



STATE OF THE TRAVEL INDUSTRY 2022

Setting the Stage for the Future of Travel

**Remarks as Prepared for Delivery by Roger Dow, President and CEO, and
Tori Emerson Barnes, Executive Vice President of Public Affairs and Policy
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Introduction from U.S. Travel Executive Vice President of Public Affairs and Policy Tori Emerson Barnes

Good morning. I'm Tori Emerson Barnes, executive vice president of public affairs and policy for the U.S. Travel Association. Thank you to our guests joining us live and to the thousands who are viewing online.

In just a moment, U.S. Travel Association President and CEO Roger Dow will address what's ahead for the industry this year and the opportunities the American travel industry has before us now, and into the future.

I would like to first thank all of our industry partners who have helped us navigate the challenges of the pandemic these last two years. Our industry has shown incredible resilience, optimism and dedication in the face of these extraordinary challenges.

While the road to full recovery may be longer than we would like, we are already looking far beyond the pandemic to a brighter, more globally competitive, increasingly more sustainable, diverse and innovative future for the whole of the U.S. travel industry.

I look forward to continuing to work with Roger, our board and internal team, as well as all of YOU to bring a bold vision to life.

Before Roger joins us, let's take a moment to view this brief video previewing the exciting plans we have for the U.S. travel industry.

Introduction from U.S. Travel President and CEO Roger Dow

Hello and thank you for joining us today.

I wish more of us could be here in person. But I am grateful for the opportunity to share a message with you that looks ahead to the important work and exciting opportunities in front of us.

The past two years tested our industry as never before. But we are recovering and building back to growth. Together, we are moving beyond the pandemic with our eyes on the future.

The industry's past successes

But as many of you know, I will be stepping down as president and CEO of U.S. Travel in July.

I am optimistic about the coming years because I have seen what this industry is capable of. From adversity comes opportunity, from challenges comes growth. Always, in facing past troubles, the U.S. travel industry has displayed incredible resilience and unity and emerged stronger than before. The same is true today.

I have seen U.S. Travel's membership expand, and its advocacy grow. I have seen IPW evolve into one of the top events for the global travel industry – a driver of the U.S. economy and jobs. And I've seen the development of bold new initiatives like Brand USA, the Meetings Mean Business Coalition and Let's Go There.

Travel is an industry unlike any other. The passion of this industry is unparalleled. I know the next five, 10 and 20 years will be even better. But we must first address where we are today...

Current state of the industry

We have made a lot of progress since March 2020. The domestic leisure travel segment has largely recovered. We saw a surge in travel demand after the deployment of vaccines last year.

Recent data from Destination Analysts found that more than 80% of Americans are excited to plan a vacation in the next six months. This is great news. We have come so far. The worst of the pandemic is truly behind us.

But there is still a lot of work ahead.

Through December, cumulative spending losses in travel spending totaled \$730 billion. More than 7% of all Leisure & Hospitality jobs remain lost. Professional meetings and events are still struggling to come back. Business travel makes up a significant portion of the overall travel economy. Without it, we cannot fully recover.

And international travel remains far below pre-pandemic levels. Economists estimate that domestic business travel and international inbound travel will not fully recover until 2024.

To ensure we have a strong rebound of international inbound travel, we are advocating for the passage of the Restoring Brand USA Act, which would provide emergency relief funding to the United States' destination marketing organization.

This will be especially important in rebuilding our global market share following the steep pandemic setback in inbound travel.

Today, we are also calling on business leaders to take a REAL look at the importance of business travel—the opportunities that come from meeting face to face. The economic imperative to getting deals done, and the value employees place on being able to be together in person. Meetings can—and are—being done safely and we urge the business community to come back together again.

I think we will bounce back quickly but it will depend on others doing their part. We have a robust policy agenda and a clear strategy to revive America’s travel industry, but Congress and the Biden administration must continue to work closely with the travel sector to help the industry bounce back quickly.

Key areas of focus for the association

Today, I will highlight the main areas of focus that will drive the industry—and our association—in the months and years ahead.

- First, we’ll discuss how we can strengthen the travel workforce and restore lost jobs.
- We will touch on travel facilitation and how we can create a more seamless and secure travel experience.
- We will highlight the steps we are taking to shape the future of travel mobility.
- We will discuss sustainability and how we plan to grow our industry responsibly.
- Finally, we will talk about diversity, equity and inclusion and how we can create a travel industry that works for and benefits **everyone**.

Workforce

An immediate pressing need is to get people back to work. Businesses have jobs to fill, especially as we look ahead to the busy summer travel season. There are nearly 11 million job openings, with 1.7 million in Leisure & Hospitality alone.

Even as the economy has started to rebound, these jobs are not immediately getting filled. There are a variety of economic and personal reasons that have contributed to this situation.

