TRAVEL EXPORTS

Driving Economic Growth and Creating American Jobs

U.S. TRAVEL ASSOCIATION

CONTENTS

The **U.S. Travel Association** is the national, non-profit organization representing all components of the travel industry that generates $2.1 trillion in economic output and supports 14.9 million American jobs. U.S. Travel's mission is to increase travel to and within the United States. Visit **www.ustravel.org**.

U.S. TRAVEL ASSOCIATION

EXECUTIVE SUMMARY

To assert that America's travel industry has been a boon to the U.S. economy and a key pillar of its economic recovery would be an understatement. Generating $2.1 trillion in economic output in 2013, travel is America's sixth-largest employer, employing 7.9 million people (an all-time high) directly in transportation, hotels, restaurants, and entertainment, among other sectors.

Powering the U.S. travel growth engine is international travel, an untold export success story. When travelers from global markets visit U.S. destinations, they buy our goods and services–from staying in hotels, to spending money at our stores, to conducting business. This foreign demand for U.S.-produced goods and services is export income for the U.S. economy. By spending their money on American soil, international travelers improve the U.S. trade balance, just like overseas buyers of products shipped from a U.S. manufacturer.

Since 2006, travel exports have been growing faster than other U.S. exports; consequently, travel is now America's second-largest export industry. In 2013, America welcomed a record of nearly 70 million international arrivals; those visitors spent $184 billion on U.S. goods and services. Combined with $31 billion spent in America by international travelers for healthcare and education, U.S. travel exports totaled $215 billion in 2013. This accounted for 31.2 percent of U.S. services exports and 9.4 percent of all U.S. exports of goods and services.

Travel exports directly boost American jobs. Every $1 million spent by international visitors directly supported 6.6 jobs in the travel industry in 2013. By comparison, this is more than three times the number of farm jobs or manufacturing jobs supported by every $1 million in agricultural or manufacturing exports.

Travel exports have been essential to the overall improvement in America's trade balance over the past decade. From 2003 to 2013, U.S. travel exports more than doubled and increased 72 percent faster than travel imports (U.S. travelers spending money abroad). As a result, the trade surplus in travel improved nearly five-fold from just $16 billion in 2003 to $78 billion in 2013. By contrast, the trade deficit in other U.S. goods and services deteriorated by $44 billion over those years.

The incredible growth of travel exports and their impact on the U.S. economy underscore why policymakers should support policies that will generate even more international travel to the United States. Steps they should take include:

1. **Reauthorizing Brand USA by passing the Travel, Promotion, Enhancement, and Modernization Act of 2014 (H.R. 4450 and S. 2250).**
   Operated at no cost to federal taxpayers, Brand USA is a non-profit public-private partnership dedicated to attracting more international visitors and the economic benefits they bring to the U.S.

2. **Passing the Jobs Originated Through Launching Travel (JOLT) Act (H.R. 1354).**
   The bill, which has more than 160 bipartisan co-sponsors in the U.S. House of Representatives, would–among other critical international travel facilitation measures–modernize and expand the highly successful U.S. Visa Waiver Program.

3. **Modernizing the U.S. customs and entry process.**
   America can enhance security and boost efficiency by setting a passenger processing goal through customs, expanding automated passport control across U.S. airports, improving U.S. Customs and Border Protection (CBP) staffing flexibility, expanding the successful Global Entry program, and strengthening the coordination between CBP and the Transportation Security Administration.

As an export-intensive industry, America's travel sector creates and supports jobs that stay in America. However, the U.S. travel industry can only continue its dynamic growth with support from government policies that promote greater international travel to the U.S. By expanding current programs and creating new, innovative policies to draw more visitors to our shores without compromising domestic security, policymakers will be making a direct and lasting contribution to U.S. economic growth.

Elected officials are searching for solutions to sluggish economic growth, high rates of joblessness, and stubbornly high trade deficits among other economic challenges. One answer to these problems is continued investment in the travel industry. Travel generates $2.1 trillion in economic output, playing a critical role in our nation's economy. In 2013, the travel industry was America's sixth-largest employer, employing 7.9 million individuals directly in transportation, hotels, restaurants, entertainment, and other sectors, the majority of which are good jobs that pay middle-class wages or better[1]. Including indirect effects, travel supported a total of 14.9 million workers across the country, accounting for one out of nine American jobs.

While many industries continue to struggle in the wake of the Great Recession, the travel industry has fully recovered. After losing half a million jobs during the 2007-2009 recession, travel has created 757,000 jobs through mid-2014, outpacing job creation in the rest of the economy by 42 percent. In July 2014, travel industry employment reached an all-time-high of nearly eight million jobs.

Why has the travel industry performed better than the rest of the economy in recent years? **One word: exports.**

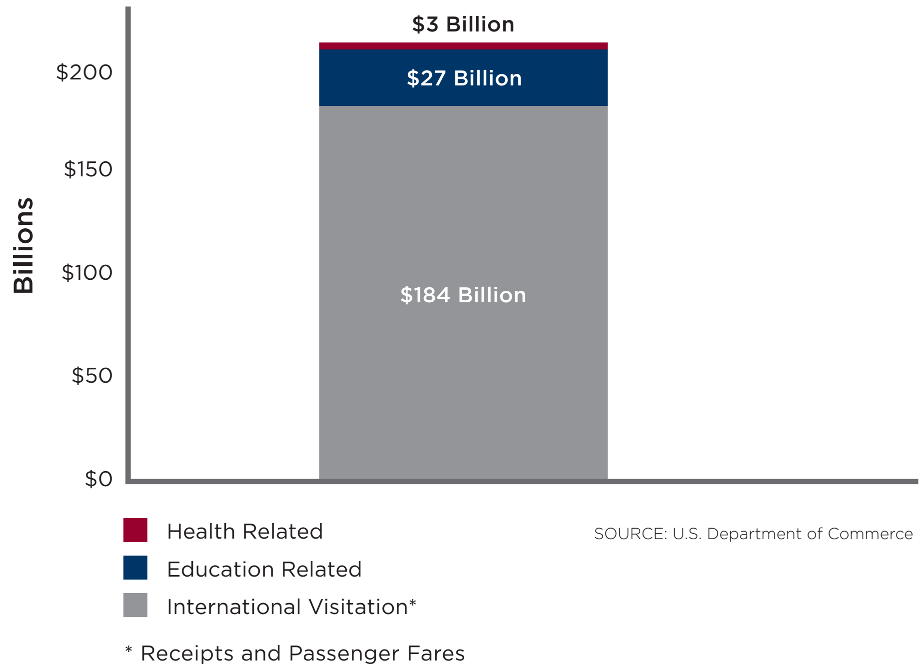
WHY TRAVEL EXPORTS ARE SO IMPORTANT

In 2013, the United States welcomed a record 69.8 million international arrivals. The average overseas visitor–that is, an international visitor not coming from Canada or Mexico–stayed 17 days in the U.S. and spent $4,500 during their trip in 2013. Adding back in Canadian and Mexican visitors, international visitors to the U.S. spent $184 billion in 2013. In addition, $31 billion was spent in the U.S. by international travelers for healthcare and education. This brings total U.S. travel exports to $215 billion in 2013[2], which accounted for 31.2 percent of U.S. services exports and 9.4 percent of total U.S. exports of goods and services (see Chart 1).

