers, and forests.

I am sure we all have similar stories, although certainly not as great as mine, from our districts. I mean, if you are just down to ice cream and nothing else to talk about, I mean, really? We have Tillamook ice cream. We could have, like, an ice cream-off here, you know, before I leave.

Mr. Welch. No Ben & Jerry's to Mr. Walden.

Mr. Walden. I don't think I yielded. I can't imagine why I would have.

So anyway, we all think this is a great program, I believe.

And I also want to thank Mr. Welch and Mr. Bilirakis in sponsoring this important legislation, too.

I would also like to ask, Madam Chair, unanimous consent that an opinion piece by Jason Brandt, who is the CEO of the Oregon Restaurant and Lodging Association, it

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appeared in the Hood River News, my hometown paper, be included in the record, on the benefits of the program if that meets without objection.

Ms. Schakowsky. So ordered.

[The information follows:]

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Mr. Walden. And let me segue to another important element in our international relationship.

Since the committee first created the SAFE WEB Act, and our former colleague, Mary Bono Mack, and our current colleague, Mr. Butterfield, extended that program in 2012, it has been a valuable tool for the Federal Trade Commission to cooperate with foreign enforcement agencies.

So I appreciate that Mrs. McMorris Rodgers is leading this effort on the extension along with Ms. Kelly. And the way this program has served as such an important element of cooperation in dealing with online fraud and deception perhaps serves as a prelude to us doing another data privacy and protection bill that establishes strong uniform standards and protections. Maybe we can do that in the next hearing.

The SAFE WEB Act program also clearly reaffirms the authority of the Federal Trade Commission, and that fact was reflected in our hearing with the agency earlier this year, which is that they know how to take on tough problems, and they do.

As we have certainly learned in our efforts to fight robocalls this past year, a lot of harmful traffic we are dealing with is originating from beyond our borders. So we must act so we are not further inundated with spam and spyware meant to mislead us and even rob us.

With that, Madam Chair, I would like to yield my remaining time to the gentleman from Florida, Mr. Bilirakis, to relay opposing views on the need to visit the East Coast of the country.

Mr. Bilirakis, the time is yours if you so choose to use it.

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[The prepared statement of Mr. Walden follows:]

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Mr. Bilirakis. Thank you. Thank you, Mr. Chairman. I want to thank you. You are a true statesmen. We are definitely going to miss you, Mr. Chairman. I appreciate you so very much.

And we have the -- Mr. Welch and I have probably the best darn title of all the legislation, I mean, there is no question, Brand USA. And it is a wonderful bill. And again, it is a no-brainer as far as I am concerned. But we have got to get it through the House and the Senate as soon as possible and get it to the President's desk.

I want to thank the leadership on both sides of the committee for holding this hearing and for allowing me to wave onto the subcommittee to discuss the Brand USA program and the bipartisan bill I am co-leading with my good friend and colleague, Peter Welch, H.R. 3851.

Brand USA is responsible for increasing international visits to the U.S. by 6.6 million since 2013 and generating \$47.7 billion in economic impact, all at no cost to the taxpayer, I think the best public-private partnership that we have in this country. I previously worked on a bipartisan basis to reauthorize the program with Mr. Welch, and our bill this year will fix and extend the funding source for Brand USA through 2027.

I want to thank our witnesses for testifying this afternoon. I look forward to hearing from all of you. And again, I want to let you know that we have the number one beach in the United States, Clearwater Beach, just outside --

[The prepared statement of Mr. Bilirakis follows:]

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Mr. Walden. Reclaiming my time.

Mr. Bilirakis. All right.

Mr. Walden. We have a little ocean by our State, sir.

Oh, look, we are out of time. I yield back.

Ms. Schakowsky. The gentleman yields back.

The chair would like to remind members that, pursuant to committee rules, all members' written opening statements shall be made part of the record.

And now I would like to introduce our witnesses at today's hearing.

Mr. Christopher Thompson is the president and CEO of Brand USA. Ms. Tori Barnes is executive vice president of public affairs and policy for U.S. Travel Association. And Mr. Aaron Burstein is a partner at Wilkins Barker & Knauer.

And we would like to thank all of our witnesses today for joining us. We look forward to hearing your testimony.

At this time, the chair will recognize each witness for 5 minutes to provide an opening statement. Before we begin, I just want to make sure that everybody understands the lighting system here.

In front of you is a series of lights. The light will be initially green at the start of your presentation, and the light will turn to yellow when there is 1 minute left, and please begin to wrap up at that time, and the light will turn red when your time has expired.

So, Mr. Thompson, we welcome your presentation for 5 minutes.

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**STATEMENTS OF CHRISTOPHER L. THOMPSON, PRESIDENT AND CEO, BRAND USA; TORI BARNES, EXECUTIVE VICE PRESIDENT, U.S. TRAVEL ASSOCIATION; AND AARON J. BURSTEIN, PARTNER, WILKINS BARKER KNAUER LLP**

**STATEMENT OF CHRISTOPHER L. THOMPSON**

Mr. Thompson. Chairwoman Schakowsky, Ranking Member McMorris Rodgers, members of the subcommittee, thank you for inviting me to testify before you today. It is a great privilege to represent Brand USA, the destination marketing organization for the United States. I would also like to thank each of you for your support on behalf of Brand USA, because this body has demonstrated overwhelming support publicly for the reauthorization of Brand USA.

As you know, Brand USA is a public-private partnership established by the Travel Promotion Act in 2009 and reauthorized in 2014. Our mission is to increase incremental international visitation, spend, and market share to fuel our Nation's economy and to improve and enhance the image of the USA worldwide.

Brand USA inspires visitors from around the globe to visit the USA and showcases amazing destinations, experiences, and culture, the one that you can only experience in the United States of America. We directly influence consumers and companies in the travel industry across international markets and through a variety of platforms and campaigns.

One example of this type of engagement is our innovative mega-familiarization

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tours. We refer to them as MegaFams. We recruit qualified travel agents and tour operators and create multistate itineraries that not only take them to, but through and beyond our gateway cities, as was stated earlier. We provide education tools and firsthand knowledge so that they will need to sell those destinations when they are back in their hometowns.

Since the first MegaFam in 2013, 1,000 international travel sellers have visited 50 States, Puerto Rico, U.S. Virgin Islands, and our District of Columbia. Participants enjoy experiences such as a tour of Chicago's Chess Records, the unique atmosphere of Black Bart's Steakhouse in Flagstaff, Arizona, and strolling the quaint parks of Newark, Delaware, among many other places.

We do all of this because it works. According to Oxford Economics, since 2013 Brand USA's marketing efforts have generated 6.6 incremental international visitors. They spent 21.8 billion incremental dollars. It has generated \$6.2 billion in Federal, State, and local sales taxes. Overall economic impact is \$47.7 billion, and nearly 52,000 jobs are supported on an annual basis.

These positive impacts benefit and affect the entirety of the U.S. economy, well beyond the travel and tourism sector. Roughly 50 percent of the direct, indirect, and induced spend include good jobs, created and supported by multiple industries, including finance, insurance, real estate, business services, and manufacturing.

Detailed information about our campaigns, our economic impact, and our return on investment is available for you and your staffs in the annual report for fiscal 2018 that was included and submitted for the record.

Brand USA is more important than ever. The United States faces stiff

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competition in the global tourism marketplace due to factors such as a strong U.S. dollar, growing investment from competitor destinations, and the misperception among travelers that they already know everything that there is to do in the United States of America.

To maintain our effectiveness and not lose ground in markets around the globe, Brand USA needs to be reauthorized now. While the current authorization does not expire until September 30 of 2020, destination marketing plans are developed at least 12 months out, prior to the deployment of marketing campaigns.

This means that Brand USA is currently planning for campaigns that extend beyond the current fiscal year. We are already making decisions about expenditures such as market research, message testing, and digital asset deployment that lay the foundation for our fiscal 2021 campaigns.

This type of long-term planning is the reason our results have been so positive over the last 6 years. But without clarity beyond September, it is difficult to justify these types of expenditures.

At the same time, tour operators and travel media companies around the world are making their investment decisions for travel that will occur in the next year. Without confidence that Brand USA will continue to promote the USA to consumers, connect U.S. destinations and travel retailers and more, these companies are far less likely to make investments in selling the USA.

This will have a particularly acute impact for U.S. destinations beyond the gateways, because international tour operators and travel companies take more risk when they sell the destinations beyond the gateways. The longer the wait, the longer

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the recovery time. This will lead to a reduction in jobs supported by international travel.

Delays in reauthorization will also impact our partners, who are also already in their business cycle planning and counting on Brand USA's presence in these key markets around the world.

When Brand USA is reauthorized, we will continue to inspire people from all across the globe who enjoy the unique experiences that they can only enjoy in our 50 States, the five territories, and our District of Columbia. Our efforts will continue to power the economy, increase revenues, and create jobs across the country.

I thank you again for each of your individual support and for the opportunity to testify before you today. I am happy to answer any questions you may have. Thank you very much.

[The prepared statement of Mr. Thompson follows:]

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Ms. Schakowsky. Thank you.

And now, Ms. Barnes, you are recognized for 5 minutes.

#### **STATEMENT OF TORI BARNES**

Ms. Barnes. Thank you. Chairwoman Schakowsky, Ranking Member McMorris Rodgers, members of the subcommittee, good afternoon. I am Tori Barnes, executive vice president of public affairs and policy for the U.S. Travel Association.

I would like to thank the committee leadership, also Chairman Pallone and Ranking Member Walden, for prioritizing this critical issue, and I would also like to thank Congressman Welch and Congressman Bilirakis for leading this bill.

Brand USA does all of this important work at no cost to U.S. taxpayers, and it is absolutely critical that Congress reauthorizes Brand USA this year.

