

BUILDING BACK BETTER

Travel's Power to Accelerate Economic Recovery and Reunite America Recommendations for the First 100 Days of the Biden Administration

America's economy cannot recover unless the travel industry recovers.

In 2019, the travel industry was one of the largest sectors of the economy, supporting 1 in 10 American jobs.

- In 2019, \$1.1 trillion in travel industry spending supported 15.8 million American jobs.
- The travel industry was a top-10 employer in all 50 states, including the largest employer in Nevada, third largest in Florida, fourth largest in Arizona and sixth largest in Georgia.
- International visitor spending in the U.S. was our nation's largest service industry export, generating a trade surplus of \$59 billion.

COVID-19 has devastated the travel industry more than any other sector of the economy.*

- Due to COVID-19, the U.S. lost nearly \$500 in travel spending.
- **42% of all jobs lost nationwide are attributable to declines in direct travel employment.**

We cannot afford to wait **AMERICA NEEDS A NATIONAL PLAN TO RESTORE TRAVEL**

Travel industry employment and spending are projected to take five years to fully recover from this crisis, which would delay broader economic recovery until after President Biden's first term.

But with a focused, national plan to restore travel to and within the United States, the Biden administration can accelerate job growth and economic recovery, while helping to reunite Americans with each other and the world.

We urge President Biden to kickstart the industry's recovery with two significant public efforts within the first 100 days of the administration:

Establish a national plan to restore domestic travel and reunite America by quickly developing public health and COVID-19 testing protocols to safely resume travel, and enacting aggressive economic stimulus measures to boost travel demand and bring back jobs.

Safely reopen international travel through risk-based COVID-19 testing protocols, remove international travel bans and set a goal of welcoming 116 million visitors to the U.S. by 2028, which will reestablish the United States as the most welcoming country in the world.

*Data based on real and forecast data as of November 2020. These tables will be updated as new data becomes available.

To support these two critical objectives, the following policies should be part of the administration's 100-day plan:

1

Combat the virus by providing federal leadership and resources to accelerate vaccine distribution and implement consistent testing and preventive measures.

2

Enact economic stimulus measures to safely restore travel, meetings and events by establishing a tax credit for leisure and business travel, and providing domestic travel promotion grants through the U.S. Economic Development Administration (EDA) to help communicate best health and safety practices as Americans look to reconnect with their family, friends and fellow citizens.

3

Ensure health and safety measures allow for a predictable, nationwide framework by establishing a uniform set of health and safety guidelines for state and local governments to follow domestically, implementing testing as an additional layer of safety, but not as a requirement, rather as a mechanism to remove the need for quarantine, accelerate vaccine distribution and provide liability protections.

4

Continue to safely reopen international travel through a science-driven, risk-based approach to COVID-19 testing, lifting travel restrictions, including section 212(f), and removing recommended quarantines.

5

Create a new Assistant Secretary for Travel and Tourism at the U.S. Department of Commerce. The Assistant Secretary would be tasked with implementing policies to facilitate international travel exports and achieve the national goal of welcoming 116 million international visitors by 2028.

6

Prioritize investment in the future of travel mobility and infrastructure. Call for historic federal investments in all modes of travel infrastructure, including airports, highways, passenger rail, and public transit. Target investments toward projects that improve national and regional mobility and facilitate greater travel and tourism.

Above all else, America must get a handle on the virus. The Biden administration has already demonstrated its commitment to eradicating the virus quickly, which can be made possible through the federal government taking an active role in facilitating more widespread testing and preventative measures and accelerating vaccine distribution.

1

Combat the virus by providing federal leadership and resources

- **Provide federal leadership and resources to accelerate vaccine distribution.**
 - Increase funding for states and localities to expand purchasing of available vaccine dosages.
 - Establish best practices and resource sharing to help states improve and execute distribution plans.
 - Establish federal vaccine distribution teams to target high-priority areas and hard-to-reach communities.
- **Implement consistent testing and preventive measures.**
 - Increase federal resources for testing centers and other critical healthcare infrastructure.
 - Remove financial barriers to COVID-19 testing, treatment, preventative services and vaccine access.
 - Boost the output of supplies needed to eradicate COVID-19 through large-scale government procurement and reduced trade barriers.

Until widespread travel is able to resume, travel-dependent businesses, 83% of which are small businesses, will continue to need economic assistance to sustain or bring back jobs and maintain operations. Further, we will need a recovery strategy that allows us to take a science-based approach to beating the virus while still allowing travel to continue.