Travel was the second-largest export industry in the United States in 2013, behind only transportation equipment (which includes motor vehicles, aerospace products, railroad equipment and shipbuilding) (see Graphic 1). Compared to other leading U.S. exports, travel in 2013 yielded larger export revenue than other industries commonly associated with high trade intensity. For instance, travel exports in 2013 were:

- 13 percent larger than chemical exports;
- 51 percent larger than machinery exports;
- 75 percent larger than computer and electronic product exports; and
- More than two-times larger than exports of agricultural products.

CHART 1: **U.S. Travel Exports, 2013**



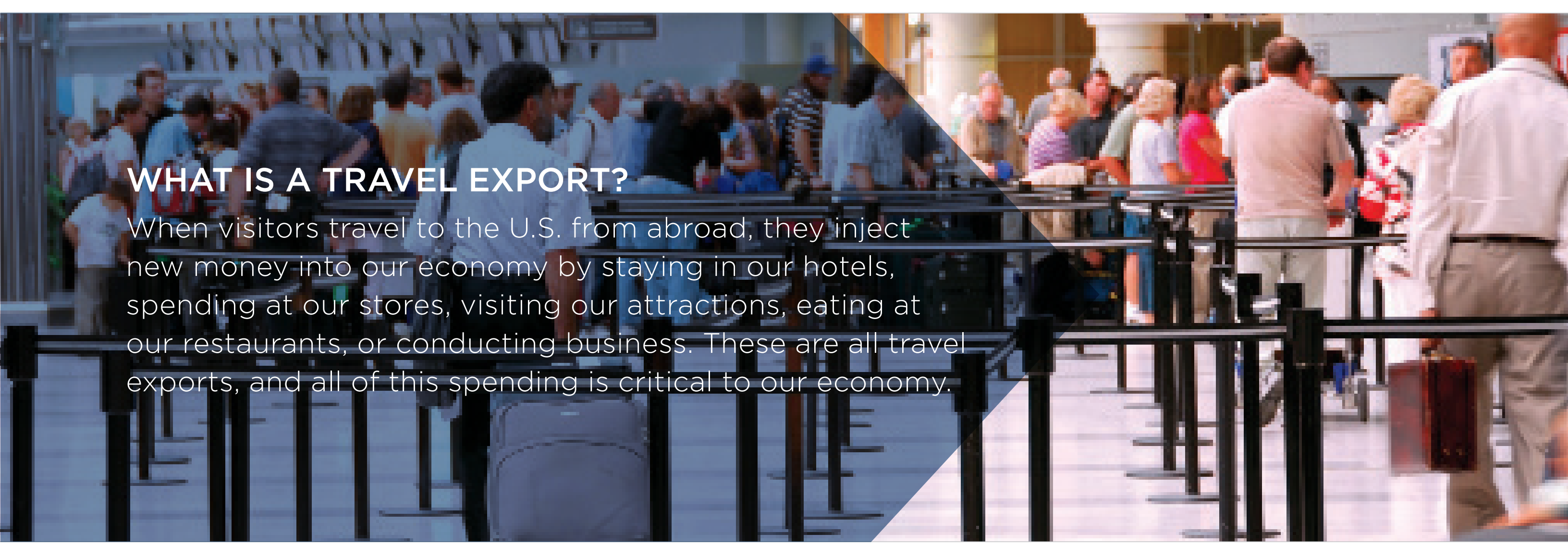
SOURCE: U.S. Department of Commerce

GRAPHIC 1: **Top U.S. Industry Exports*, 2013**

	1. TRANSPORTATION EQUIPMENT	$240.4 Billion
	2. TRAVEL	**$214.8 Billion**
13% larger	3. CHEMICALS	$189.3 Billion
51% larger	4. MACHINERY, EXCEPT ELECTRICAL	$141.9 Billion
	5. OTHER BUSINESS SERVICES	$123.4 Billion
75% larger	6. COMPUTERS AND ELECTRONIC PRODUCTS	$122.7 Billion
	7. PETROLEUM AND COAL PRODUCTS	$118.2 Billion
	8. FINANCIAL SERVICES	$84.1 Billion
	9. PRIMARY METAL PRODUCTS	$69.6 Billion
	10. FOOD AND KINDRED PRODUCTS	$67.3 Billion
	11. AGRICULTURAL PRODUCTS	$66.2 Billion

* Domestic Exports

SOURCE: U.S. Department of Commerce



WHAT IS A TRAVEL EXPORT?

When visitors travel to the U.S. from abroad, they inject new money into our economy by staying in our hotels, spending at our stores, visiting our attractions, eating at our restaurants, or conducting business. These are all travel exports, and all of this spending is critical to our economy.

TRAVEL IS UNIQUELY EXPORT-DOMINATED AND LABOR-FOCUSED

From 2006 to 2013, U.S. travel exports

INCREASED BY 69%

which is faster than the 55-percent rise in other U.S. exports of goods and services.

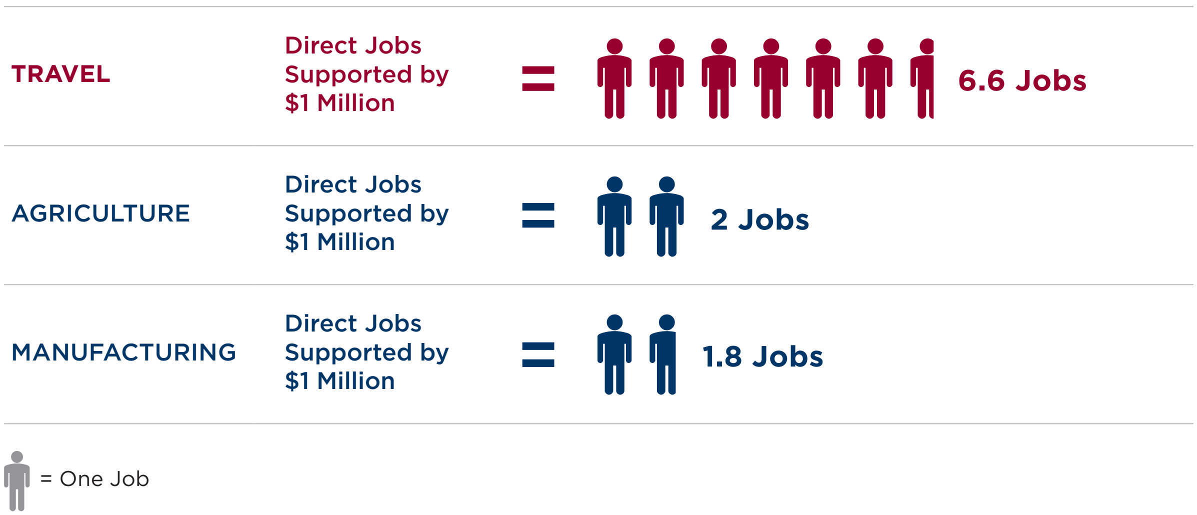
Three special characteristics make the travel industry a unique catalyst for economic recovery:

First, travel is more labor-intensive than other industries. A dollar of travel exports creates more American jobs than a dollar of other exports. Specifically, every $1 million spent by international visitors in the United States directly supported 6.6 jobs in the travel industry in 2013. This is more than three times the number of farm jobs or factory jobs supported by every $1 million in agricultural or manufacturing exports (See Graphic 2). As a result of this structural advantage, travel produces more American jobs through exports than other leading export industries.

Second, travel is more export-intensive than other industries. The travel industry is twice as export-intensive as the overall economy. In 2013, exports were 15.3 percent of the domestic output of the travel industry. More than one out of every seven dollars earned by the travel industry is from spending by international visitors on a trip to the U.S. By contrast, for the economy overall, exports of goods and services were just 7.6 percent of the domestic output (See Chart 2). Combine this with travel being a service-focused, labor-intensive industry, and one sees that 15 percent of the travel industry's workforce is directly supported by the spending of international visitors to the U.S., which is more than double the 6.9 percent of the overall American workforce supported by total U.S. exports[4] .