U.S. Travel is the only association that represents all sectors of the travel industry: hotels, airports, State and local tourism offices, car rental companies, theme parks and attractions, and many others. Our membership is diverse, but we are aligned behind a focused mission: to increase travel to and within the United States.

In 2018, spending by nearly 80 million international visitors to the U.S. produced \$256 billion in export income for the American economy. Overseas visitors spend approximately \$4,200 per trip and stay an average of 18 days, spending money on hotels and transportation, as well as in restaurants, retail establishments, and more. And 74 percent of these visitors leave with a more favorable view of the United States.

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Travel is the seventh-largest industry in terms of employment, and international visitor spending is essential to growing the economy and the American workforce. But the United States is rapidly losing its share of the global travel market, falling 2 percent since 2015. That decline represents a difference of 14 million visitors and a hit to the economy of about \$60 billion in spending and 120,000 American jobs. If nothing is done, our market share will continue to erode and is projected to fall below 11 percent by 2021.

This is why it is crucial for Congress to reauthorize Brand USA this year. If Brand USA were eliminated, the United States would be the only top 20 country destination without a national travel promotion budget. Brand USA's proven effectiveness is jeopardized by uncertainty over its future. Budgets need to be written and campaigns need to be planned, none of which can effectively be done unless Brand USA is reauthorized now.

Quite simply, this is a program that works. Brand USA keeps the United States competitive in the global race to attract visitors and prevents the decline in market share from being worse.

Over the past 6 years, Brand USA's marketing has brought 6.6 million international visitors to the United States, who created \$47.7 billion in economic impact.

Brand USA brings these visitors through and beyond the U.S. gateway cities, ensuring all pockets of America reap the economic benefits of international inbound travel. Some of these partnerships around the country include Meet Atlantic City in New Jersey, Visit Spokane in Washington, Choose Chicago, and Travel Oregon.

Brand USA is also essential to improving the U.S. trade balance. Travel is

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America's second-largest export. While the overall U.S. economy ran a trade deficit in 2018, U.S. travel exports generated a \$69 billion trade surplus. Without this surplus, the United States overall trade deficit would have been 11 percent higher.

It must be noted that Brand USA does not cost American taxpayers a dime. Other countries with whom we directly compete for tourism dollars have large taxpayer-funded promotion budgets, but Brand USA instead is funded through a small fee charged to international visitors approved for travel here under the Visa Waiver Program, plus matching contributions from the American private sector.

Earlier this year, more than 600 travel industry organizations representing all 50 States signed a letter in support of Brand USA to Speaker Pelosi and Leader McCarthy. And of course, Brand USA was reauthorized once, in 2014, with overwhelming bipartisan support.

The time is now. The future of the United States ability to welcome and attract international visitors as one collective voice and the health of the overall economy depend on it.

I would like to thank once again the committee for recognizing the critical need to reauthorize Brand USA as soon as possible. We look forward to working with you to secure the future of this valuable program, and I look forward to your questions.

[The prepared statement of Ms. Barnes follows:]

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Ms. Schakowsky. Thank you.

Mr. Burstein, you are recognized for 5 minutes.

#### **STATEMENT OF AARON J. BURSTEIN**

Mr. Burstein. Thank you. Chairwoman Schakowsky, Ranking Member McMorris Rodgers, and members of the subcommittee, thank you for the opportunity to testify today. My name is Aaron Burstein, and I am a partner at Wilkinson Barker Knauer in Washington, D.C.

Before joining Wilkinson Barker in 2016, I was a legal adviser on consumer protection matters to former FTC Commissioner Julie Brill. My perspective on the U.S. SAFE WEB Act is informed by my experiences at the FTC and in private practice. However, my testimony represents only my own views and not those of Wilkinson Barker or any of its clients.

The SAFE WEB Act provides the FTC with important tools to protect U.S. consumers and enforce standards that responsible companies strive to meet. It bolsters the FTC's ability to work with its foreign counterparts and supports the FTC's international leadership and standing.

Reauthorizing SAFE WEB would keep these essential tools in place and send a strong signal of support for the FTC's consumer protection mission and its role as an international leader in this arena.

I support reauthorization through H.R. 4779, which would leave unchanged the

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core provisions of the SAFE WEB Act that were enacted in 2006 and reauthorized in 2012.

I would like to highlight a few of the benefits of those provisions.

First, SAFE WEB provides the FTC with a clear grant of extraterritorial authority. A core purpose of SAFE WEB is to help protect U.S. consumers from cross-border scams and fraud in a globalized and networked world.

Consistent with this purpose, SAFE WEB expressly allows the FTC to prosecute overseas conduct that foreseeably harms American consumers. The act also expressly allows the FTC to take action against companies that operate in the U.S. and cause harm overseas.

Second, SAFE WEB has allowed the FTC to build an impressive record of assisting its foreign counterparts in their investigations. As we heard, according to FTC data from March 2019, the FTC has issued more than 115 administrative subpoenas and responded to more than 130 information-sharing requests under SAFE WEB.

SAFE WEB requires the FTC to carefully evaluate these assistance requests under a variety of factors. For example, the FTC has to consider whether the requesting agency will reciprocate when the FTC makes its own requests. This helps to ensure that assistance is done carefully and is not a one-way street.

This leads me to a third benefit of the SAFE WEB Act, which is the meaningful assistance the FTC obtains from foreign law enforcement agencies. In the past few years, the FTC has credited the act with securing assistance and cooperation in cases involving large-scale data breaches, children's privacy violations, and a sweepstakes scam that led the FTC to recover over \$30 million.

Finally, the SAFE WEB Act helps the FTC build relationships with foreign law

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enforcement agencies through staff exchanges. The officials the FTC hosts as international fellows or interns return to their home countries with a better understanding of the laws the FTC enforces, how it conducts investigations, and how it operates as an agency.

These visitors also develop personal contacts within the agency, and these relationships can bolster trust, promote future enforcement cooperation, and facilitate communications between the FTC and its counterparts.

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All of these outcomes benefit U.S. companies and consumers.

In conclusion, the FTC has used its SAFE WEB Act effectively in its own investigations and to assist its counterparts abroad.

Thank you, and I look forward to your questions.

[The prepared statement of Mr. Burstein follows:]

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Ms. Schakowsky. Thank you so much.

We have concluded now witness opening statements. At this time, we will move to member questions. Each member will have 5 minutes to ask questions of our witnesses, and I am going to start by recognizing myself for 5 minutes.

You are going to hear a lot of touting of our hometowns, and that is all to the good.

For the third consecutive year, Conde Nast Traveler has voted -- the readers have voted Chicago as the, quote, best large city in the U.S. to visit, unquote. Pace Magazine praises Chicago's theater as, quote, one of the most thriving theater scenes on the planet, unquote. And Bon Appetit magazine has dubbed Chicago as America's most exciting city to eat in right now, unquote. And of course, Chicago is also home to the largest science museum in the Western Hemisphere, champion sports teams, and the famous Art Institute of Chicago.

I have to express one gripe, however. Yesterday my city was maligned to some extent. The President of the United States was there, and Chicago, he said, quote, is embarrassing to us as a Nation, unquote, and that, quote, Afghanistan is a safer place by comparison with -- Afghanistan is a safer place by comparison than Chicago. Not helpful.

But I wanted to ask you, Mr. Thompson, Chicago has a thriving tourism market, despite some other comments, and everything is in place to support even more tourism. How can Chicago specifically benefit from its partnership with Brand USA? We do have Choose Chicago, as I think you mentioned, Ms. Barnes, or one of you, that partners with

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Brand USA. But what recommendations do you have for cities in general to maximize the tourism?

Mr. Thompson. So, Madam Chairwoman, this might be the answer to each and every one of your similar questions about your respective hometowns.

The foundation of our marketing and promotion efforts really promote, and by law we are required to promote the entirety of the USA, all 50 States, five territories, and the District of Columbia. So our marketing promotion campaigns through our own assets do that.

But I am happy to report that both Choose Chicago and the Illinois Office of Tourism are some of our most active partners. So beyond our foundational marketing campaigns, we have cooperative marketing across many channels, mostly on the digital platforms and in the social media, and both of those organizations, on behalf of the city and the State, have been very, very active.

I don't have to tell their stories because on my best day I couldn't tell it as well as they could do. What we have to do is find ways to magnify their stories, and that is the way that we add value to what is being done at the local and State level.

So I am proud to say that I am not sure what else more they can do other than what they have been doing, and it is our job to continue to bring forward programs and marketing opportunities that they see value in.

Ms. Schakowsky. Thank you.

So people from all over the world are visiting the United States, and today the top five countries for international tourism to the U.S. are Canada, Mexico, the United Kingdom, Japan, and China. However, there are certain countries where you probably

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see tremendous potential, even more than tourists right now who are visiting the U.S.

So, Mr. Thompson, what are some countries that you view as emerging markets for inbound tourism to the United States?

Mr. Thompson. Well, you mentioned four of our most stable markets, the two we share a border with and the U.K. and Japan. China is a market that has climbed the top 10 in a rapid pace. It is the largest outbound tourism market in the world, 140 million Chinese travel outside the borders every year. The U.S. is the most aspirational destination for our Chinese visitors.

So as lift improves, as access improves, our job is to continue to tell the stories that they actually know, which are many of the gateway cities and opportunities through those gateways, and more importantly, what they don't know, because they are very curious visitors and we expect them to grow in numbers.

Ms. Schakowsky. And I assume you are trying to promote that.

Mr. Thompson. Oh, absolutely. We have four offices in China.

Ms. Schakowsky. Great.

I now yield to the gentleman, Mr. Bucshon, who is the acting vice chair of this committee right now.

Mr. Bucshon. Well, thank you very much.

In a digital age where the world is simply a click away, bad actors often try to take advantage of international borders to defraud consumers. We should ensure that the FTC has the tools to work with international law enforcement to bring these bad actors to justice.