We encourage the Biden administration to enact economic relief and stimulus measures that boost travel demand and encourage Americans to reconnect and reunite through travel and ensure that they can do so in a safe way.

2

Enact economic relief and stimulus measures to safely restore travel, meetings and events

- **Create tax credits and deductions to help facilitate a stable recovery** by providing a refundable tax credit for individuals and families to spur demand and growth. Provide a tax credit for businesses to offset the cost of participating in or hosting conventions, business meetings and events. Provide a tax credit to help businesses cover costs related to COVID-19 health and safety guidelines among other measures.
- **Provide grants to the hardest hit industries**—either through the EDA, the Coronavirus Relief Fund or another federal grant-making process—to eligible state tourism offices and local destination marketing organizations to promote travel and support economic recovery efforts in local tourism markets.
- **Ensure a stable and affordable market for risk coverage in business interruption or event cancellation insurance.** Provide a cost-sharing program to cover business interruption and event cancellation insurance related to a public health emergency. Pandemic risk insurance can help drive businesses and individuals to take the steps needed to guard against future health risks, while improving the overall resilience of the U.S. economy and reducing the financial burden of taxpayers during future pandemics.

3

Ensure health and safety measures allow for a predictable, nationwide framework by establishing a uniform set of health and safety guidelines

- **Establish a uniform set of health and safety guidelines for states and local governments to follow to safely resume travel** by requiring masks in public transportation hubs and onboard airplanes. Rely on a risk-based, layered approach to health and safety measures but also eliminate mandatory quarantines or universal vaccine mandates for domestic travel. Set risk-based health and safety guidelines that account for the facts and circumstances of structured meetings and events, apart from other types of “mass” or “social” gatherings.
- **Implement consistent testing and preventive measures.** Increase federal resources for testing centers and other critical healthcare infrastructure. Remove financial barriers to COVID-19 testing, treatment, preventative services and vaccine access. Boost the output of supplies needed to eradicate COVID-19 through large-scale government procurement and reduced trade barriers.
- **Provide federal leadership and resources to accelerate vaccine distribution.** Increase funding for states and localities to expand purchasing of available vaccine dosages. Establish best practices and resources sharing to help states improve and execute distribution plans. Establish federal vaccine distribution teams to target high-priority and hard-to-reach communities.
- **Provide liability protection for entities that make reasonable efforts to follow applicable government coronavirus standards and guidelines.** Provide protections from certain public accommodation laws if lodgings, entertainment venues, restaurants or other public accommodations cannot offer the requested accommodations because doing so would pose a serious public health risk.

America's image abroad has declined, with favorable views among key U.S. allies registering the lowest on record since polling began. Data tells us that when international visitors come to America, they leave with a better impression of our country and its people; it's one of the most effective forms of public diplomacy at our disposal. To begin the process of healing our nation, we are going to need travel and its unique power to dismantle prejudices and unite people from all walks of life. As soon as it is safe, we must do everything we can to welcome back international visitors from around the world.

Unfortunately, the U.S. travel industry is already at a disadvantage as nearly every other country with whom we directly compete for tourism dollars has a coordinated governmental strategy on travel and tourism. U.S. travel exports too often take a backseat in trade policy considerations, despite the fact that travel was the largest U.S. service-industry export and the second-largest industry export in 2019. These exports generated a travel trade surplus of \$59 billion, and international visitor expenditures alone directly supported 1.2 million American jobs.

To better prepare the U.S. to welcome back visitors from around the world—and to compete for international tourism dollars—travel must be treated by policymakers as an export on par with other U.S. industries. The following policy priorities would establish travel industry leadership within the federal government, elevate travel exports in trade negotiations and help the industry meet its goal of welcoming 116 million annual international visitors by 2028.

4

Continue to safely reopen international travel through a science-driven, risk-based approach

- **Implement a global framework for a science-driven, risk-based approach to COVID-19 testing to safely reopen international travel.** Using lessons learned from “air bridge” pilots, the federal government should implement a science-driven, risk-based COVID-19 testing program for inbound international travelers. The testing program should: provide flexibility and adjust requirements for short-haul international flights and trips shorter than three days; devote federal funding to support testing capabilities in areas of the world where cost and availability of COVID-19 tests make the pre-departure testing requirement difficult or unworkable; avoid mandatory quarantines upon arrival which can be difficult to enforce.
- **In conjunction with implementing a testing requirement for inbound international travel, the administration should lift travel restrictions issued under section 212(f),** which would no longer be needed with a testing requirement.
- **Direct the U.S. Department of State to devote resources and staff to address the backlog of passports and visas** expeditiously (for both travel and work visas). Quickly develop safety protocols to restart visa and passport processing, which will help accelerate demand for safe international travel. Lift moratoriums on work and cultural visas to ensure the U.S. workforce's needs can be met.