Additionally, the continued restrictions and caps on temporary H-2B visas have severely hampered travel’s recovery.

To address this, U.S. Travel is working with Congress and the administration and pressing for a higher cap on H-2B and J-1 visas, as well as advocating for faster visa processing times for low-risk applicants.

But overall, we are taking a hard look at how our industry hires and how it recruits talent—to understand why jobs are not being filled by reframing the benefits and opportunities of a career

in the travel industry. Working in our industry is an opportunity to see the country, and quite frankly, to see the world.

As a whole, we need to be more flexible with scheduling and do more to promote a work-life balance. Companies may need to consider providing workers with the essential skills and experiences that lead to successful and rewarding careers.

We can and must show candidates that this is a phenomenal industry to work in and that there are a lot of opportunities for advancement, career growth and so much more.

Facilitation

Another key area of focus for the association is travel facilitation. We want to improve the overall travel experience from curbside to cruising altitude.

In the past few years, we've seen biometric technology expand rapidly. Biometric identification provides faster facilitation, greater accuracy, and a more secure travel environment. You can clear security checkpoints without slowing down.

This is one of the best ways to improve security and efficiency at the airport. We are calling on the federal government to expand biometric entry and exit systems to all ports of entry. To help move this critical technology forward, the federal government must set clear standards for privacy and security. Biometric data must be used for identification purposes **only**, and voluntarily.

In addition to biometrics, expanding trusted traveler programs and increasing TSA and CBP staffing is critical to a seamless travel experience.

But a seamless travel experience doesn't mean much if a large part of the world is unable to travel here. One of the biggest challenges facing the international inbound market is the excessive wait times for visa processing. Some markets have wait times over a year.

U.S. Travel has been working with Congress and the administration to reopen and staff consulates as quickly as possible. Doing so will help safely return millions of visitors to the United States.

Now, to talk more about some of the other issues we are working on to shape the future of our industry, I'd like to hand it back over to Tori Barnes, executive vice president of public affairs and policy.

Barnes on the association's long-term vision

Thanks, Roger.

U.S. Travel is positioning our industry to emerge from the pandemic stronger and more resilient than ever before. We have a real opportunity to accelerate our work and make sure that we are

equipped to meet the future of our industry in a world of rapidly evolving issues that span technology to sustainability and mobility.

Over the past two years, we have seen what happens when travel stands still: the negative impact that has had on our economy, the job losses that Roger mentioned, and the sadness when loved ones can't visit each other in person.

This time has also allowed us to look at what we can do to ensure our association is dynamic and prepared to meet new challenges.

We have grown and diversified our membership to ensure that every segment of our industry is represented by the association.

We have strengthened our relationships with industry-leading coalitions. Meetings Mean Business is now fully integrated with U.S. Travel Association, and we have forged a new partnership with Tourism Diversity Matters.

We have launched new, cutting-edge programs, such as the Future of Travel Mobility, which was held here in Washington for the first time last October and contemplates the critical intersection of travel, transportation and technology. We will also continue that conversation virtually through this year and again at an exciting, live event this September.

Future of travel mobility (Barnes)

The Future of Travel Mobility event brought together global leaders in travel, transportation, and technology with government officials and policy influencers to engage on central issues impacting the future of travel mobility and the traveler experience.

These are the conversations that we not only need to have but highlight key areas where travel must have a voice—discussions that directly impact how people will travel in the future. These issues demand our leadership in a rapidly evolving world.

Key issues that we are focusing on include emerging technologies like the Hyperloop and high-speed rail, cities that are being designed to welcome travelers in sustainable ways in the future, and improving infrastructure in America's airports.

And with the passage of the infrastructure bill last year, we will now have a chief travel and tourism officer at the Department of Transportation with whom we can work to advance these priorities in conjunction with the National Travel and Tourism Office at the Department of Commerce.

Sustainability (Barnes)

Another issue critical to the future of travel is sustainability.

As Ed Bastian, President & CEO of Delta Air Lines, said at our Future of Travel Mobility event, we don't have to choose between *seeing* the world and *saving* the world: we can do both. There

are so many viable solutions that will make our industry more sustainable while also ensuring that customers can continue to travel and explore America.

First, with the majority of trips in America being taken by car, expanding electric vehicle infrastructure is the **only** way to truly make the travel industry sustainable.

We have made great progress on this front. The infrastructure bill that was signed into law last October included \$7.5 billion in funding to expand EV infrastructure. And the travel industry must play a leadership role in the deployment of this infrastructure to ensure that travelers don't have EV charging deserts but rather the opportunity to go anywhere and everywhere in this beautiful country. Automakers are making all-electric fleet commitments which will be realized sooner than most think. That's really good news for the environment. But our voice is important to ensure that travel businesses can be prepared and that travelers can get to any and every destination they may desire.