That is why I am proud to co-lead the U.S. SAFE WEB Extension Act with Ranking

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Member McMorris Rodgers, Chairwoman Schakowsky, and Congresswoman Kelly, which reauthorizes the U.S. SAFE WEB Act of 2006.

Mr. Burstein, you mentioned that the core purpose of the SAFE WEB Act was to affirm the FTC extraterritorial authority. Can you provide examples of how the foreseeable and materiality standard has protected consumers in the United States.

Mr. Burstein. Certainly. This aspect of the SAFE WEB Act has come up in a couple of recent cases. And just to set the frame in a little bit larger perspective, part of the concern that would arise from the expiration of SAFE WEB Act authority is that without that express authority in place FTC defendants might have greater incentive to litigate the FTC's jurisdiction over them. So having it in place makes bringing cases a little bit easier for the FTC.

That has come up in a couple of cases recently. One example would be the case against Triangle Media, which involved an operation that had a foreign component. Some of it was based in Bulgaria. And part of the defense against the FTC's action on the part of one of the defendants was that those operations were walled off foreign channels entirely. The FTC presented evidence that that wasn't the case and that there was a material connection of sorts to the U.S. and was able to defeat that defense.

Mr. Bucshon. Sounds great.

Mr. Thompson, Indiana offers many great experiences for tourists, such as a chance to ride in the Spirit of Jasper Train, engulf themselves in the holidays in Santa Claus, Indiana.

By the way, if you have children and they send a letter to Santa Claus, Santa Claus, Indiana, 47579, you will get a personal response. They have a whole team of people

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that work with Santa Claus to respond back to every letter, just so you know. And if you send a box of Christmas cards, which we get from all over the world, they will be personally stamped with a stamp in Santa Claus, Indiana, with a logo that is designed by local school children every year. So I just want to put that plug in.

By the way, I love Chicago. I went to med school in Chicago. My son lives there.

Ms. Schakowsky. And I have a house in Indiana.

Mr. Bucshon. But in all seriousness, Mr. Thompson, can you expand on how Brand USA works with States like Indiana to help promote tourism?

Mr. Thompson. Congressman, as I said earlier, I don't have to tell the Indiana story because, as you well do and as they do at the State office, they tell the story very well. But when we are able to take some of our dollars, match them with their dollars, and in many cases, we have city-State pairings, where the cities will actually partner with the States, then you take one plus one plus one, equaling four and five and six, so that we are all able to leverage our resources beyond what we would be able to do on our own. And I know in many cases that has proved to be very successful for many of the States.

Mr. Bucshon. Great.

In my remaining time, Mr. Burstein, can you describe how the SAFE WEB Act provides accountability measures for both the Commission and foreign law enforcement agencies?

Mr. Burstein. I think one of the key features of SAFE WEB along those lines is that when the FTC provides information to a foreign law enforcement agency it requires certain certifications that the receiving agency will use it only for appropriate law

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enforcement purposes and will provide confidentiality protections. And those obligations also apply to information that the FTC receives from its overseas counterparts.

Mr. Bucshon. Great. I appreciate that.

And by the way, you can also hike in Hoosier National Forest. I just wanted to throw that in.

With that, Madam Chairwoman, I yield back.

Ms. Schakowsky. The gentleman yields back.

And I now recognize Congresswoman Castor for 5 minutes.

Ms. Castor. Well, thank you, Madam Chair, for organizing this hearing.

Thanks to our witnesses today.

I want to thank my good friends and colleagues, Peter Welch and Gus Bilirakis, for moving this bill. I am very pleased to be a co-sponsor.

Brand USA is working, and we really need to move this bill out of committee expeditiously and get it passed. I hear all of the reasons why that you have categorized for us. But it is so important in this big, diverse country that we have a focal point like Brand USA that can combine efforts and be as efficient as possible with the dollars, not the tax dollars, but the foreign dollars that come to help organize private sector business partners with our public institutions and come up with a strategy to market all of the beautiful places and destinations across the United States.

And this is who we are in the State of Florida. The Tampa Bay area, we are the hip urban heart of Florida's Gulf Coast. The hospitality there is as warm as the weather. Gus Bilirakis is absolutely right. Let the record reflect that the beaches of the Gulf Coast are the best in the world. In fact, Dr. Beach, when he announced the best beaches of

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2019 this year, Florida was the only State with two of those beaches in the top ten, but they are all fabulous. I know Congressman Soto is going to second that motion.

But I am concerned that the international traveler numbers are -- I think, Ms. Barnes, you said the market has been falling since 2014, 2 percent, down 2 percent. That is what we see in the State of Florida, a lot of domestic travelers that -- we love them. They all come to Florida to enjoy their vacations. But we want the international travelers back. They are important to us. As you said, they spend more money. They often stay longer.

What are the trends? Mr. Thompson, you know the State of Florida very well, and I appreciate all of your years of service to our State. What is going on, Mr. Thompson, Ms. Barnes, on the international traveler numbers? What should we understand so that we can make sure that we are doing everything to attract those visitors?

Mr. Thompson. Congresswoman, I was going to say, you know my home State is Florida, and I have a long track record with Visit Florida, so I know much of what you were saying about your area very well.

I will say that although the numbers have slowed, the near 80 million visitors in 2018 and the over a quarter billion dollars -- trillion dollars in spend were record numbers. So we are still seeing increased visitation, just at a slower pace.

You know, much of the reason why things slow have as much to do with the strength of the dollar, has much to do with, as I said earlier, competing destinations, and a lot to do with what people are feeling and experiencing back in their points of origin.

So we have consumer sentiment that we track in 10 markets every month, so we

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have a good pulse about what people are thinking and what their intent to travel to the United States is in the next couple years, and we use that to inform a lot of our decisions.

And I would say that is really the urgency of our request to be reauthorized now as opposed to later is a lot of our success that we have had over the last 6 years has really been dependent on that ability to plan 12 to 18 months out and to have the resource that informs those decisions so that we can stay on top of any issues that might be affecting people's ability or intent to travel.

Ms. Barnes. And thank you for the question.

I think I would add to that as well that we are seeing this global travel boom. Global travel is up about 5 to 7 percent. So, as Mr. Thompson noted, we are still continuing to see growth here in the U.S., but it could be that much more. We are losing the market share, really. Countries like Spain and Australia and Canada are beating us at this game or have the potential to beat us at this game if we don't have Brand USA.

So Brand USA, we think, is really what sustained this continued growth, and the urgency, as Mr. Thompson mentioned, is really around that certainty moving forward.

As I noted in my opening statement, if Brand USA were to go away the U.S. would be the only 1 of the top 20 destinations to have no organized marketing arm, and that would be a real detriment to the economy. And quite frankly, because 74 percent of folks leave the U.S. with a more favorable view, it would also be a negative diplomatic impact as well.

Ms. Castor. Well, thank you very much.

And I imagine, Mr. Bucshon, if the U.S. Travel Association and Brand USA was

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going to write to Santa Claus, they would probably ask for swift passage of this bill out of committee and the floor, but also probably for all of us to get busy on an infrastructure package to help repair our airports, our roads, and make travel around the United States of America a little more pleasurable.

So thank you very much. I yield back.

Ms. Schakowsky. The gentlelady yields back.

And now I recognize Mr. Latta for 5 minutes.

Mr. Latta. Well, thank you very much, Madam Chair.

And to our witnesses, thanks very much for being here.

Before I do start, I would like to tell my good friend, the gentleman from Indiana, that I happen to have Rudolph, Ohio. And every year at Rudolph, they have tens of thousands of letters that come in that they will stamp with their famous Rudolph the Red-Nosed Reindeer postmark, so you can have that done in my district.

So thank you very much again, Madam Chair, and thanks again to our witnesses. The first bill we are hearing in this legislative hearing today is H.R. 3851, would reauthorize the Brand USA program so that public and private resources will continue to be leveraged to promote the United States as a tourist attraction for international visitors.

According to Ohio tourism, 46 million people came to Ohio in 2017, spending \$19 billion and contributing \$3.1 billion in tax revenue. Ohio has been my home for my entire life, and I believe it has much to offer to our visitors from inside the United States and from around the globe who are looking for new and memorable travel experiences.

For example, every year in my hometown of Bowling Green, we host the National

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Tractor Pulling Championships, which draws thousands of visitors to Bowling Green from all over the country and the world for a 3-day event, and it also ends up contributing greatly to our local economy.

In addition to events like the tractor pull, northwest Ohio welcomes millions of visitors to the world class Toledo Zoo and Aquarium, Lake Erie shores, the historic Sauder Village, sports teams like the Toledo Mud Hens, the roller coaster capital of the world at Cedar Point, and the internationally renowned Toledo Museum of Art.

I have heard from local business leaders that Brand USA has helped bring visitors to see these attractions and patronize local restaurants, hotels, and shops. Because of the positive economic benefits of this program, which doesn't, again, cost the taxpayer a dime, I am supporting its reauthorization.

And, Ms. Barnes, if I could start my questions with you. In your testimony, you speak of bringing visitors to parts of the United States beyond those gateway cities. As I said earlier, we have a lot to offer in Ohio. What is Brand USA doing to promote the Midwest and the Great Lakes States as a tourist destination for international visitors?

Ms. Barnes. Thank you.

So I think Mr. Thompson can probably best answer this question, but I would note that part of Brand USA's requirements are that they actually go well beyond the gateways and help to promote all of the U.S.

So I know that they are doing a lot of good work in Ohio. I was recently there for a big travel event, and your State was wonderful, a wonderful host. So if I may, Mr. Thompson might be able to best address this specific region.

Mr. Latta. And also, Mr. Thompson, if you could also talk about some of the

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indirect impacts that the Brand USA has on our local economies back home along with that.

