

## The Wire...from AirPlus

### November 2009: The Travel Promotion Act

**AIRPLUS.** WHAT TRAVEL PAYMENT IS ALL ABOUT.



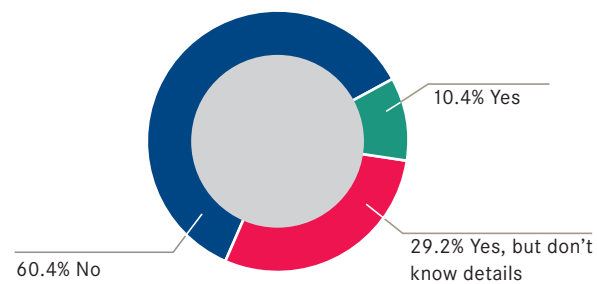
Travel industry insiders lack awareness of the U.S. Travel Promotion Act—even in countries that stand to be most affected by possible new fees.

The U.S. House of Representatives on Nov. 9 passed the Travel Promotion Act, a bill that would create a national nonprofit tourism promotion corporation for the United States “to communicate United States entry policies and otherwise promote leisure, business, and scholarly travel” to international travelers. These travelers, which spend an average of \$4,500 per person when visiting the U.S., have experienced a steep decline since 9/11. Government officials are keen to get their dollars back into the U.S. to boost the ailing economy.

The Travel Promotion Act, which would set up an Office of Travel Promotion within the U.S. Department of Commerce, is now waiting for Senate passage before landing on the desk of the president. Executive approval is expected should the bill pass a final vote in the Senate before the current congressional session adjourns.

Promotion organizations and campaigns, however, come at a cost. In addition to initial funding of no more than \$10 million from the U.S. Treasury (to be repaid by 2012) and voluntary funds from the private sector (in the form of both cash and services from the travel and tourism companies that will benefit from

Are you aware of legislation passed by the United States government that would require visitors to the U.S. from visa waiver countries to pay a \$10 fee to enter the United States?



the federal organization), the U.S. government will levy a \$10 entry fee on foreign visitors from visa waiver countries. The fee would be collected once every two years in conjunction with the Department of Homeland Security’s Electronic System for Travel Authorization.

The \$10 fee has raised ire of visa waiver program participants, especially European members, which have enjoyed free entry to the U.S. and have reciprocated an open entry policy to U.S. visitors. In reaction to the initial Senate passage of the bill in September (a procedural technicality has forced two rounds of voting from each congressional body), Ambassador John Bruton, head of the European Commission delegation to the U.S., described the fee as “discriminatory” and warned that European countries would respond by implementing their own travel fees.

While governments exchange words over “discriminatory” fees, the news is falling on deaf ears even for corporate travel stakeholders, who should be in the know. In a November survey of travel management professionals fielded by AirPlus International, only 10 percent of respondents said they were aware of the details surrounding the Travel Promotion Act, while 29 percent had heard about the legislation, but did not know much about it. More than 60 percent of respondents, which represented the U.S., Canada, Mexico, Europe, Africa and APAC, were unaware of the bill, its intent and its pursuant fees.

Asked how they thought the funds might be applied, more than 53 percent did not venture a guess. Approximately 20 percent accurately indicated that the funds would be used to create a national travel promotion organization, while 36.5 percent accurately believed the funds would be used to communicate and streamline the U.S. security and immigration process.

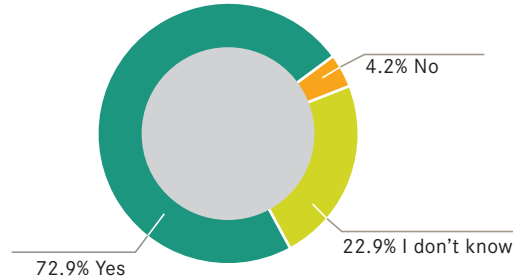
Assuming that the Travel Promotion Act is approved and the fee is implemented, even survey respondents not familiar with the bill felt sure that visa waiver countries would implement reciprocal fees. Seventy-three percent of respondents came to this conclusion, while just over 4 percent thought that the \$10 fee would have no effect on U.S. travelers to international destinations.

Supporters of the Travel Promotion Act point to successful national tourism organizations in Australia, the United Kingdom and Canada, which recently completed tourism campaigns that returned \$64, \$47 and \$11, respectively, for each dollar spent. A study by Oxford Economics pegged returns from a recent one-off U.S. campaign at \$117 for each dollar spent. Those numbers have piqued the interest of government officials, who are looking to a robust travel industry to stimulate a suffering economy with thousands of jobs, taxes on additional consumer spending and reduction of the federal deficit.

That’s a tall order, say opponents of the bill, who view the \$10 fee as a barrier to attracting visitors and an invitation to visa waiver countries to take a little extra out of the pockets of U.S. citizens traveling overseas.

**Survey Methodology**—For this issue of *The Wire*, AirPlus International in cooperation with ProMedia.travel surveyed 96 travel management professionals in North American, Europe, Africa and Asia/Pacific Nov. 2-16, 2009.

**If this fee is approved by the president and implemented, do you think visa waiver countries will implement reciprocal fees for travelers to their countries from the U.S.?**



**What do you think the money collected from this program is intended to do?**

Fund a U.S. travel promotion organization	19.8%
Fund an effort to streamline U.S. security and immigration	36.5%
Discourage people without sufficient funds from traveling to the U.S.	2.1%
Financially support valued U.S. tourist attractions, such as national parks	7.3%
Fund the effort to overhaul U.S. air traffic control systems	11.5%
Fund an effort to create a passenger rail system in the U.S.	3.1%
I don't know	53.1%

**Additional Resources:**

**U.S. Travel Promotion Act Includes \$10 Fee**  
<http://www.thetransnational.travel/news.php?cid=Travel-Promotion-Act-Entry-Fee.Sep-09.16>

**House OKs Travel Promotion Act, Now In Senate (2008)**  
<http://www.thetransnational.travel/news.php?cid=Travel-Promotion-Act.Oct-08.02>

**Travel Promotion Act, Hope or Hype?**  
<http://www.hotelworldnetwork.com/plans-and-programs/travel-promotion-act-hope-or-hype>

**AirPlus International, Inc.**  
 225 Reinekers Lane, Suite 500  
 Alexandria, VA 22314 USA  
**T** +1 (703) 373-0940  
**F** +1 (703) 373-0941  
[usa@airplus.com](mailto:usa@airplus.com)  
[www.airplus.com](http://www.airplus.com)  
[www.airpluscommunity.com](http://www.airpluscommunity.com)