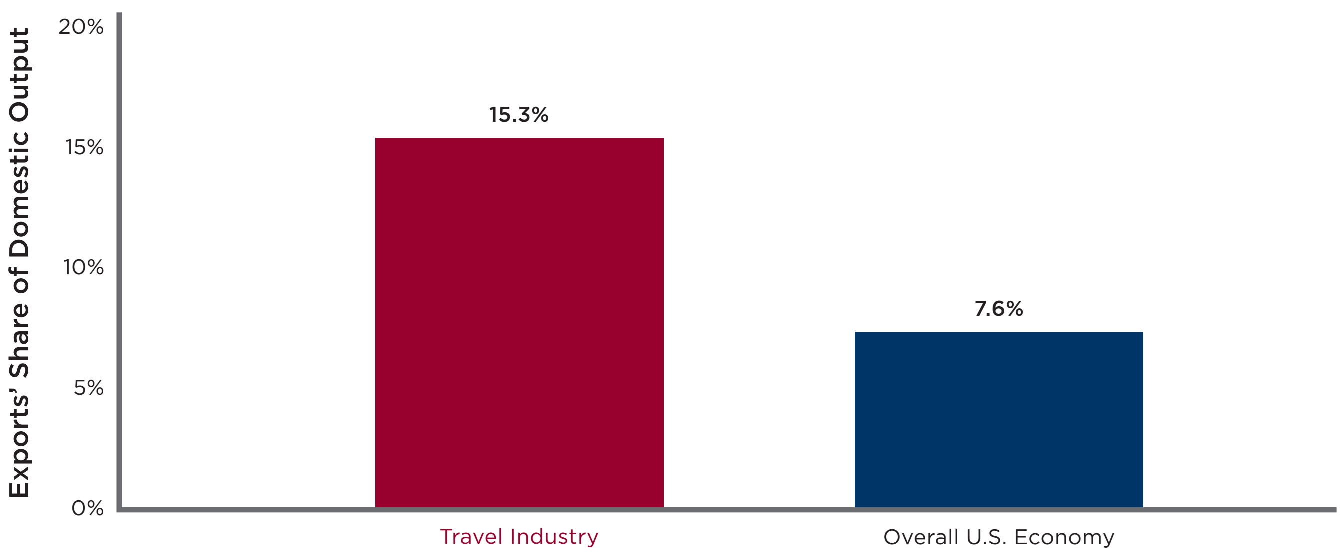
Third, the travel industry, especially with respect to exports, keeps jobs in America. Millions of Americans have seen their jobs threatened by low-cost workers in other countries. Unlike jobs in factories or call centers, American travel jobs cannot be shipped overseas. Jobs tied to national parks, iconic cities and beautiful shorelines can no more be outsourced than the attractions themselves. As a result, the travel industry has not suffered the fate of other prominent industries. For example, firms outsourcing business activities to companies abroad in the information sector account for 20 percent of total industry sales, 22 percent in manufacturing and 25 percent in finance and insurance. By contrast, firms outsourcing jobs abroad in the largest component of the travel industry—leisure and hospitality—account for a mere 3.6 percent of industry sales[5] .

GRAPHIC 2: **Every Dollar in Exports[3] Supports More Jobs in Travel Than in Manufacturing or Agriculture**



SOURCE: U.S. Travel Association calculations based on data from the U.S. Department of Commerce and the U.S. Department of Agriculture

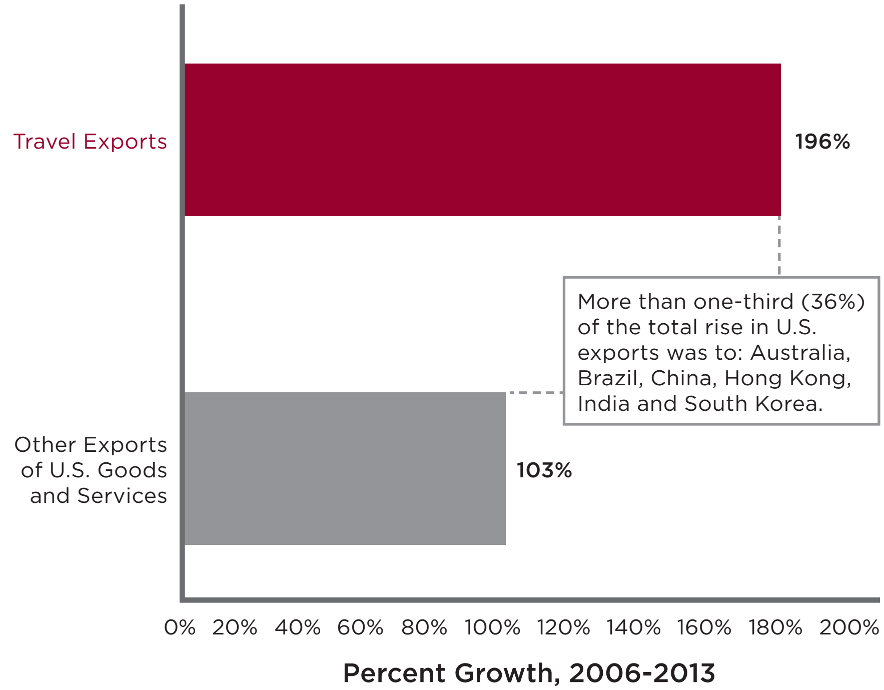
CHART 2: **Travel is More Export-Intensive than the Overall U.S. Economy**



SOURCE: U.S. Travel Association calculations based on data from the U.S. Department of Commerce

TRAVEL EXPORTS ARE GROWING FASTER THAN OTHER INDUSTRIES

CHART 3: **Travel Exports Increase Faster to Top Overseas Growth Markets***



*Australia, Brazil, China, Hong Kong, India and South Korea

SOURCE: U.S. Travel Association and calculations based on data from the U.S. Department of Commerce

From 2006 to 2013, U.S. travel exports increased by 69 percent, which is faster than the 55-percent rise in other U.S. exports of goods and services. Consequently, travel's share of overall U.S. exports increased from 8.7 percent in 2006 to 9.4 percent by 2013. Key to achieving this acceleration was the travel industry's ability to take advantage of growing discretionary incomes in high-growth emerging market economies.

More than one-third (36%) of the rise in total U.S. exports overseas from 2006 to 2013 could be attributed to six countries: Australia, Brazil, China, Hong Kong, India and South Korea. While other export industries doubled their exports (+103%) to these six countries in this period, the travel industry nearly tripled its export capacity (+196%) to these nations in the same period (See Chart 3). Overall, close to one-fifth (17%) of overall U.S. export growth to these six high-growth economies came from the travel industry. By 2013, a little more than one in every eight U.S. exports to these economies was a travel export, whereas travel exports accounted for only one of every 11 U.S. exports a decade prior.