Mr. Thompson. Congressman, I appreciate your comments. As I listen to all of you promoting your destinations, we have a campaign called Ask a Local, and we always say that you can know the heart and soul of a community if you know what the locals know. So I think if I just take this recording and send it out, you know, you guys are as good promoters as any of us.

So I would reinforce what we said earlier as far as our core campaigns, which is our own assets that we promote through 12 major markets around the world, promote the entirety of the United States, 50 States, five territories, and the District of Columbia.

We layer in on top of that some streamed marketing campaigns. And I know, for example, we have a campaign that recently launched called United Storage, where we are sending content creation labs, real-time content creation labs around the United States. And that campaign recently visited Cleveland and focused on what Cleveland has to offer and pushed it out on digital and social and other marketing platforms.

I would also remind everyone that included in our testimony on the record is our annual report for 2018, and most every -- all of the accountability that we have as it relates to the overall promotion and what we might have done in specific destinations is listed in there. So I don't have all of that committed to memory and certainly would refer to that as a resource to be able to do, and happy to provide after the fact any more detail.

Mr. Latta. Well, thank you very much.

Madam Chair, I will yield back the balance of my time.

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Ms. Schakowsky. Would you want to ask permission to put that in the record, what was just mentioned by Mr. Thompson? -

Mr. Latta. Absolutely.

Ms. Schakowsky. So ordered.

Mr. Latta. Ask unanimous consent.

Ms. Schakowsky. So ordered.

[The information follows:]

\*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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Ms. Schakowsky. And now Mr. O'Halleran is recognized for 5 minutes.

Mr. O'Halleran. Thank you, Madam Chairwoman.

I am not going to start off with a long list of shameless promotions that the other districts have talked about. I am sorry. I am going to go back to where I started. I wanted to get that in early.

I am glad that we are here having serious discussions about reauthorizing two very important pieces of legislation, and I want to thank the witnesses for their time today.

First, I am proud to be a co-sponsor of the legislation that would reauthorize Brand USA. It is critical that we pass this legislation by the end of the year to ensure that its operation and partnerships can continue well into the future.

Brand USA has tremendous impacts on the First District of Arizona. We attract tourists from all over the world, millions of them. In 2018, domestic and international travel to my district generated \$2.5 billion in economic impact and supported over 18,000 jobs. That is a pretty good return by brand on investment, I would think. The travel industry is the fourth-largest employer, and there may be partnerships between Brand USA and organizations in my district.

Now getting back to the important issue of bragging about our districts. I would like to have anybody want to come out to the district that is larger than the State of Arizona -- Illinois. I grew up in Illinois, but --

Ms. Schakowsky. A little respect.

Mr. O'Halleran. Yeah. I am sorry. But come to the Colorado Plateau or any of the 22 national parks and monuments, the Salt River Canyon, all of the wonderful water

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lands that we have that are contained in the six national forests that are within the district, Lake Powell, the 12 Native American tribes in the district, heritage of the southwestern United States, and I almost forgot the Grand Canyon and Sedona, which are close to my heart also.

Thank you very much. I yield.

Ms. Schakowsky. The gentleman yields back.

And next is Mr. Guthrie, who is now the --

Mr. Guthrie. Acting ranking member.

Ms. Schakowsky. -- acting ranking member.

Mr. Guthrie. Thank you very much. I appreciate it very much.

And we were talking earlier, I have got to go through my list. The Bluegrass Museum in Owensboro, you did a video there, which is the birthplace of one of America's forms of music, totally American, was born right next to my district, used to be my district, Jerusalem Ridge, with Bill Monroe.

Abraham Lincoln. I know my friend from Illinois claims Abraham Lincoln. That is where he became an adult, but he was formed on the hardscrabble land of Kentucky, born, and then Hardin County and now LaRue County. Drank his first drink of water out of Sinking Creek. And then he learned his chores as a boy at the boyhood home that you can visit in Hardin.

In LaRue County, Kentucky, Mammoth Cave National Park, one of the great cave systems of the world, is right near where I live. Unfortunately, we have new caves open up. We try to keep our water away from our houses so we don't become part of Mammoth Cave where we live.

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And then all the scenic rivers and small towns, of course the gold vault at Fort Knox which you can only see from the road, but you can see it just like the movie "Goldfinger."

And as I got to know Ms. Barnes when I first came to town, she used to represent another business that manufactures the great American sports car, Corvettes, in my hometown of Bowling Green. So if you bring a little cash, you can drive a Corvette away from my home district. They are worth every penny of it, that is what they are. So moving forward.

But I want to get to a couple of questions, one for Mr. Thompson and Ms. Barnes. And my friend was talking about her great city of Chicago, and I agree, it is a great city, and I love the great museums and so forth. But we want people sometimes to get out of the big cities and see Kentucky and see other areas off the beaten path because, you know, when we go to some of those countries overseas in Europe, you want to see the great cities and the great cathedrals and things. But sometimes when you find that little surprising little town if you get off the beaten path it really is what you come back and talk about.

And so what kind of systems or things does Brand USA do to try to get people out of the gateway cities, which I am not dismissing them at all, but into the places like the Bourbon Trail and the bluegrass and things like that?

Mr. Thompson. So, Congressman, aside from the plateau or the foundation of promotion that as a result of the internet and through our own channels promotes the entirety of the United States, we actually, through our campaigns that are otherwise cooperative marketing, we actually do a very calculated effort to make sure that we are

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covering the entirety of the United States.

For example, you mentioned the Hear the Music campaign for Owensboro, Kentucky. I think a lot of people would not have known that Owensboro, Kentucky, was the home to Bluegrass Music Museum and the Hall of Fame there. And I think that is a great example. Of all the participants in that campaign, that Owensboro, Kentucky, video is actually indexing as high as any.

Mr. Guthrie. That is great.

Mr. Thompson. So that just goes to prove that many of our visitors know our gateway cities, they are familiar with our gateway cities.

And I think that is the strength of the USA as a destination, that in times when people might be challenged, even with the U.S. dollar, that we have a variety of options even around gateways that give people tremendous opportunity so that they can change their travel plans and actually stay in and around the gateway, and within 4 or 5 hours of a gateway there are things that they have no idea that existed. So we take very seriously the charge of promoting beyond the gateways.

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RPTR MOLNAR

EDTR ZAMORA

[3:29 p.m.]

Mr. Guthrie. Thanks.

Ms. Barnes. And I would just add that the average international traveler spends about \$4,200 when they come to the U.S. Travelers from China might spend upwards of \$7,000. So as Mr. Thompson noted, when they are staying in and around a gateway city, they also stay, on average, for 18 days, and so that allows for them to go and experience different opportunities.

And I think one of the things that Brand USA has really done well, to highlight lately, in particular, is the desire of the traveler to participate in the authentic American experience, which obviously goes well beyond just our cities but to destinations within rural and suburban areas alike. So those international dollars are such a huge benefit to the economy. And when those folks come here and stay for that long period of time, it really helps them to experience the real America.

Mr. Guthrie. Thank you.

And I will transition. I know that you say a lot of it is through internet trafficking -- or internet traffic, and so I wanted to talk to Mr. Burstein about the SAFE WEB Act. So we have another bill before us. It provides the Federal Trade Commission -- so can you explain what tools the USA SAFE WEB Act provides the FTC that it would not otherwise have, and how does it use the tools?

Mr. Burstein. Sure. Just briefly, there are four main areas of tools that SAFE WEB Act provides. First is a clear grant of authority to go after frauds and other types of

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consumer protection harms that occur overseas. The second is the ability to assist foreign law enforcement investigations that may involve conduct in the United States or that harm consumers in the U.S. The third is that the FTC can share information that it would otherwise be required to keep confidential or be prevented from sharing with foreign law enforcement partners. And then the fourth is that it allows for staff exchanges primarily so that foreign law enforcement officials can come to the U.S., get better acquainted with the FTC, build strong relationships, and provide a stronger foundation for future cooperation.

Mr. Guthrie. Thank you.

My time has expired. I yield back.

Ms. Schakowsky. I didn't hear you say that when Mr. Welch brings ice cream, that you would provide a bourbon chaser. I was listening for that.

Voice. Now you are talking.

Ms. Schakowsky. Yeah, yeah.

Mr. Guthrie. I want the maple syrup.

Ms. Schakowsky. And, Congressman Kelly, you are recognized for 5 minutes.

Ms. Kelly. Thank you so much, Madam Chair.

I just want to remind my colleague from Kentucky that, yes, Lincoln was born in Kentucky, but his library is in -- his museum is in Springfield, Illinois. But I do agree with him, as far as the big city. My district is urban, suburban, and rural, and most is out of Chicago, and I want to make sure that we do as much for those areas. And we do have -- the chairwoman talked about all the virtues of Chicago, so I won't double down, but we have Olympia Fields Country Club, which is in the top 50 in the country, where the

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PGA has visited, and I am very proud that that is in my district. So we want them to keep on coming. So -- and thank you for your testimony.

I did want to turn to the SAFE WEB Act. Can you talk about what are some examples of how the U.S. and Canada have cooperated to the benefit of American consumers, since they modeled legislation after the SAFE WEB Act?

Mr. Burstein. Sure. The FTC has cited cooperation with a variety of Canadian law enforcement agencies as being helpful in FTC investigations. Some of the places that that has come up recently include a children's privacy case involving the company V-Tech, that sold connected toys, wasn't obtaining -- allegedly, wasn't obtaining appropriate consent to collect information from children. The FTC apparently worked with the Canadian Office of the Privacy Commissioner, which conducted its own investigation and released its own findings.

Also, another recent case involving Canadian assistance or cooperation was the Ashley Madison case, a breach of a dating website, involving millions of users of that site. There were reportedly users in some 46 countries, including Canada, and again, the FTC had obtained assistance from Canada to collect evidence in that case.

