

What is Brand USA?

Brand USA is a public-private partnership that supports American jobs by promoting international travel to all regions of the United States. The program, which was established under the bipartisan Travel Promotion Act of 2009, has helped to bring 7.5 million international visitors to the U.S., generating a total economic impact of \$55 billion, and supporting over 52,000 jobs annually. For each dollar invested in Brand USA, the return-on-investment is 25-to-1.

Brand USA: More than a Decade of Broad Bipartisan Support

For more than a decade, reauthorization and funding for Brand USA has received broad bipartisan support in Congress. Most recently, in 2019, the Brand USA Extension Act (S. 2203 and H.R. 3851) garnered 46 Senate cosponsors, 142 House cosponsors, and was approved nearly unanimously in House and Senate committee markups. The bill was enacted as part of the Further Consolidated Appropriations Act, 2020 (P.L. 116-94).

Brand USA Funding Crisis

HOW BRAND USA'S FUNDING WORKS

Brand USA receives 50 percent of its funding from revenue collected through the Electronic System for Travel Authorization (ESTA) fee that foreign visitors from Visa Waiver Program (VWP) countries pay when applying to come to the U.S. Each fiscal year, Brand USA is authorized to use up to \$100 million in ESTA fee revenue collected during the previous year, provided that Brand USA also receives a 1:1 matching contribution from the private sector. In this way, Brand USA is funded up to \$200 million per year without the use of any American taxpayer dollars.

COVID-19 DECIMATED BRAND USA'S FUNDING SOURCE

COVID-19 brought international travel to a halt. From Q2 through Q4 of 2020, international arrivals dropped by 91%, and overseas visitation fell by a staggering 96% compared to the same period in 2019. Foreign visitors from many of the largest VWP countries are prohibited from entering the U.S. due to entry restrictions put in place during the pandemic.

As a result, Brand USA's funding model is in jeopardy. ESTA fee collections were only \$62 million in FY 2020 and are forecast to be only \$10 million in FY 2021. The ESTA fee shortfall is compounded by falling private sector matching contributions to Brand USA amidst the economic crisis.

Need for Emergency Funding

Economists forecast that international visitation and spending in U.S. will not fully recover to 2019 levels until at least 2024. Brand USA will play a vital role in shortening this timeline for recovery by promoting international travel to the U.S. once our borders have safely reopened.

To help America's travel industry recover from this economic crisis, Congress must provide Brand USA with one-time emergency funding of \$250 million to support its recovery and promotion campaigns as international travel begins to reopen. Of the \$250 million, Brand USA will use \$50 million to fund a reopening campaign that encourages visitors to come back to the U.S. once our borders reopen. The remaining \$200 million will be used to fund Brand USA's annual budget at the fully authorized levels.

Summary of the Restoring Brand USA Act

Since 2009, the \$10/\$17 portion of the ESTA fee that was established to fund Brand USA has generated a surplus in the Travel Promotion Fund (TPF) of approximately \$433 million. The Restoring Brand USA Act (S. 2424 and H.R. 4954) transfers \$250 million in surplus TPF funds to Brand USA to support its economic recovery campaigns and provide bridge funding until international travel and ESTA fee collections recover. In this way, the Act simply uses funding that was originally established, collected and intended to support Brand USA. Importantly, because TPF funds are derived from ESTA fees collected from foreign visitors, the bill ensures that Brand USA continues to be funded without the use of any American taxpayer dollars.