TRAVEL EXPORTS POWER AMERICAN JOB GROWTH

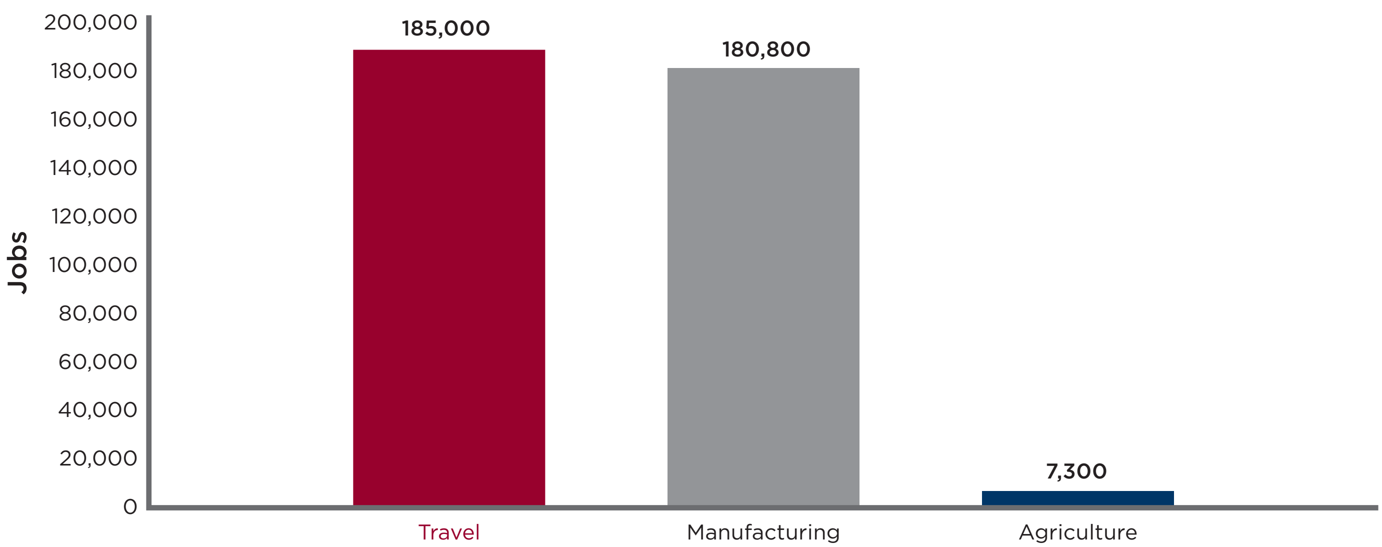
Travel export revenues directly supported 1.2 million American jobs in the travel industry in 2013, including workers in lodging, retail, transportation, food service, and recreation and amusement (see Graphic 3). These 1.2 million travel jobs are larger than half the number of manufacturing jobs supported by manufacturing exports, and four times the number of farm jobs supported directly by agricultural exports[6].

From 2010 to 2013, travel industry jobs directly supported by travel exports increased nearly three times faster than job growth in the rest of the economy. This export-powered job growth in the travel industry was a primary reason why the travel industry as a whole created jobs at a 46-percent-faster pace than the rest of the economy during this time.

The travel industry has created jobs through export growth faster than other U.S. industries. For example, from 2009 to 2013, U.S. exports of travel, manufacturing, and agriculture all increased at similar rates: 50, 47, and 47 percent respectively. Jobs created by these exports, on the other hand, grew much faster for travel than other industries. Whereas the manufacturing and agriculture industries created 9.3 and 2.5 percent increases in direct export-supported jobs, respectively, the travel industry increased direct export-supported jobs by 18.3 percent during this time.

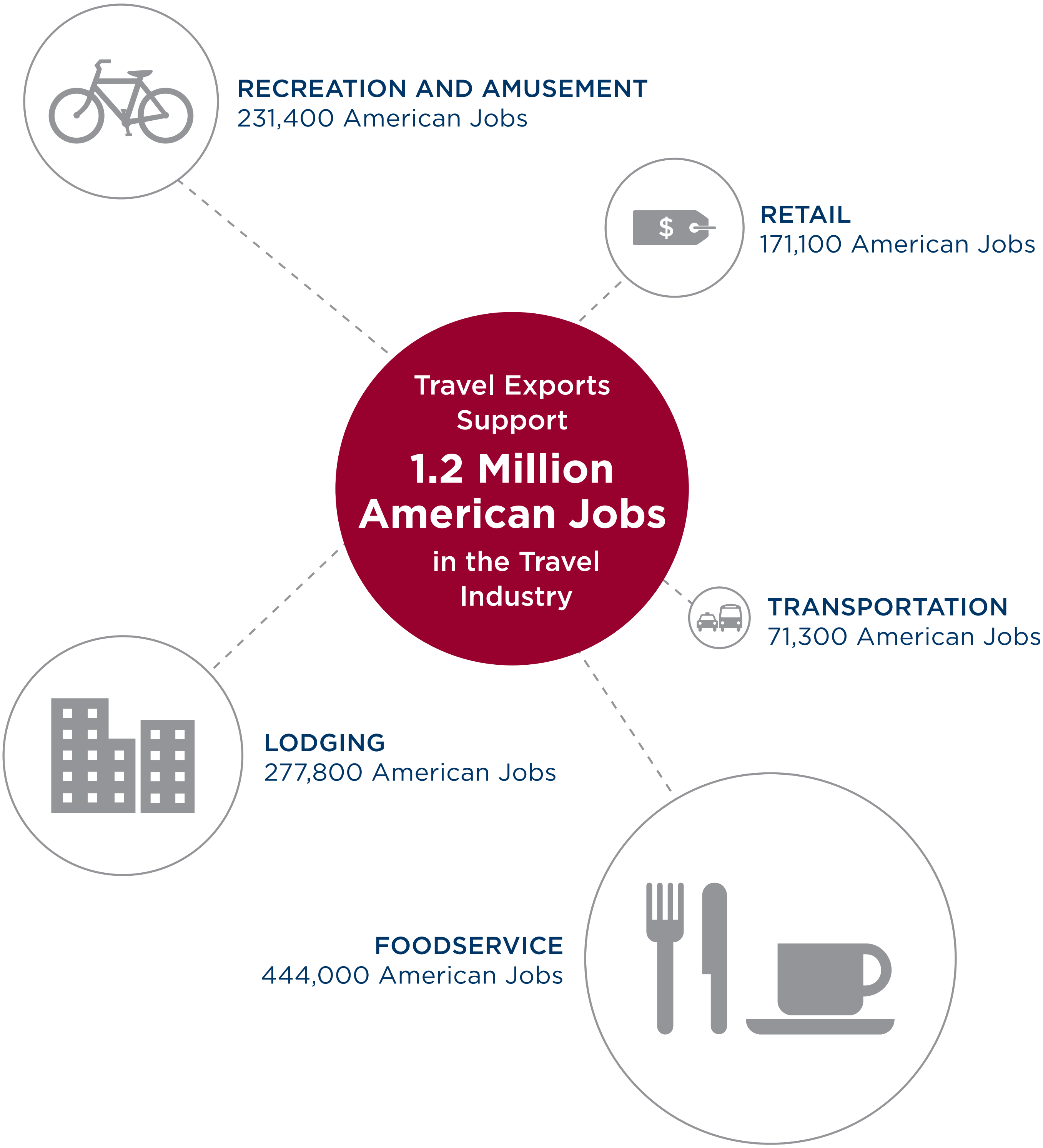
Moreover, from 2009 to 2013, the 185,000 new jobs created by the travel industry through exports was 4,000 more than the 180,800 factory jobs created by the manufacturing industry through exports and much larger than the 7,300 farm jobs created by the agricultural sector through exports (See Chart 4)[7].