Ms. Kelly. So when you talk about the U.S. SAFE WEB Act, it doesn't just protect consumers from traditional cases of fraud and deception, but as you said, also threats to privacy and children's privacy also?

Mr. Burstein. That is correct.

Ms. Kelly. And then also, can you discuss some of the types of cross-border fraud against U.S. consumers that you see originating from different countries? And are there some countries that are tougher to deal with or we see more fraud originating

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from?

Mr. Burstein. From outside the FTC, which is where I currently sit, it is a little bit hard to really get a lot of insight into where specific things are coming from or where large trends come from. But, certainly, based on the cases the FTC brings, as well as some of what I hear in my practice currently, things like tech support scams remain a very large problem. I certainly hear from my father that he receives ads or pop-ups indicating that he has some sort of problem and needs to employ the services of the company behind the advertiser. Those often have a cross-border component to them. And then also, things like even U.S. mail-based scams promoting prizes that may not really exist as well as sweepstakes and those sorts of schemes can involve actors residing overseas or moving money around and keeping assets offshore.

So those are all things that SAFE WEB gives the FTC the authority to work with foreign law enforcement agencies to investigate as well as to prosecute, if it is appropriate, the parties that are involved in the conduct.

Ms. Kelly. Do you think there are certain groups that these, whoever, go after more than others, or is it equal across the board, or is it like seniors or children?

Mr. Burstein. That is a great question. You know, these schemes can affect anyone. One of the recent cases that the FTC brought that involved SAFE WEB powers did involve, I believe, targeting of elderly consumers. So there certainly are vulnerable categories of consumers who can be targeted.

Ms. Kelly. Thank you.

And I want to yield some of my time to my colleague from Arizona.

Mr. O'Halleran. I thank you.

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Just wanted to make a correction. It is the Colorado River, not plateau. And it is the Coconino Plateau, and I should have fixed that in my notes. Thank you very much.

And I yield.

Ms. Schakowsky. We will get that correction in the record now.

Who is it? Oh, Mr. Walden is back.

Mr. Walden. I am back.

Ms. Schakowsky. And I welcome your questioning for 5 minutes.

Mr. Walden. Thank you. Thank you, Madam Chair. And thanks again to our panel.

Ms. Barnes, you got some explaining to do. Can you explain how Brand USA helps drive international visitors to parts of Oregon they may not otherwise hear about? I stayed up all night working on that one. And then I am going to ask you about whether you think Oregon wine is better than, say, Washington wine, but, no, I won't put you in that spot. Because we know the answer.

Ms. Barnes. Thank you for the question, and the Oregon wine is quite good. I like that, thank you.

You know, Brand USA really goes well beyond the gateways in their efforts, in what they do to market all of the United States as they are working throughout the world. And I think, as I noted previously, we have the opportunity here to really increase our market share. We are losing out to other countries that are doing a lot to try to gain the travelers that would otherwise come here. And without Brand USA, we really would be hamstrung. We would be, without Brand USA, one of the top -- the only one of the top 20 destinations that has no marketing arm. So reauthorization is critical. But

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Mr. Thompson probably can get more specific on exactly what is happening in Oregon.

Mr. Walden. Thank you.

Mr. Thompson. So, Congressman, as I said before, by law, we are required to promote all 50 States, five territories, the District of Columbia, not only to, but through and beyond the gateways, and we are also, by law, responsible for promoting both urban and rural destinations. With that kind of charge and a lot of it being focused on geography, we don't really focus on geography. We focus on lifestyle interests. So in doing that, and particularly in your case, as you were referencing, people that are coming for a wine experience, certainly Oregon has a great opportunity to tell a great story about the wine experience that can be had there. And so on those platforms, where that storytelling is being told, Oregon is a prominent part of the story.

Mr. Walden. Yep. And we got great breweries too. It is not just about the alcohol, but we have great food too and farm-to-table. It is really pretty cool what is happening in sort of the ecoterrorism world -- ecoterrorism -- ecotourism world. Yeah, the other is not really cool. But ecotourism world. We see that a lot too and everything else out there.

Mr. Burstein, robocalls, I know the FTC has been involved in a lot of different international cooperation issues and all, and I am just curious, this committee, at its larger level, has done a lot of work together in a bipartisan way to try and shut down these illegal calls that are often made from overseas. What guidance can you give us? What impact do you see? What can we do more to lessen the burden of these things?

Mr. Burstein. Well, as far as robocalls specifically go, I don't have any recommendations right now, except to point to the SAFE WEB Act and what it does

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generally for the FTC's ability to cooperate with international partners.

Mr. Walden. Yeah.

Mr. Burstein. All of the tools that it provides are useful with respect to international robocall schemes, whether it is working with law enforcement agencies abroad, getting information from them or, you know, helping them obtain evidence from the United States that might be useful to shut down operations.

Mr. Walden. Yeah, I guess that is kind of what I am looking for, is how do we build on those international partnerships. Because what we find is this stuff doesn't stop at the water's edge; it keeps going. And I know there are scams in the hotel lodging industry as well where there are third-party operators alleging to be XYZ hotel, and turns out it was a total fraud, and the guest shows up and -- I actually was at a hotel in my district and overheard one of these conversations, somebody at the desk talking -- you know, a guest thought they were all signed up, and it is like, nope, and they were a victim of a fraud. And I think we are all trying to figure out how do we stop that as we encourage tourism.

So, Madam Chair, I don't have anything else. Thanks for having this hearing. This is really an important set of issues we hopefully will move forward on soon and get them across the finish line. So with that, I yield back.

Ms. Schakowsky. The gentleman yields back.

And now I recognize Congresswoman Matsui for 5 minutes.

Ms. Matsui. Thank you very much, Madam Chair.

And it seems like we are having a competition here about which got the best breweries and wineries and things like that, but, you know, I have to hand it to Brand

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USA, you seem to keep it all kind of balanced out.

Because tourism in California in particular is a major economic driver, in my district of Sacramento alone, the travel industry earned \$4.1 billion in spending and supported more than 31,000 jobs. And Visit California is a founding partner of Brand USA, and this partnership has been really vital to our State's economy. And as tourism in California continues to grow, I want new international tourists coming to experience my district of Sacramento's wineries, museums, and restaurants.

Now, I have to compliment Brand USA, because we always hear about the gateway cities like Los Angeles and New York, but the midsize cities like Sacramento really do appreciate your emphasis, in a sense, attention to these cities, because we have a growing economy with interesting types of tourist attractions.

I want to talk about the international competition. Since it was authorized, Brand USA has helped the U.S. stay relevant in an increasingly competitive international tourism marketplace. While tourism in the United States still makes a significant contribution to the economy, it has been declining recently. The United States' share of the international tourism marketplace dropped from 13.7 percent in 2015 to just 11.7 percent in 2018. Brand USA's campaigns have supported nearly 52,000 incremental jobs per year and helped combat this drop.

Ms. Barnes, what risk do you see associated with failing to promptly reauthorizing Brand USA in terms of employment in the travel and travel-related industries?

Ms. Barnes. Sure. So in the travel industry, it is a top 10 employer in the United States, and without Brand USA, we would be at a real risk of losing, not only the international visitors that spend on average \$4,200, but we would be putting ourselves in

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a position, vis-à-vis the market share with other countries, of being the only -- one of the -- the only one of the top 20 destinations that would have no marketing arm. And with \$47.7 billion of economic input as a result of Brand USA and the 52,000 incremental jobs each year that you have noted, it would really be bad for the economy.

Furthermore, 74 percent of international travelers, when they come to the U.S., leave with a more favorable view of the U.S. And so the diplomacy value is also very significant. So it would be negative from an economic perspective and it would be negative from a diplomatic perspective. So we need Brand USA to continue to welcome international visitors here.

Ms. Matsui. Okay, certainly. Now, Brand USA plays a critical role in marketing the U.S. as a travel destination to international travelers, but marketing is only part of the solution to increase international tourism spending in the United States. International visitors often struggle with the long Customs lines at airports, and we know that some are so concerned about uncertainty and wait times that they choose not to visit at all. These delays can really stifle tourism and hamper economic growth.

Mr. Thompson, can you describe Brand USA's role in communicating U.S. visa and entry policies to international travelers?

Mr. Thompson. Yes, Congresswoman. Aside from the legal responsibility on the promotion side, we are also responsible for communicating accurate and timely travel policy. So in many cases, we are dealing with perceptions versus reality of what is actually happening versus what people are perceived that is happening. And that has to do with people's abilities to get visas. Certainly, there are isolated instances of longer wait times, but for the most part, the wait times have come down pretty drastically over

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the last couple of years.

As it relates to how we welcome everybody, certainly there is isolated instances of long lines, but again, those are the, in most part, the exceptions to the rule, and our job is to make sure that we separate the perception from the reality and make sure people understand how easy it is to get here and how easy it is still to get a visa.

Ms. Matsui. Okay. I was wondering about this, because you all have been very successful on marketing yourself and our country, but how does Brand USA's funding structure differ from other countries?

Mr. Thompson. I will start. I can't speak to every other country, but I think the one thing that makes ours very different -- and I like to say it in lay terms -- ours is visitors paying to grow the visitor entry. So our funding comes from the small fee that members of the visa waiver countries, visitors from visa waiver countries pay. So I think that is the biggest difference. I think Ms. Barnes in her testimony suggested that much of our competition that is as well funded or more funded than us are public dollars that are actually being contributed. Ours is no tax dollars, no tax burden.

Ms. Matsui. Fine. Thank you. And I ran out of time.

Appreciate it. Thanks. I yield back.

Ms. Schakowsky. The gentlewoman yields back.

And now we have yet another acting --

Mr. Carter. Not just another, Madam Chair, this is a special one.

Ms. Schakowsky. -- a special acting, and I recognize Mr. Carter for 5 minutes.