5

Create a new Assistant Secretary for Travel and Tourism at the U.S. Department of Commerce

- **Create a new Assistant Secretary for Travel and Tourism within the U.S. Department of Commerce to work across agencies to develop a coherent, government-wide plan to boost travel exports.** The office should:
 - Set national goals and objectives for growing international visitation to the United States and work across federal agencies to implement policy changes needed to achieve these goals.
 - Set international arrivals and travel spending goals every four years, which should include the goal of welcoming 116 million annual international visitors by 2028.
 - Lead interagency development of strategies to meet travel goals, such as necessary changes to visa processing and customs and entry procedures.
 - Coordinate with stakeholders to promote and increase the competitiveness of U.S. travel exports, such as large international trade shows and sporting events.

Our country's infrastructure—which should serve to connect America—has fallen into a state of disrepair and is driving people further apart. Commutes are longer, family and friends feel more distant and it is harder than ever to see all of our great country.

The future of mobility in America will require greener, more energy efficient modes of transportation, modernized systems and improved access to heavily trafficked destinations. By making these investments now, the U.S. can prepare to emerge from this crisis with stronger, more connected infrastructure systems than ever before, and will be ready to meet a resurgence in travel demand.

The administration can enact the following infrastructure priorities to rebuild our existing systems, facilitate recovery efforts and to work toward a future where America's travel infrastructure is once again the envy of the world.

6

Prioritize the investment in the future of travel mobility and infrastructure

- **Authorize \$550 billion in federal funding for highways, transit, passenger rail and airports over five years**, including \$325 billion over five years for the federal-aid highway programs, \$125 billion over five years for investments in public transit, \$40 billion over five years for the Airport Improvement Program from both the Airport and Airways Trust Fund and the General Fund and \$60 billion in passenger rail funding.
- **Expand federal funding opportunities for passenger rail.** Allow Congestion Mitigation and Air Quality (CMAQ) funds to be used to support passenger rail operating expenses; establish a new intercity passenger rail grants program; and modernize Amtrak through a \$30 billion investment over five years, including \$18 billion for the Northeast Corridor.
- **Ensure states and localities develop transportation plans, identify projects and use federal funding to grow tourism.** Amend the federal planning requirements so that states and metropolitan planning organizations work with the travel industry to develop strategies and identify projects necessary to grow travel and tourism. Incentivize states to make transportation investments that grow travel and tourism by providing an optional 100% federal share for projects that enhance national or regional travel mobility and result in significant economic growth for increased tourism and travel. Ensure that projects benefiting travel and tourism are eligible for funder under the major federal-aid highway programs, including the Surface Transportation Block Grant and CMAQ.
- **Prioritize the award of federal discretionary grants to projects that improve travel mobility and achieve the goals of the National Travel and Tourism Infrastructure Strategic Plan. Amend the BUILD grant program by adding specific considerations for projects that would improve access to travel and tourism destinations.** Establish a Projects of National and Regional Significance program, funded at \$9 billion over five years, to invest in major projects that would improve travel mobility between regions, but cannot be funded through annual apportionments or other discretionary sources.
- **Support tax incentives and grants for electric vehicle charging stations to build out a national network.** Establish a federal grant program within the U.S. Department of Transportation to fund the establishment of a national network of charging infrastructure along the most heavily trafficked routes for long-haul travel. Enact tax incentives to accelerate the development and use of sustainable aviation fuels.

WITHOUT TRAVEL, THE UNITED STATES IS AN INCREASINGLY DIVIDED AND ISOLATED NATION.



- Fewer Americans are traveling to see loved ones, take vacations or conduct business than any other time in our nation's history—resulting in a populace that is increasingly isolated and divided.
- America's global standing has also declined in recent years, with favorable views of the U.S. registering at the lowest levels on record. With broad international travel bans in place, America's ability to restore its image abroad through cultural diplomacy has been stunted.
- An expeditious recovery of the travel industry is one of the best ways to revive the U.S. economy, help heal a fractured nation and reconnect America with the world.