CHART 4: **Number of Direct Jobs Created by Exports, 2009-2013**



SOURCE: U.S. Travel Association calculations based on data from the U.S. Department of Commerce and the U.S. Department of Agriculture

GRAPHIC 3: **Direct Travel Export-Supported Jobs, 2013**



SOURCE: U.S. Travel Association

TRAVEL GENERATES CONSISTENT TRADE SURPLUS

Also, travel brings to the U.S. economy a robust and expanding trade surplus. Foreign travelers have spent more in the United States than U.S. residents have spent while traveling abroad consistently since 1992 (the earliest publicly available metrics for travel exports), with deficits only occurring in post-recession slumps in 2003 and 2004.

From 2003 to 2013, U.S. travel exports more than doubled and increased 72 percent faster than travel imports. As a result, the trade surplus in travel improved nearly five-fold from just $16 billion in 2003 to $78 billion in 2013. By contrast, the trade deficit in other U.S. goods and services deteriorated $44 billion during these years.

Let's repeat that: the growth in the travel industry's trade surplus over the past ten years has been greater than the deterioration in the trade deficit generated by the rest of the U.S. economy in the same period (See Graphic 4). The travel industry, therefore, has been essential to the overall improvement in our country's trade balance over the past decade.

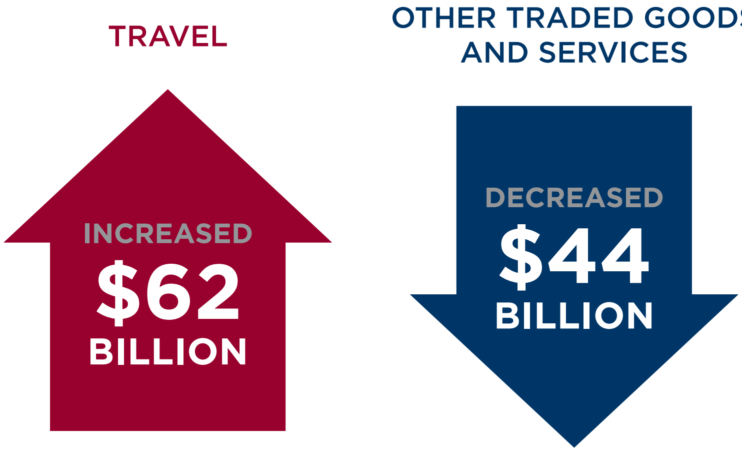
In addition, travel has generated continuous trade surpluses in major economic regions across the globe over the past decade, including Asia, Europe, our NAFTA partners, South and Central America, and the Middle East (see Graphic 5). By contrast, the trade balance in other U.S. goods and services has remained in deficit in nearly every area of the world over the past decade.

From 2003 to 2013, U.S. travel exports more than doubled and

INCREASED BY 72%

faster than travel imports. As a result, the trade surplus in travel improved nearly five-fold from just $16 billion in 2003 to **$78 billion in 2013**.

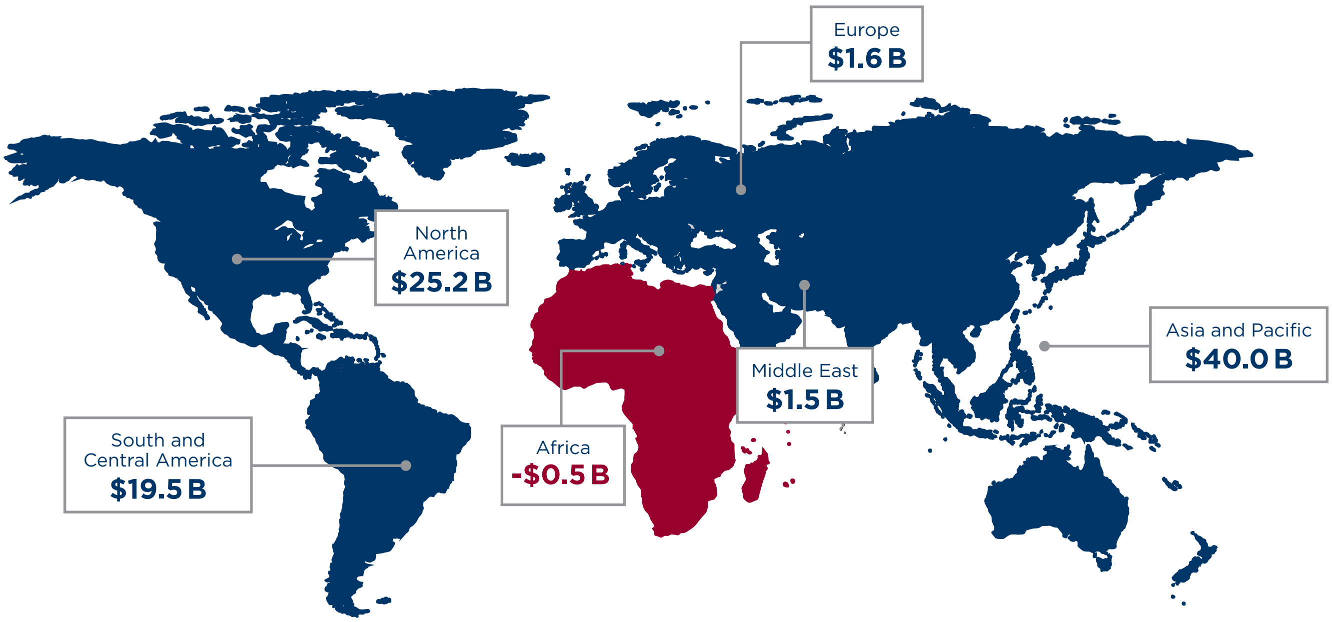
GRAPHIC 4: **Change in the U.S. Trade Balance, 2003-2013**