Another critical issue important to the future of travel includes sustainable aviation fuels. Many U.S. airlines have carbon emissions goals and additional commitments to enable a more climate-conscious future.

U.S. Travel is working to ensure the federal government moves more quickly to facilitate the adoption of sustainable aviation fuels. This is crucial to growing our industry and protecting the planet, while also keeping customers at the forefront.

We will also continue to focus on our national parks and how new technologies and solutions can help preserve these treasures for generations to come.

The U.S. travel industry is incredibly proud of the work we are doing to lead on these issues—and we'll continue to expand our work and better tell the story of how our industry is already doing so much.

Diversity, Equity and Inclusion (Barnes)

Finally, an important area of focus for U.S. Travel is diversity, equity and inclusion.

We live in one of the most diverse countries on earth. U.S. Travel believes our industry should champion and celebrate that...and that our workforce should be representative of our diverse populace.

At the end of last year, U.S. Travel launched a new partnership with Tourism Diversity Matters, a coalition of industry leaders that are working to increase diversity across all sectors of travel.

This move will strengthen the association's focus and support of the industry on issues related to diversity, equity and inclusion, and provide our members with greater access to Tourism Diversity Matters' subject matter expertise.

This is especially important as we rebuild our workforce. This partnership will help to foster greater diversity across all facets of the industry, including leadership positions.

U.S. Travel is also supporting other programs to increase diversity and upward mobility throughout the industry.

Barnes introduces Christine Duffy, president of Carnival Cruise Line and U.S. Travel's national chair

We have a lot of work ahead of us, but we believe in our vision and the collective strength of this industry. Together, I know that we will accomplish truly incredible things over the months and years to come.

Before I turn it back over to Roger, I'd like to take a moment to recognize all that Roger has accomplished in his 17 years at U.S. Travel. To speak more about all of the contributions Roger has made to our industry, I'd like to introduce Christine Duffy, President of Carnival Cruise Line and chairman of U.S. Travel's board of directors.

Duffy on Dow's accomplishments

Thank you, Tori. I am happy to be here today to be a part of this discussion about the outlook for the travel industry, which is so important to the U.S economy at large.

But I'm especially pleased to be able to say a few words about Roger, who has become synonymous with the travel sector here in Washington. I have known Roger for many years and have enjoyed working with him more closely this past year as national chair. When I took over as chair last year, one of my top priorities was to ensure all sectors of travel were able to recover evenly.

Roger shared this priority. It was important to all of us that he stay on as president and CEO as we moved from crisis to recovery phase. He knew there was still so much work to do., and we knew he was the right person to help us.

Over nearly two decades, Roger has led U.S. Travel to a position of influence and respect in Washington and beyond, a powerful advocacy organization with a diverse membership base that represents all segments of travel.

Roger was a leader in the development of Brand USA, which has driven millions of new visitors to the United States since its inception. He recognized the critical value of professional meetings and events and led the founding of the Meetings Mean Business Coalition from a moment of adversity.

Roger has always possessed a unique ability to see the big picture. He sees beyond the short-term problems to the long-term opportunities. No idea is too big.

This vision has led to a more cohesive travel industry—one that was dynamic and adaptive enough to handle the worst crisis of our lifetimes. U.S. Travel Association is now a major player in Washington and has the ability and vision to affect real, substantial change. Travel is rightly

viewed by policymakers as a valuable industry export and economic generator across every pocket of this great nation.

Because of Roger, the travel industry is better equipped to handle the challenges it may face, and the many, many opportunities that are ahead.

Thank you, Roger, for all that you have done for this industry. You may be leaving the U.S. Travel Association, but I know this is not the last we will see of you.

I'll turn it back over to you now.

Conclusion (Dow)

Thank you, Tori, and thank you, Christine. Everything the industry has accomplished is all thanks to our members.

It will soon be time for me to say goodbye to the association, but I am not saying goodbye to this wonderful industry. Travel will always be a part of my life, as it always has. In the meantime, we have a lot of work to do.

And I know that **together**, we can get it done.

I have seen this industry do extraordinary things. After 9/11, many said that our industry would never recover. But we did. With great focus and determination, we united to have our strongest decade ever. We made it through 9/11, the global financial crisis, and other health scares like Zika. We stick together when times are tough, and we celebrate the wins when times are good.

And I think there are a lot of good times on the horizon for the travel industry.

Thanks to all of our incredible industry partners, we are steering toward a future that is brighter than we could have ever imagined. A future that is more globally competitive, innovative and dynamic.

We should not singularly view the pandemic as a setback but as an opportunity to reimagine this industry to be stronger than before. There are a lot of great things ahead for travel. I know that together, this industry has the vision and determination to get it done.

Thank you so much for being here today, and thank you for all that you do.

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