Mr. Carter. Thank you, Madam Chair. And thank all of you for being here.

I am sorry to tell you that I represent an area, the coastal area of Georgia.

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Unfortunately, we don't have a lot of tourism. I mean, all we have to offer is the largest national historic landmark district in the United States in Savannah, Georgia. All we have to offer is the beautiful hundred miles of pristine coastline with the Golden Isles. All we have to offer is the Okefenokee Swamp and the Land of the Trembling Earth. So tourism is not really that important to us, I will tell you.

We are very proud, as you can tell. Savannah is my home. It is where I have lived all my time. I was born and raised there, intend to live the rest of my life. And I am so proud of it, and so proud of the tourism part of it because, obviously, it is a job producer for us. Our economy depends so much on it. So that is why this is so very important to us and so very important to me as well. And I mentioned the Golden Isles, Sea Island, St. Simons, everything that we have -- all that we have to be proud of and that is certainly important.

I wanted to ask you, Ms. Barnes, since 2013, do you know how many international visitors have come to the U.S.?

Ms. Barnes. Oh, sorry. I believe that there have been 1. -- it has created 1.2 million American jobs, and Mr. Thompson probably has the exact number, but we have had -- I am -- it is lost my head.

Mr. Carter. That is okay.

Mr. Thompson?

Ms. Barnes. Sorry. 52,000 incremental American jobs each year.

Mr. Carter. Wow.

Mr. Thompson. Yes, sir.

Mr. Carter. So very important, obviously, to the First Congressional District of

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Georgia that I have the honor and privilege of representing. So thank you for your work.

Can you explain to me, Ms. Barnes, how does the partnership model work between Brand USA? And how do you equate that marketing specific areas of the United States?

Ms. Barnes. Sure. So I am going to let Mr. Thompson answer that question.

Mr. Carter. Yeah, that is fine.

Mr. Thompson. So we deploy resources, Congressman, across three major buckets. One is our direct-to-consumer messaging, which is our owned assets that we take to 14 markets around the world. We have an active relationship with the travel trade around the world with 16 offices that we actually have. And over half of our resources are spent in cooperative marketing. That is with us channeling our dollars in partnership with the cities and States all around the country.

And, again, that is a formula of cooperative marketing that allows us all to extend our resources so that if it is one plus one, it equals three or four. If it is one plus one plus one, it equals four or five, six or seven. And that is the ability that we bring mostly because of the economies to scale that we have in the marketing relationships we have with media sources around the world.

Mr. Carter. So the model that you use, which applies the fees through ESTA and the Visa Waiver Program, is that better than any other model that you can think of?

Mr. Thompson. Congressman, as for what I know, I know of no other that does not involve tax dollars. Or if there are, there are very few of them.

Mr. Carter. Great.

Mr. Thompson. And I think that is the beauty of this public-private partnership,

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that it is, in layman terms, as I said earlier, visitors paying to grow the visitor industry, which makes it one of the purest public-private partnerships and allows us all to extend resources to the benefit of the entire country.

Mr. Carter. Right. You know, not only are we home to all the great things that I mentioned before, but we also have two major seaports, the port of Savannah and the port of Brunswick, that we are very proud of. And one of the things that we often talk about there is the trade deficit.

And I wanted to ask you, Ms. Barnes, in your testimony, you said that travel is America's second largest export. If we didn't have that, would our trade deficit be even higher?

Ms. Barnes. Absolutely. In 2018, we had a travel trade surplus of \$69 billion. Without international travel, it would have been 11 -- the trade deficit would have been 11 percent higher. So when international visitors come here, they spend money in our restaurants, in our hotels, in retail and otherwise; that is considered an export. And in the travel industry, it is the number two export for the U.S. economy overall.

Mr. Carter. Great. And that only adds to the fact, and I certainly would be remiss if I didn't mention that the port of Savannah is one of the few ports in America that consistently has more exports than they do imports. So adding onto that with the tourism, we are doing our part in that part of the country as well.

Mr. Burstein, can you explain very quickly the SAFE WEB Act's provision that authorizes staff exchanges between our benefits and how it benefits the commission?

Mr. Burstein. In a nutshell, basically, this provision allows the FTC to onboard visiting officials from foreign agencies, subject to appropriate security and confidentiality

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requirements. The benefits of doing that are -- sort of play out over the long term. It helps a lot to have partners overseas who understand the FTC well and the laws that it enforces. That just helps build trust and helps both agencies on both sides identify opportunities for cooperation and figure out how to navigate it in specific cases.

Mr. Carter. Great. Well, thank you very much, and thank all of you for your work. As I say, this benefits our district and our country tremendously. So thank you.

Ms. Schakowsky. The gentleman yields back.

And, Mr. McNerney, you are recognized for 5 minutes.

Mr. McNerney. I thank the chair, and I thank the acting ranking member. And I thank the panel for your time today.

There are some lesser known destinations, like my district, that are really hidden gems for foreign tourists. Whether it is visiting Lodi wineries or the Bay Delta or Big Break or Antioch Dunes, there is a lot in my district for travelers around the world to look at.

Mr. Thompson, can you talk about how Brand USA benefits less traditional destination spots?

Mr. Thompson. Yes, sir. Again, the legal charge is that we are responsible for doing that, promoting beyond the gateways. So the beauty of the internet, the beauty of the fact that most of our marketing is done on digital and social marketing channels, allows us to see those conversations on those social marketing channels, see the conversations that are deployed and the marketing that we do on the digital channels, and then it all refers back to our website. And on our website, we have the ability to promote the entire geographic experiences, the lifestyle experiences that you can have

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anywhere in the United States. So most of what would be represented in your great part of the State of California would be included in that overall promotion.

Mr. McNerney. Well, thanks. So how could smaller towns and businesses take advantage of Brand USA's resources?

Mr. Thompson. Well, in a lot of cases, there is a local convention and visitors bureau or one nearby that is charged with telling the story, specifically about that part of the State of California. And as was mentioned by the Congresswoman also from California, Visit California is a very good statewide representation of what all there is to see and do in California. We would not attempt to try to tell those stories on our own because we couldn't tell it as well as those destinations tell those stories.

Mr. McNerney. True.

Mr. Thompson. Our job is to make sure those stories are on our platforms, are amplified through our platforms, and are pushed out to those that are interested in those type of lifestyle interests or specifically visiting the State of California.

Mr. McNerney. Well, thank you. That is good.

Mr. Thompson. Yes, sir.

Mr. McNerney. Mr. Burstein, a lot has changed since 2006 when the SAFE WEB Act was passed. Ninety-eight percent of Americans own cell phones. Eighty-one percent own smartphones. Internet usage has exploded. And that really opens up opportunities for malicious actors who are employing more sophisticated techniques and technologies.

Would you agree that the need for the U.S. SAFE WEB Act has increased since 2006?

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Mr. Burstein. I would certainly agree, for the reasons that you point out. And as use of connected devices has increased and the number of devices has increased, perpetrators of fraud and scams have also become increasingly sophisticated and can take advantage of other ways to carry out their schemes.

Mr. McNerney. Are there specific types of cross-border fraud that we ought to be aware of?

Mr. Burstein. You know, I think any of the types of consumer protection matters that the FTC deals with generally can have a cross-border element. It becomes especially challenging for the FTC and helpful to have SAFE WEB authority where there is money moving overseas, and the Act gives the FTC the authority to go after -- very specific authority to go after foreign actors and to potentially obtain assets to help compensate victims.

Mr. McNerney. I mean, for an individual that has been defrauded, is it viable for them to go to the FTC and get some remedy?

Mr. Burstein. The FTC, I think, as a general matter, doesn't really address specific individual complaints, but instead, looks at trends and looks at cases where they can obtain relief for a significant number of consumers. And that is sort of what guides the agency's decision, but certainly, they receive individual complaints and those are important elements of determining what to investigate and which cases to bring.

Mr. McNerney. What would happen to U.S. companies if the U.S. SAFE Act were to expire?

Mr. Burstein. If the Act were to expire, all of the authorities that it provides to the FTC currently would go away. So, for example, the fact that some companies are

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victims of cross-border frauds, you know, whether it is sort of business-to-business types of schemes, those could potentially be more difficult for the FTC to prosecute. Sometimes companies' names might be used. For example, a company's name might be used to, say, tell a consumer that they need to get their device serviced as a sort of tech support scam. So that would be another way that companies could lose out if SAFE WEB were not to be renewed.

Mr. McNerney. Okay. I yield back.

Ms. Schakowsky. The gentleman yields back.

And now I recognize Congressman Soto for 5 minutes for questioning.

Mr. Soto. Thank you, Madam Chairwoman.

Certainly, we are big supporters of Brand USA in the Orlando and central Florida area. I think it bears discussing real quick how Brand USA works for my constituents. Fourteen dollars through the Visa Waiver Program for the Electronic System Travel Authorization, passenger screening fees, all that goes together to develop \$100 million paid for by tourists coming into the country and matched by private sector money. So \$200 million. Plus, another \$60 million back to the Treasury, which certainly is no shabby feat there. So this is a self-funded program with \$47.7 billion in economic output. So definitely a great value.

We know the story in Orlando. 126 million tourists to Florida. Seventy-five million of those went to our region. Of those, about 10.8 million international tourists. We are up with Canada, we are up with Brazil, but we are down with the U.K. and some of our European brothers and sisters. So we know we can't take it for granted, international travel, and that is where Brand USA, with our partners in Florida and other

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States, play such a critical role.