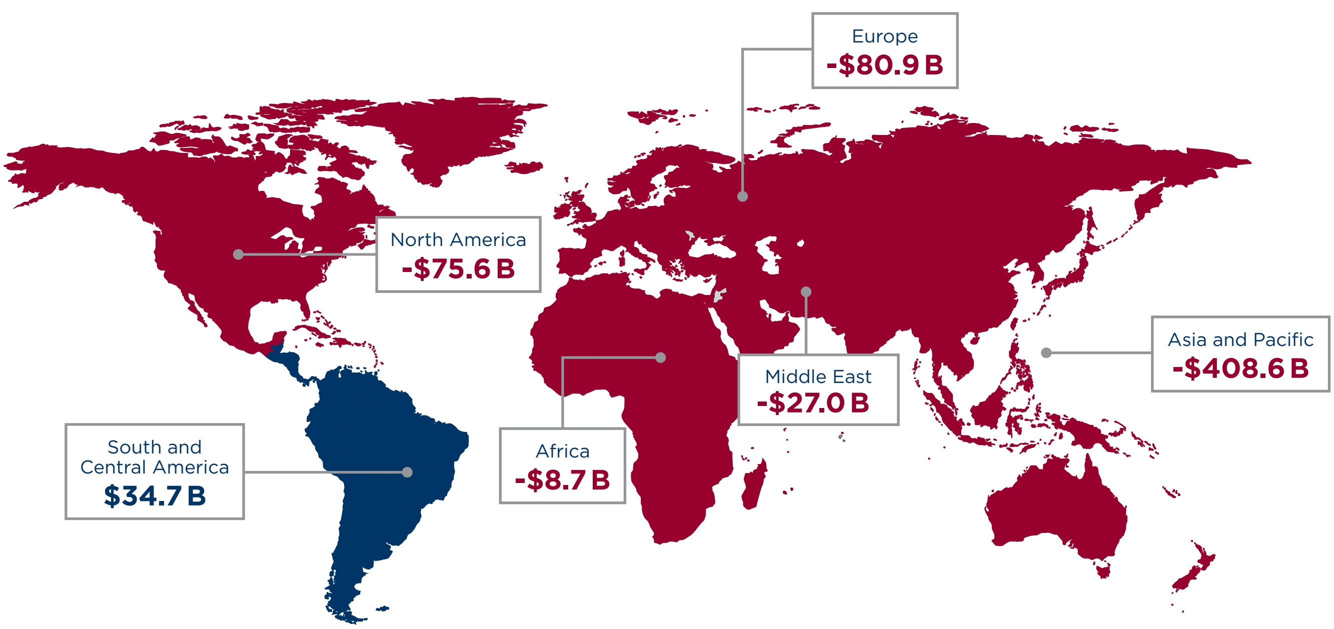
SOURCE: U.S. Department of Commerce

GRAPHIC 5: **Balance of Trade, By Region**

2013 Balance of Trade: Travel



2013 Balance of Trade: Other U.S. Goods and Services



SOURCE: U.S. Department of Commerce

CONTRIBUTING FACTORS TO TRAVEL EXPORT GROWTH

One could take a look at travel's distinct and unique export advantages and wonder why the industry would need government support. As the old saying goes, "If it ain't broke, why fix it?" This short-sighted mentality ignores the fact that in 2003, the travel economy had been reeling from the economic effects of the September 11th terrorist attacks, the 2001 recession, and an overvalued dollar. The reliable travel trade surplus was gone in 2003 and 2004. In fact, from 2000 to 2003, travel exports declined 21 percent and the U.S. share of global long-haul travel (that is, travel outside of a continental home region) fell from 17.1 to 13.3 percent. This share bottomed out at 11.8 percent in 2006, set behind a backdrop of economic prosperity and increasing discretionary incomes.

A number of positive factors combined to help the U.S. travel industry start on a recovery path from the trauma endured early last decade. One of the most important changes was the creation of government policies supporting and creating an environment in which travel could thrive.

1 Smart Travel Policies Deliver Results

In recent years, effective policy actions have helped improve the U.S. travel industry's international competitiveness. Note the recent timeline:

2008

Eight countries were added to the Visa Waiver Program (VWP), which included South Korea. VWP allows for reciprocal visa free travel for up to 90 days in return for stricter security protocols. Subsequently, three additional countries have been added, bringing the total number of countries enjoying VWP status to 38 in 2014.

2009

The Department of Homeland Security required mandatory enrollment for the Electronic System for Travel Authorization for all VWP passengers. This measure pre-screened participating VWP passengers against terrorist or no-fly lists and databases, which would help create a more secure and efficient VWP system. Also, the Global Entry program, a U.S. Customs and Border Protection (CBP) program that allows expedited clearance for pre-approved, low-risk travelers upon arrival in the U. S., was expanded in 2009 and in subsequent years: 1 million people are already enrolled.

2010

The Travel Promotion Act was signed into law. As a result, Brand USA was formed in 2011 and began to actively market the United States to potential international travelers abroad in 2012.

2011

The Senate launched the U.S. Travel & Tourism Caucus to promote federal policy to enhance travel. The caucus currently has 23 Senators as members from both parties. Its counterpart in the House, the Congressional Travel and Tourism Caucus, has 101 members.

2012

President Obama issued an Executive Order, which led to the creation of the National Travel and Tourism Strategy with a goal of increasing the number of international visitors to the U.S. to

2012 100 million by 2021 through actions such as increasing the visa processing time in China and Brazil by 40 percent, an objective that has already been met[8].

2013 The Obama Administration announced that 95 percent of non-immigrant visa applications were processed within three weeks.

2014 Congress appropriated funds to hire 2,000 new CBP officers, which will improve the entry process for international travelers entering the United States.

2 Strong International Competitiveness of the U.S. Travel Industry

These and other changes in U.S. travel policy helped the travel industry capitalize on its unique and strong international position as a leisure and business travel destination market. The U.S. continues to attract new and repeat international visitors because of its accessibility and unique attractions.

According to the World Economic Forum's Travel and Tourism Competitiveness (WTTC) Index, the United States is ranked sixth out of 140 countries in overall travel and tourism competitiveness[9]. The U.S. is ranked first in the number of airline seats available to domestic and international passengers, and first in the number of operating airlines serving in-country airports. In addition, the U.S. travel industry has an extensive hotel supply and a well-developed financial system to continue to build and support the growing industry.

With vast and diverse tourist attractions, the U.S. is one of the most distinctive travel destinations in the world. The U.S. is ranked second in natural United Nations World Heritage Sites and has the third-most natural resource attractions as rated by the WTTC. Furthermore, the U.S. has the fifth-most cultural attraction sites as rated by WTTC, including cultural U.N. World Heritage sites, sports stadiums and international fairs and exhibitions. The U.S. also excels at the level of customer service and traveler satisfaction delivered, as rated by the WTTC. Brand USA will help the U.S. compete more effectively against other countries around the world for travelers by marketing our nation's urban and rural areas.

WORLD TRAVEL & TOURISM COUNCIL

According to the World Economic Forum's Travel and Tourism Competitiveness (WTTC) Index:

U.S. IS RANKED #6

in overall travel and tourism competitiveness.

U.S. IS RANKED #1

in the number of airline seats available to domestic and international passengers.

3 Travelers' Pocketbooks Go Further in the United States.

After reaching a 16-year high in 2002, the dollar, weighed against a broad basket of currencies, regressed back to its long-term historic average in 2006[10]. Since then, the value of the dollar has maintained a value nine percent below its long-term average through the recession and into the current recovery. A more competitive dollar is good for the U.S. travel industry as it prices U.S. goods and services at a more competitive rate for international travelers. For example, as of 2013, a basket of consumer goods bought in the U.S. for $100 would cost:

- $145 in Australia
- $131 in the United Kingdom
- $119 in Canada
- $113 in Italy[11]

Consequently, international travelers' pocketbooks go further in the United States than in many other competing destinations, which encourages more travel to our country and more spending in our country that supports more American jobs.

