

**U.S. TRAVEL**  
**A S S O C I A T I O N<sup>®</sup>**

**WRITTEN STATEMENT**

**OF**

**Ms. TORI EMERSON BARNES  
EXECUTIVE VICE PRESIDENT, PUBLIC AFFAIRS AND POLICY  
U.S. TRAVEL ASSOCIATION**

**ON**

**“THE STATE OF TRAVEL AND TOURISM DURING COVID”**

**BEFORE THE SENATE COMMERCE, SCIENCE, AND  
TRANSPORTATION COMMITTEE’S  
TOURISM, TRADE, AND EXPORT PROMOTION SUBCOMMITTEE  
APRIL 13, 2021**

Chairwoman Rosen, Ranking Member Scott, Chairwoman Cantwell, Ranking Member Wicker, and members of the subcommittee, good afternoon.

I'm Tori Emerson Barnes, executive vice president of public affairs and policy for the U.S. Travel Association. Thank you for inviting the travel industry to participate in this critically important hearing.

U.S. Travel is the only association that represents all sectors of the travel industry—airports, airlines, hotels, state and local tourism offices, cruise lines, car rental companies, theme parks and attractions and many others. All of these sectors of travel are crucial to our broader industry's economic revival and should be treated equitably as we develop strategies to restart and restore widespread travel.

Before the devastating COVID-19 pandemic, \$1.1 trillion in traveler spending in the U.S. generated a \$2.6 trillion total economic impact and supported 16.7 million jobs in 2019.<sup>1</sup> Travel was the second largest industry export and largest service industry export, generating a trade surplus of \$51 billion.

This all came to a halt at the onset of the public health crisis. As this subcommittee is well aware, travel and tourism is the hardest-hit industry in the economic fallout of the pandemic. And now we know what happens when the world stops moving: Economies and livelihoods are decimated. In 2020, travel spending in the U.S. plummeted 42%, costing the U.S. economy \$500 billion in lost travel spending.<sup>2</sup> Nevada, Florida and Washington suffered travel spending declines of more than 40%. Travel spending fell 26% in Mississippi.

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<sup>1</sup> [https://www.ustravel.org/system/files/media\\_root/document/Research\\_Fact-Sheet\\_US-Travel-Answer-Sheet.pdf](https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-Answer-Sheet.pdf)

<sup>2</sup> [https://www.ustravel.org/system/files/media\\_root/document/Research\\_Fact-Sheet\\_Industry-Table.pdf](https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Industry-Table.pdf)

These spending declines gutted the travel workforce: 5.6 million travel-supported jobs were lost, accounting for 65% of all jobs lost in the U.S.<sup>3</sup>

Currently, the travel industry is expected to take five years to recover from this crisis; that is far too long to wait. While we expect domestic leisure travel to be the segment of our industry that recovers the fastest, a rebound is **not** inevitable. Low-to-middle income families have been hardest hit by the pandemic and research shows they are less likely to travel in the next year. Business meetings, conventions and events are still severely restricted in many states, and this sector—which also happens to be the largest revenue generator and job creator—is projected to take four years to recover. And, with our borders still closed to much of the world, international travel to the U.S. will take more than five years to return to pre-pandemic levels—and with the uncertainty around reopening, it could be even longer.

We **must** implement the right strategies now to restart widespread travel. U.S. Travel has identified four key priorities to restore travel demand, accelerate rehiring and shorten the timeline for recovery:

- 1. We must safely and quickly reopen international travel.**
- 2. The CDC should approve clear guidance to safely restart professional meetings and events.**
- 3. Congress must enact the Hospitality and Commerce Job Recovery Act to spur incremental demand and accelerate rehiring.**
- 4. Congress should provide temporary emergency funding for Brand USA to welcome visitors back to the U.S.**

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<sup>3</sup> [https://www.ustravel.org/system/files/media\\_root/document/Research\\_Fact-Sheet\\_Industry-Table.pdf](https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Industry-Table.pdf)

Specific policies can also be implemented to improve the industry’s long-term competitiveness and ensure we come back stronger and better than ever, such as:

- 1. Enacting the Visit America Act to elevate permanent leadership in federal government on travel policies.**
- 2. Investing in repairing and modernizing travel infrastructure.**

## Reopen international inbound travel

U.S. Travel has urged the Biden administration to set, **by this May**, a timeline for lifting entry restrictions and reopening international travel. If nothing is done to restore international travel, a total of 1.1 million American jobs and \$262 billion in spending will be lost by the end of 2021.<sup>4</sup>