The other thing to understand, and I know our panel understands, is the big attractions they are already advertising: Disney, Universal, Sea World, Legoland. Try to go to any State or territory in the Nation and beyond and not see the commercials. But it is the small businesses that seem to get the most bang for the buck out of Brand USA and Visit Florida. Like the U.S. Tennis Association and Gatorland in eastern Orlando, east Orange County; The Paddling Center, if you want to paddle on the Shingle Creek; or Pioneer Village in Osceola County, and see our rancher heritage there; Bok Tower, where you can see unique flora and fauna; as well as the central Florida sports complex, both in Polk County; and then all the mom-and-pop hotels that are along 192, and I drive, all benefit from having those little internet ads and getting those Google searches right and all the other little tricks of the trade to connect to this.

So it would be helpful if I could hear from both Mr. Thompson and Ms. Barnes about your opinions on how this helps small tourist businesses in a lot of our districts. And we will start with Ms. Barnes and then Mr. Thompson.

Ms. Barnes. So thank you for the question. I think one of the things to highlight or that you noted is that the Disneys of the world, who are very important members and partners in this, have the resources to sort of market themselves. But it is these smaller destinations that don't have the resources without collaborating with Brand USA, that wouldn't be able to market in such platforms across the globe. So it is really -- it is really those smaller destinations that benefit the most. And I will let Mr. Thompson answer more specifically that answer as well.

Mr. Soto. Sure.

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Mr. Thompson. Congressman, I appreciate your comments. Again, Florida is my home State. And I was with Visit Florida for 15 years, so I know that model well, and I know the relationship that we have had with them.

You know, even though Disney and those major players in Orlando do a lot on their own, they also find ways to partner with us.

Mr. Soto. And we don't take them for granted --

Mr. Thompson. Yes, sir.

Mr. Soto. -- that they are leading the charge in central Florida. But I think sometimes there is a notion that it is just going to some of these major tourism attractions when it goes all throughout.

Mr. Thompson. And I think with our sensitivity to and legal responsibility to looking beyond the gateways, I will use a destination that often -- that doesn't have the recognition Orlando has, which is Kissimmee. You mentioned 192.

Mr. Soto. Sure --

Mr. Thompson. Kissimmee is a major cooperative marketing partner with us because -- for that very reason. They see the opportunity to raise the awareness of that destination, which is, you know, right border to Orange County and oftentimes not recognized at the same level that Orange County because of all the major infrastructure. A lot of people don't realize there is a big portion of Disney that is actually in Osceola County.

Mr. Soto. Sure. It is in my district.

Mr. Thompson. Yes, sir. So you know it well. So I think that is -- I think you are just preaching the real value proposition that we bring to the equation, is that we

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certainly do not take our gateways for granted, because other than the two countries we share a border with, that is the only way people get here. But once they get here, we make sure they understand that, not only are there those opportunities in those gateways, but within just a couple hours of each of those gateways, there is opportunities they are not even aware of.

Mr. Soto. Sure.

Mr. Thompson. Yes, sir.

Mr. Soto. Well, thanks for that.

I just want to end with a brief story that I was kayaking at The Paddling Center in Osceola and Kissimmee. It is no more than probably 5 miles, 7 miles from Disney World, and you get to kayak on Shingle Creek. And they get pretty much most, if not all, their customers from just a simple Google search of Disney and kayaking, or Orlando or Kissimmee and kayaking. And it is all based upon those ads that come from Visit Florida that work with Brand USA. So we appreciate what you all do.

And I yield back.

Ms. Schakowsky. The gentleman yields back.

And now I recognize Mr. Bilirakis for -- what? I am sorry. What? Oh.

Mrs. Rodgers. Go to Bill.

Ms. Schakowsky. Thank you. Out of order, but still I recognize Mr. Bilirakis.

Mr. Bilirakis. Thank you. I appreciate the recognition.

Okay. Well, Madam Chair, I know a lot has been said, and this is a great program, particularly for our hidden treasures. And I represent the Tampa Bay area, and we have many, many hidden treasures in the Tampa Bay area. I am not going to go

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through all of them, but this is a wonderful program, particularly for entities, whether they are cities, counties, chambers, what have you, and they don't have a lot of money to advertise. And this is a great partnership.

So I have a couple questions. Mr. Thompson and Ms. Barnes, is there any other program in the government that doesn't cost taxpayers a dime but provides 25-to-1 return on investment? And can you explain how Brand USA determines its success in this regard? It is a tough question, right?

Mr. Thompson. So, Congressman, thank you for your sponsorship of this bill and for all you have done for the State of Florida, my home State, and for what you are doing for Brand USA. We are very -- I am not in a position to speak to any other program and how they are funded and how it would compare to ours. All I can speak to is ours. We are very proud of our ROI study. You mentioned the 25-to-1 return on investment. That is consistent over the 6 years of our existence. It is verified by an outside third-party with credibility. It measures our reach into markets across all of our marketing channels and our ability to influence the intent to travel to the United States. It has been consistent over the 6 years, and the numbers that have been well documented and articulated here is that it is in -- you know, resulted in the over 6 million incremental visitors over those 6 years and the collective spend of nearly \$48 billion.

So I would say that that has been the one consistent thing that I think we have been able to bring forward as our accountability to Congress. And the methodology, the entire study for the last year's ROI, is included on the record and is available for each and every one of you and your staff to be able to look at as far as the methodology and the end result.

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Mr. Bilirakis. I appreciate it very much. Again, the proof is in the pudding.

Mr. Thompson. Yes, sir.

Mr. Bilirakis. And we did put in -- when we reauthorized 5 years ago, we put in further accountability measures, and we have improved the bill as well this year.

So another softball here. Mr. Thompson and Ms. Barnes, your testimonies both discuss the urgency of reauthorizing Brand USA and extending its funding source. Can you elaborate on this and explain why we need to get this done this year as opposed to waiting until next year? And I know that is very important. It is critical.

Mr. Thompson. Congressman, I will take that one, if you don't mind, also.

Mr. Bilirakis. Sure.

Mr. Thompson. I emphasized that in my testimony and the fact that destination marketing requires at least a 12-year planning window and -- I mean, excuse me, 12-month planning window. In many cases, it is 18 months.

Mr. Bilirakis. Right.

Mr. Thompson. Our success over these 6 years, documented by our ROI study, is our ability to go in and do the research necessary to qualify the markets, to qualify the opportunities, and to make sure that we are deploying the resources in the most efficient and effective way that we can do it. We are already inside the 12-month window for planning for 2021, much less the current fiscal year. So every month that goes by, it is compromising our ability to have an influence on this current fiscal year and also compromising our ability to have the same influence we have had over the last 6 years and the following fiscal year.

And that is not just for us; it is our partners here in the United States who also

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have their own planning cycles, and as important, our tour operators and our media companies that we work with in the markets that we are promoting in. They are also making decisions on where they are going to deploy their dollars and who they are going to promote. Without adequate planning time, we compromise our ability to be as efficient and as effective as we have been in the past.

Mr. Bilirakis. The bottom line is, you need certainty.

Ms. Barnes, do you want to add anything?

Ms. Barnes. Sure. I would just add that the certainty really is critical. I mean, this is not a typical government program. It can't be retroactively reinstated in a way that would allow Brand USA to continue the strong work that it does, as Mr. Thompson just noted. And I would also just highlight that, you know, as I noted, if Brand USA were to go away, we would be one of the top 20 destinations, the only one, that doesn't have a travel promotion marketing budget, and that would be really catastrophic from an economic perspective.

Mr. Bilirakis. I agree.

I have a couple more questions but, Madam Chair, in the interest of time, I will submit them for the record. But I will encourage all Members to please cosponsor this bill, and also, the people listening at home, this is really great for your economy and encourage your Member. Please encourage your Member to cosponsor the bill and support the bill.

Thank you, and I yield back, Madam Chair.

Ms. Schakowsky. The gentleman yields back, and I thank him for his leadership.

And now I recognize for 5 minutes Congresswoman Blunt Rochester.

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Ms. Blunt Rochester. Thank you, Madam Chairwoman. And thank you to the panelists.

I would be remiss if I did not do a commercial for the First State, which no one can take away from us, because we are the first State, Delaware, and in that regard, we have culture, everything from the Clifford Brown Jazz Festival and Rehoboth Beach Jazz Festival to the Bob Marley People's Festival, Firefly, and the Apple Scrapple Festival, for those of you who like apples and scrapple. We also are very historic, including stops on the Underground Railroad. We have farms that grow great vegetables and fruit, but also, we have dairy. So we have the best ice cream in the United States of America. And also, we are known for tax-free shopping. I know there are some snaps out there for tax-free shopping. And last but not least, I would just mention our pristine beaches. We have some beautiful beaches. Our slogan is "endless discoveries" because there are many discoveries that a lot of times people don't know about such a small State. And I think that is why this hearing is really vitally important for the economic viability of our country, but also, just to share across the world the things that we have.

And I had the opportunity to live in China for a few years, and the country of America is called Meiguo. Mei is for beautiful. We are known as the beautiful country. And so what you do is really an opportunity for us to showcase that.

And my questions really start with taking up with Mr. Soto's comment about small areas, small States. Particularly, I understand that the Travel protect -- Promotion Act mandated that Brand USA treat rural and urban markets equally, including smaller markets that are not as visited by international travelers.

And so I just wanted to ask Mr. Thompson, does Brand USA face any barriers to

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achieving that goal of promoting travel to small and rural markets? Are there areas of improvement that you see? And then, how can we as Members of Congress help in those areas of improvement, in addition to supporting the great work of Mr. Welch and Mr. Bilirakis?

Mr. Thompson. Congresswoman, lots of questions. I would say, as it relates to our mandate to promote the entirety of the United States, a State like yours is well represented on our digital platforms. You know, traditional advertising in the destination space was a 30-second ad, and it would be impossible to talk about what there is to see and do in the United States in a 30-second ad. So that is why we really concentrate on the digital platforms, the social media platforms. And so all the stories being told by your destinations within your State that are on the internet are then amplified by what we are doing.