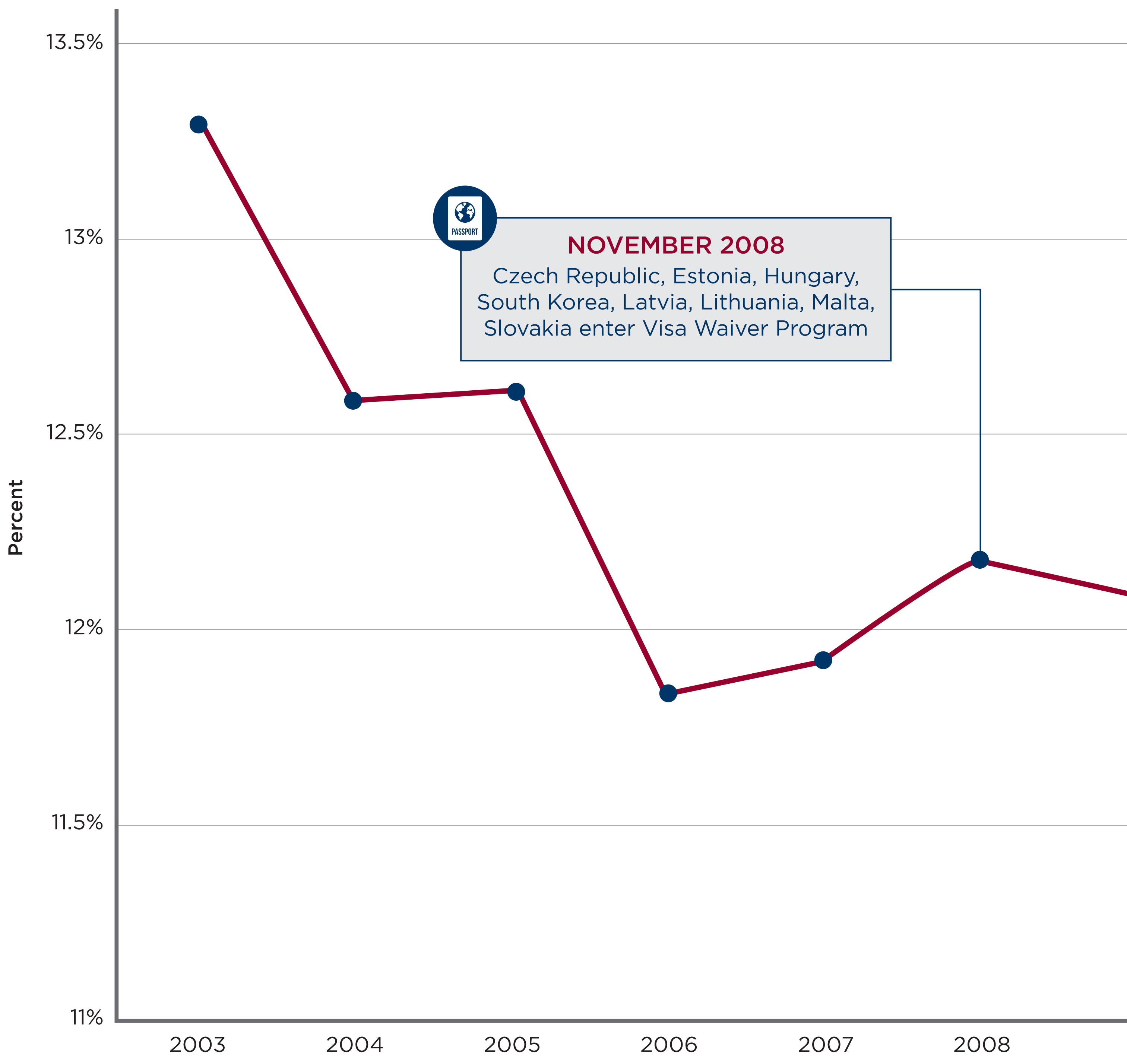
Rising Exports Fuel Industry's Rebound

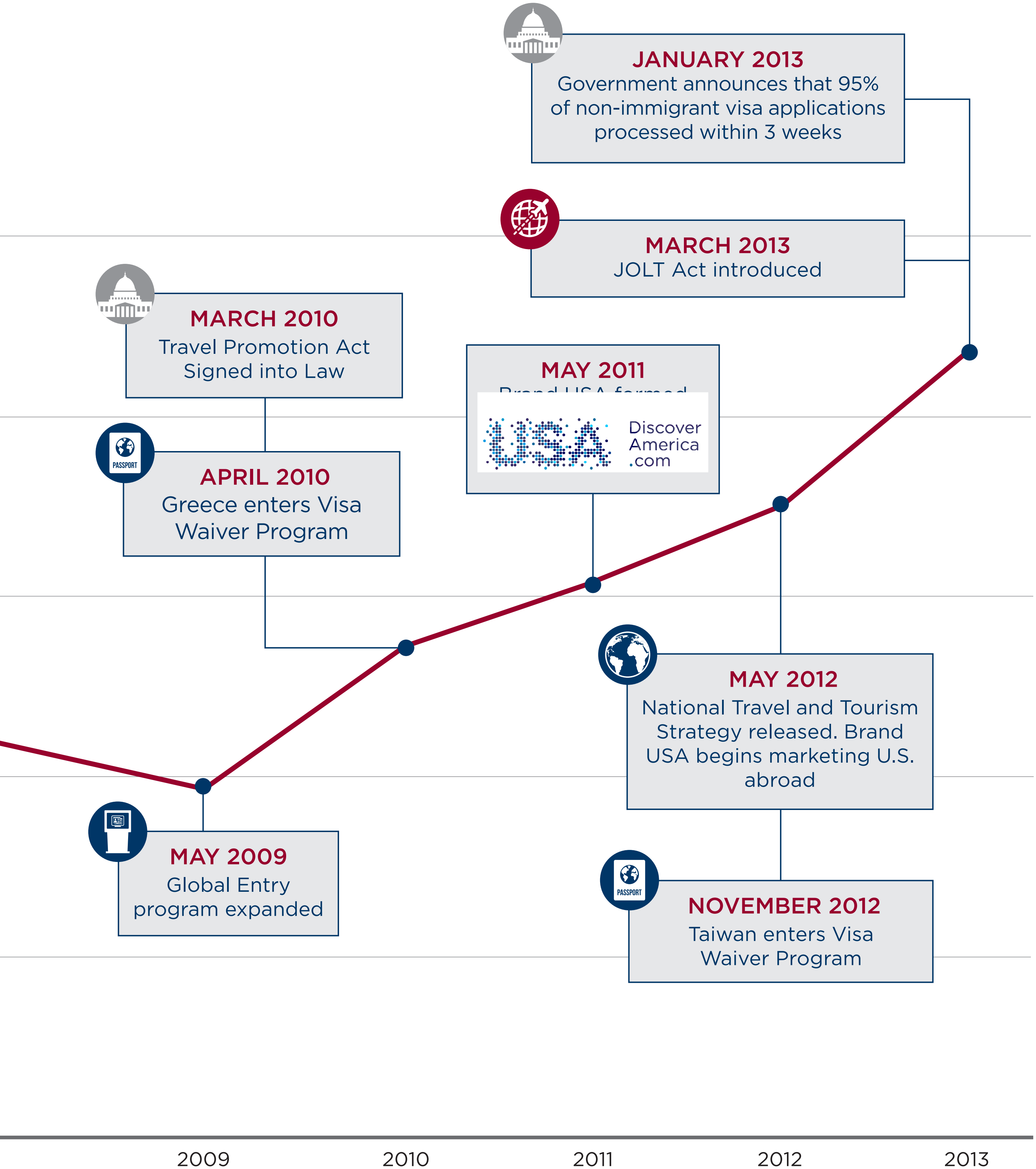
These three factors enabled the U.S. travel industry to start on a recovery path from the unique economic shock endured from 2001 to 2003. After bottoming out at 11.8 percent in 2006, the U.S. share of global long-haul travel increased in six out of the past seven years (See Chart 5). By 2013, U.S. share of global long-haul travel stood at 13.2 percent, its largest share since 2003.

It is most important to note, however, that without the supportive government policies in place starting with the expansion of the VWP in 2008, it would have been much more difficult for the U.S. to begin to recover the loss in international travel that occurred during the first half of last decade.

CHART 5: **U.S. Share of Global Long-Haul Travel**

U.S. Government Policies Help U.S. Win Back Global Travelers





SOURCE: U.S. Travel Association

GREATER OPPORTUNITY ON THE HORIZON

Last year, one billion people traveled around the world[12]–a huge market that is expected to reach 1.7 billion by 2020[13]. Analysts at Ernst & Young estimate that the global middle class will expand by three billion people in the next 15 years[14]. As a result, spending by this newly affluent demographic is expected to grow by more than 100 percent by 2030, jumping from $21 trillion today to $56 trillion by 2030[15].