However, our research shows that if the U.S. can restart international travel by the second quarter of this year, it can have a dramatic impact on restoring jobs. If international travel from the top inbound markets (such as the United Kingdom, Canada and the European Union), can reach an average of just 40% of 2019 levels by the end of 2021, we can restore an additional 225,000 jobs and \$30 billion in travel exports this year alone.<sup>5</sup>

Even small steps will go a long way. For example, if the U.S. can quickly establish a public health corridor between the U.S. and the U.K.—while avoiding quarantines upon arrival— it could add 1.9 million arrivals and \$4.4 billion in spending in 2021 alone.<sup>6</sup>

The good news is that we can reopen international travel without compromising safety. A Harvard study found that the risk of COVID-19 transmission while flying is already low and the

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[https://www.ustravel.org/sites/default/files/media\\_root/International%20reopening%20fact%20sheet%20data\\_2021.pdf](https://www.ustravel.org/sites/default/files/media_root/International%20reopening%20fact%20sheet%20data_2021.pdf)

<sup>5</sup> [https://www.ustravel.org/sites/default/files/media\\_root/International%20reopening%20fact%20sheet%20data\\_2021.pdf](https://www.ustravel.org/sites/default/files/media_root/International%20reopening%20fact%20sheet%20data_2021.pdf)

<sup>6</sup> [https://www.ustravel.org/sites/default/files/media\\_root/International%20reopening%20fact%20sheet%20data\\_2021.pdf](https://www.ustravel.org/sites/default/files/media_root/International%20reopening%20fact%20sheet%20data_2021.pdf)

federal mask mandate has made flying even safer.<sup>7</sup> All inbound international passengers must now provide proof of a negative COVID-19 test within 72 hours of departure, effectively eliminating the need for quarantines. Further, the Centers for Disease Control and Prevention's (CDC) own guidance says that fully vaccinated travelers are less likely to get and spread COVID-19.<sup>8</sup> Finally, the vaccination rate among U.S. adults is growing rapidly each day and as we begin to reach a saturation point, vaccinated individuals ought to be able to come to the U.S. without having to have proof of a negative COVID test.

While we have the right protections in place to restart international travel and keep our country safe, we do not have clear public health benchmarks or a definitive timeline to reopen our borders. The CDC, Department of Transportation, Department of Homeland Security and other agencies must quickly come together to develop a data-driven, risk-based roadmap by May to rescind international inbound travel restrictions by July 2021.

This plan should start by quickly establishing “public health corridors” between the U.S. and other low-risk countries, like the U.K. The CDC should then use clear benchmarks, such as infection and vaccination rates, to determine when entry restrictions can be lifted for other countries. The development of uniform federal standards for digital health credentials can also facilitate safe travel. While vaccines should never be a requirement to travel, digital health credentials can verify both test results and vaccination history, protect personal privacy, and work across local, state and international borders.

The subcommittee can help impress upon the White House and other agencies the urgent need to develop this plan and support them in developing it.

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<sup>7</sup> <https://cdn1.sph.harvard.edu/wp-content/uploads/sites/2443/2020/10/APHI-Phase-I-Press-Release.pdf>

<sup>8</sup> <https://www.cdc.gov/coronavirus/2019-ncov/travelers/travel-during-covid19.html>

## Restart professional meetings and events

Similar to international travel, our industry cannot recover without a resumption of professional meetings and events. Business travel spending in the U.S. fell 70% from \$348 billion in 2019 to just \$103 billion in 2020. To put this in real terms, as leisure travel businesses and destinations are experiencing slight increases in demand, convention hotels remain empty. Restaurants, caterers, event organizers and AV companies are without customers. Rental car lots are full. Business travel, including professional meetings and events, is one of the most lucrative and important segments of travel and it must be restored in order to get the industry back on its feet.

It must be acknowledged that it is possible to resume professional meetings and events safely. Professional meetings and events are distinct from other mass gatherings due to the level of control that can be implemented, and therefore should not be singled out while the rest of the economy is given the green light to reopen. The CDC should provide or approve safety guidance—such as mask wearing, sanitation and physical distancing—that states and localities can use to lift restrictions on small, medium and large business events. The federal government must embrace the leadership role it can play in helping to restart this vital sector of the economy responsible for so many good-paying jobs.

## Enact the Hospitality and Commerce Job Recovery Act

Simply reopening international and business travel won't be enough on its own. Congress can play a direct role in shortening the timeline for recovery and quickly restoring jobs in every region of the country.

In the travel industry, hiring is directly connected to demand. When demand for travel increases and customers return, travel employment happens immediately. But, as mentioned

previously, travel demand and employment are forecast to take five years to reach 2019 levels. However, we can accelerate demand and rehiring by enacting the Hospitality and Commerce Job Recovery Act (HCJRA).