You know, support of this bill and our ability to move forward is the most critical part of what we are looking for. Obviously, there is other travel policy issues that are related, but being selfish, our reauthorization is the one I am focused on right at the moment.

Ms. Blunt Rochester. Well, I want to tie it into your reauthorization. That is why I asked the question.

And, Ms. Barnes, you might want to answer as well, if there are things that we could do, particularly for smaller and rural areas.

Ms. Barnes. I think, quite honestly, the voice of Members of adding as a cosponsor, which I believe you are, encouraging other colleagues from other small States as well, I think States throughout all of the United States, and I think also voicing, you

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know, the strong bipartisan support, moving forward with the congressional leadership and really urging this to be, you know, not only marked up, but included in a must-pass legislation before the end of this year.

Ms. Blunt Rochester. Gotcha. Great.

One other question I had was about people who travel here internationally but they are already in the country. And I know, through concierges and other ways, you are able to reach out to them, but can you describe just some successful efforts that you had in that regard, people who get here and then have to go out to other places?

Mr. Thompson. You know, long-haul travel is a major investment, not only of dollars, but of planning. So in many cases, our visitors are coming here, and as Ms. Barnes stated, they stay for an extended period of time. So they are here for weeks at a time. So much of what they are planning is they know that they are going to come in at one destination, and they may be leaving at another destination, and they may be driving or flying in between.

The ability that we have on our platforms to be able to talk about what there is to see and do in between is what fuels a lot of those decisions, yes, ma'am.

Ms. Blunt Rochester. Great. Thank you.

And I yield back.

Ms. Schakowsky. And now it is my pleasure to yield 5 minutes to the real ranking member of this committee, Mrs. McMorris Rodgers.

Mrs. Rodgers. I thank the chair for yielding.

And I apologize, I was down at DOT speaking on autonomous vehicles, self-driving cars, which is also exciting. Clearly, though, I am picking up on here, I think we are going

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to have to do a taste test on ice cream, because we have the Washington State University Creamery that I will put up against anyone else, and we will have a little social in our future. That will be good.

But great to hear about Brand USA. I wanted to go back to the legislation that I am proud to be helping lead this Congress, and that is the reauthorization of the U.S. SAFE WEB Act. And we had a hearing earlier this year with the FTC. All five FTC commissioners were at the hearing, and they were talking about how critical it was to reauthorize the legislation, critical to the agency's international work.

So I wanted to ask Mr. Burstein -- and Robin Kelly and I are working on this legislation together -- would you just explain how the Commission uses the tools the Act provides, and what the effect would be if we failed to reauthorize it?

Mr. Burstein. Yes. Thank you for the question. I think there are three main ways that the FTC uses the SAFE WEB Act in its investigative capacity, and then one that is more of a general agency relationship-building mechanism. In terms of its use in investigations, you can think of it as helping information to flow in two directions. One is that it allows the FTC to provide assistance to foreign law enforcement agencies, to provide information to them, and the actions of those agencies can support or complement actions that the FTC itself brings. The Act also allows the FTC to guarantee confidentiality of information that it receives from foreign law enforcement agencies. And then a third investigative and operational impact of the Act is that it gives a very clear grant of authority for the FTC to bring cases against foreign actors who cause harm in the United States, as well as to bring actions against entities that have some aspect of their conduct occur in the U.S. but harm consumers overseas.

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So those are the three main ways that the Act supports the FTC's investigations and enforcement actions.

In addition to that, there is a provision that allows the FTC to conduct staff exchanges, and under this authority, the FTC has hosted dozens of officials from foreign law enforcement agencies. Those folks gain a better understanding of how the FTC works. And when they return to their home countries and go back to working in their law enforcement agencies, they can become better contacts, trusted contacts at the FTC, and that can establish a foundation for more effective enforcement cooperation.

Mrs. Rodgers. Would you give us some examples of what would happen if we did not have the U.S. SAFE WEB Act in law?

Mr. Burstein. So I think, generally, it would impair the FTC's ability to get information from foreign sources. The confidentiality protections are very important in that regard, and it might make foreign law enforcement agencies less willing to provide information that can help the FTC conduct its investigations.

The extraterritorial authority that I mentioned is also, I think, extremely useful in some FTC cases. Foreign defendants might become more willing or emboldened to challenge the FTC's authority if there weren't this clear statutory authorization saying that they are subject to the FTC's authority.

Mrs. Rodgers. Okay, thank you.

And then, Ms. Barnes, I know we have been talking a lot about USA Brand. Would you just speak to the economic impact and the number of American jobs that Brand USA has meant?

Ms. Barnes. Sure. So since 2013, Brand USA has brought \$47.7 billion in

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economic input to the U.S., creating 52,000 jobs annually, incrementally, incremental jobs. And importantly, international travelers, when they come here, they spend \$4,000. Chinese travelers, for example, might spend as much as \$7,000. So in addition to the positive, economic benefits when these international travelers come here and leave, that is considered an export. And so there has also been a \$69 billion travel trade surplus created by international travel, helped by Brand USA in 2018. And were it not for international travel, the trade deficit would be 11 percent higher, so significant economic input and jobs created.

Mrs. Rodgers. Super. Thank you.

I yield back.

Ms. Schakowsky. Thank you. The ranking member yields back.

And now, last but not least, I want to give 5 minutes for questioning to the sponsor of the legislation, and that is Peter Welch.

Mr. Welch. Thank you very much.

You have been good witnesses, so we have gotten the information. I was going to reiterate the importance -- you have been clear about the importance of passing this now because of the lead time, so I won't ask you to say it again. I think you have made the point very, very clearly. But I do want to emphasize the urgency that we act. And I want to thank Chairwoman Schakowsky because she realized that very much, and that is why we are having this hearing.

Secondly, though, I do want to talk a little bit about what is happening with China, because we used to have significant visitors from China. Obviously, there is some turmoil. We have got a battle about trade and other political issues. And their visits

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are down and their spending is down.

How can Brand USA help us mitigate that loss of a very important market?

Ms. Barnes. Thank you. And thank you so much, Congressman, for your leadership on this important issue. Brand USA is so important, and we would not be where we are without you, so thank you.

Travel from Chinese is, in fact, down. It is down from about 3.2 million visitors to about 3 million. And a lot of that is a result of, not only the strong dollar, but the trade tensions with China. I will let Mr. Thompson talk a little bit more about this, but from our perspective, from an industry perspective, were Brand USA not in China with their four offices, we would be in a really bad position, because we know that they are there, and they are still encouraging and working to drive international travel.

Mr. Welch. So you have to get the counter story out --

Ms. Barnes. Yeah, absolutely.

Mr. Welch. -- that it is safe to be here, you are welcome to be here, and we are waiting for you to come.

Go ahead, Mr. Thompson.

Mr. Thompson. Congressman, I will add my thanks for your leadership in this regard. It is very much appreciated.

You know, I said in my testimony and in response to some of the questions, the amazing power about travel is that it has the ability to transcend politics. We have our fingers on the pulse of the sentiment in China, and the sentiment in China as it relates to U.S. being the most aspirational destination in the world has not changed.

Mr. Welch. That is good.

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Mr. Thompson. So as there are trade tensions between our two countries, what makes the United States aspirational has little to do with politics. It has everything to do with the destinations, the experiences you can have here, and also some of the most welcoming people in the world.

Mr. Welch. Great.

Mr. Thompson. So our ability to stay connected to the travel trade through our four offices, our ability to stay active on the digital and the social media platforms, and doing it in China is like no other place. We had to build a whole separate digital platform to do so. So we are there and we are staying strong as far as our commitment there, because it is such an emerging market.

Mr. Welch. Thank you very much.

And one other question that always arises when there is advertising campaigns is how do you measure whether it is working, because you can't link a particular purchase to a particular ad. But on the other hand, it is in your interest, obviously, to have some confidence that it is working. And can you just speak to that?

Mr. Thompson. Well, I would speak to it in two ways. One is the ROI study that is on the record that talks about our ROI, which over 6 years has been 25 to 1, as far as dollars invested. Again, no taxpayer dollars but --

Mr. Welch. Right.

Mr. Thompson. -- visitor dollars that are invested to grow the visitor industry, a 25-to-1 return. And I would suggest the other way that we measure that is, over our history, we have now -- have over a thousand partners that partner with us on a regular basis. Those are destinations and brands here in the United States, it is tour operator

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companies, and it is media companies around the world. And we have a 94 percent retention rate with those partnerships. And if what we were doing in deploying in market wasn't working, I don't think that we would have that high of a retention rate.

Mr. Welch. Ms. Barnes, do you have anything to add?

Ms. Barnes. No. I would just echo that. And I think that, in addition to that, testimonials on the ground. I know you were recently at a fall foliage festival in Vermont, and I think hearing firsthand from the bed and breakfasts and the other folks in different States highlighting the importance of Brand USA driving customers, there is another important touch point in the testimonial voice.

Mr. Welch. Great. Thank you.

I yield back.

Ms. Schakowsky. Thank you.

I want to thank our witnesses. You had an opportunity to have a little travel log here, yourselves, the wonderful districts that we are so proud to represent. And I want to thank all of you for coming, sometimes having to repeat yourself, but I am so happy that people were in and out of this hearing and were able to hear the background on both of these pieces of legislation.

I remind members that pursuant to committee rules, you have 10 business days to submit additional questions for the record to be answered by the witnesses who have appeared. And I ask the witnesses, please, to respond promptly to any questions that you may receive.

I request unanimous consent now to enter the following documents into the record: A letter from the Federal Trade Commission, letter from the Electronic Privacy

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Information Center, and a letter from the American Hotel and Lodging Association. And with no objection, so ordered.

[The information follows:]

\*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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Ms. Schakowsky. At this time, the subcommittee, with our thanks, is adjourned.

[Whereupon, at 4:27 p.m., the subcommittee was adjourned.]