These trends should create a huge market comprising millions of new international travelers that have the resources, desire and opportunity to visit the world's great destinations. This growing bevy of future international travelers will also intensify today's already-fierce competition for global visitors.

With this in mind, the economic opportunity cost of sitting on the sidelines is too great. With the assistance of a continued government policy of encouraging international visitation, the U.S. is in a clear position to retake a dominant market share in the international travel industry and create more well-paid, middle-class American jobs in the process.

Smart policies aimed at welcoming more international travelers to the U.S. and making our country more competitive in the global travel arena have advanced the U.S. economy in terms of increased exports, economic growth and job creation. To build on this recent success, policymakers should strive to enhance the international competitiveness of the U.S. travel industry and the economy in general by taking the following actions:

USA Discover America .com

1. **Reauthorize Brand USA by Passing the Travel Promotion, Enhancement, and Modernization Act of 2014 (H.R. 4450 and S. 2250)**
In July 2014, the U.S. House of Representatives voted to reauthorize Brand USA and passed H.R. 4450 with overwhelming support. The Senate should follow suit by passing the Travel Promotion, Enhancement, and Modernization Act of 2014, reauthorizing Brand USA this year. Senators are encouraged to join more than 35 co-sponsors from both parties in supporting this critical reauthorization.

   In existence for the past four years, Brand USA has proven both profitable and successful. In the 2013 fiscal year, Brand USA generated 1.1 million additional international visitors to the United States. The evaluation also reported that Brand USA pays strong dividends, returning an estimated $47 in direct economic benefits for every $1 spent on travel promotion[16]. Most importantly, this return comes at no cost to American federal taxpayers. Brand USA is funded by a fee assessed on international visitors, along with contributions from the private sector.

2 **Pass the Jobs Originated through Launching Travel (JOLT) Act (H.R. 1354)**

The Jobs Originated through Launching Travel (JOLT) Act is another needed measure to enhance the international competitiveness of the U.S. travel industry. Members of the U.S. House of Representatives are encouraged to join more than 164 members of both parties in co-sponsoring the JOLT Act (H.R. 1354) and pass the bill this year. If enacted, the JOLT ACT would:

a. **Modernize and expand the already-successful VWP by updating eligibility requirements to allow more travelers from countries closely allied to the United States, such as Poland, Israel and Brazil, to enjoy the same visa-free entry that travelers from 38 other countries currently enjoy.** The U.S. Travel Association estimates that if a set of likely applicant countries were to enter the VWP in 2014[17], the benefits to the U.S. economy would be immediate and significant:

- 1 million additional international visitors to the United States, contributing to
- $10 billion in total output for the U.S. economy that would support
- 61,000 additional jobs for American workers.

b. **Authorize a pilot program to test the use of secure videoconferencing to conduct visa interviews, which would ease access for potential travelers and reduce costs for U.S. taxpayers.**

c. **Expand the highly successful Global Entry program that allows an expedited customs clearance process for pre-approved, low-risk travelers.**

d. **Reduce visa wait times with measures that include, but are not limited to:**

- A pilot program for fee-based, expedited interviews at a limited number of consular posts;
- Requiring the State Department to publish information on times of low demand for visa interviews to encourage visitors to apply during these periods;
- Establishing a goal of interviewing 90 percent of applicants within 10 business days for all non-immigrant visas worldwide; and
- Easing unnecessary restrictions on visitation from Canada.

3 Modernize U.S. Customs and Entry to Enhance Security and Boost Efficiency

Long delays and wait times at customs and entry points discourage inbound international travel to the United States, which limits the power of the travel industry to create economic growth and jobs. Congress should ensure that travelers are welcomed and processed efficiently to allow them to reach their destinations, including those that require a connecting domestic flight. Among our recommended policy proposals include:

a. **Passenger Processing Goal:** Ensure proper staffing at air and sea ports of entry by U.S. Customs and Border Protection (CBP) officers to ensure a secure yet efficient traveler experience. Furthermore, metrics should be established at airports to process 100 percent of passengers within 30 minutes at primary inspection and 45 to 60 minutes to process travelers through the entire process under normal circumstances (not including secondary screening). The adoption of specific processing goals would significantly enhance the entry experience and promote additional international visitation.

b. **Automated Passport Control (APC):** We have seen significant improvements in primary passenger processing due to the development and implementation of APC over the past year at most of our gateway airports. We fully support continued expansion to additional locations, as well as continued system-wide improvements to make the kiosks available to additional international populations, including VWP travelers and B-1 and B-2 visa holders.

c. **CBP Staffing Flexibility:** CBP should hire part-time employees, including retired CBP officers and Transportation Security Administration agents, for administrative duties currently performed by full-time CBP officers and possible Global Entry enrollment.

d. **Global Entry Expansion:** CBP should continue aggressive negotiations with foreign governments to increase the number of bilateral trusted traveler agreements, which would result in additional usage of Global Entry kiosks in the U.S., including increased collaboration with U.S. government partners, particularly the Departments of Commerce and State, which could help advance discussions and result in future agreements

e. **Coordination with TSA:** CBP should coordinate with the Transportation Security Administration (TSA) to screen connecting arriving passengers expeditiously in the secure area, not at the airport's general TSA screening points for departing travelers. Such an operation would increase department-wide efficiency, eliminate a chokepoint for international arriving and connecting passengers, and reduce screening lines for TSA.

Let's Build on Our Success and Jump-Start this Economy

The travel industry is uniquely positioned as a labor-intensive, export-intensive industry that has helped lead the economy out of the recession. The U.S. has many natural advantages as an export industry, a job-creator and a destination market. But the U.S. travel industry can only capitalize on this comparative advantage with the help of government policies to promote greater international travel to the U.S. With the expansion of current programs already in place and the creation of new, innovative policies to allow more visitors to come to the U.S. without compromising our domestic security, the U.S. economy can be sure to receive the full dividends of its investment in the growing travel industry.

ENDNOTES

1 U.S. Travel Association. Fast Forward Report, page 8.

2 U.S. Department of Commerce, including passenger fares

3 U.S. Travel Calculations based on data from the U.S. Department of Commerce and the U.S. Department of Agriculture

4 U.S. Department of Commerce, Exports Support American Jobs, page 4, April 2010.

5 U.S. Travel Association, Travel Means Jobs, page 8.

6 U.S. Travel Association estimates based on data from the U.S. Department of Commerce and U.S. Department of Agriculture

7 Ibid.

8 *http://www.whitehouse.gov/the-press-office/2012/01/19/executive-order-establishing-visa-and-foreign-visitor-processing-goals-a*

9 World Economic Forum, "The Travel & Tourism Competitiveness Report 2013," 2013.

10 As measured by the Federal Reserve's Price-adjusted Broad Dollar Index (which measured the value of the dollar on a trade weighted basis against major currencies as well as other important trading partners)

11 Organization for Economic Cooperation and Development (OECD), May 2014. All measurements are in US dollars.

12 UN World Tourism Organization, "International Tourism Exceeds Expectations with Arrivals Up by 52 million in 2013," January 20, 2014 .

13 UN World Tourism Organization, "Tourism 2020 Vision."

14 Ernst & Young, "By 2013 two-thirds of global middle-class will be in Asia Pacific," April 25, 2013.

15 Morgan Stanley Smith Barney, "Asian Affluence. The Emerging 21st Century Middle Class," June 2011.

16 Oxford Economics, "The Return on Investment of Brand USA Marketing, 2013 Fiscal Year Analysis," February 2014.

17 Argentina, Brazil, Bulgaria, Croatia, Israel, Panama, Poland, Romania and Uruguay.

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