While domestic leisure travel will come back first, the rebound in demand will not be equitable. Research by McKinsey shows that low-to-middle income families, who have been hit hardest by the pandemic, are 29% to 16% less likely to travel in 2021 compared to high-income families. The HCJRA would focus on increasing travel demand among all households by providing targeted and temporary refundable tax credits for low-to-middle income families to take a trip, while simultaneously helping to boost spending, demand and rehiring.

The bill would also provide refundable tax credits to encourage the resumption of business meetings, conventions and events, and defray the costs of hosting these job-generating gatherings.

Together, with other targeted measures in the bill, Oxford Economics estimates that enacting the HCJRA would shorten the recovery timeline from five years to just three, while creating an incremental 1.5 million jobs and generating nearly \$600 billion in spending.

## Support and protect Brand USA

We are asking Congress to support \$250 million in emergency funding for Brand USA, the United States' destination marketing organization. Brand USA does the important work of promoting the U.S. to international visitors. Over the past seven years, Brand USA's marketing efforts have generated 7.5 million incremental visitors to the U.S. who spent nearly \$25 billion, supporting more than 50,000 incremental jobs each year.<sup>9</sup>

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<sup>9</sup> <https://www.thebrandusa.com/media/newsletters/article/brand-usa-fiscal-year-2019-roi-study-oxford-economics>

However, the drastic decline in ESTA fee collections (which fund Brand USA, in part) due to international travel restrictions and scarce private sector contributions amid the economic crisis has severely diminished the program's funding. If Brand USA is unable to continue its work of promoting the U.S. once borders reopen, the international inbound travel segment's recovery will be severely hampered. We cannot restore international travel or compete in the global travel market without Brand USA.

## Advance the Visit America Act

There are also measures that Congress can enact to make America's travel industry stronger and more globally competitive than ever before.

The Visit America Act, which was introduced by Senator Dan Sullivan in the last session of Congress, would strengthen the Commerce Department's role in coordinating federal travel policies, setting consistent national goals to boost travel exports and developing clear strategies to achieve them.

The bill importantly creates the role of Assistant Secretary of Commerce for Travel and Tourism, who would be responsible for setting an annual goal for the number of international visitors to the U.S., providing support for improved visitor visa processing and promoting travel exports. Specifically, the bill directs the Department of Commerce to develop a 10-year travel and tourism strategy with the goal of achieving, by 2028, 116 million annual international visitors to the U.S. and \$445 billion in travel exports.<sup>10</sup> The U.S. is the only country among the top 30 destinations worldwide that does not have a cabinet- or subcabinet-level leadership for travel, putting the U.S. at a competitive disadvantage.

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<sup>10</sup> <https://www.congress.gov/bill/116th-congress/senate-bill/3831>



As travel exports declined 64% from \$234 billion in 2019 to just \$83 billion in 2020, a federal strategy to boost travel exports will be vital to the travel industry's overall recovery.<sup>11</sup>

## Improve America's travel infrastructure

Finally, we are urging Congress to prioritize legislation to improve America's travel infrastructure to facilitate domestic travel and to better prepare to welcome back visitors from around the world.

Even before the public health crisis, cities and towns were growing further apart due to aging, insufficient infrastructure and congested roadways. By prioritizing infrastructure investments that enhance the economic contributions of travel and improve passenger mobility, the U.S. can emerge from the pandemic and rebuild the travel industry with stronger, more connected infrastructure systems than ever before.

This committee has played a leadership role in establishing national strategies, networks and programs to improve the mobility of freight. It's time to develop and fund the same type of national strategies and programs to improve the mobility of people. By ensuring discretionary grant and formula programs target investments towards projects that improve national travel mobility and achieve the goals of the National Travel and Tourism Infrastructure Strategic Plan, this committee can help change the way America moves.

## Closing

One thing is clear: there are both challenges and opportunities ahead. The travel industry will not recover on its own. Travel has suffered more than any other industry throughout this

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<sup>11</sup> [https://www.ustravel.org/system/files/media\\_root/document/Research\\_Fact-Sheet\\_Industry-Table.pdf](https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Industry-Table.pdf)

crisis, and we need the federal government to enact the right policies to ensure all sectors of travel can recover as quickly as possible. There is a great deal at stake, and any delay in restarting widespread travel will only hurt the economy further.

Thank you again for inviting the broader travel industry to testify on the devastating economic impact of the pandemic on our industry. We look forward to working with you on these solutions to restore this crucial economic sector and I welcome your questions. Thank you.