International Travel to U.S.
Getting Some Needed Attention

Many in the Travel & Tourism Industry realize that the United States is not reaping all the potential benefits of inbound international travel. As with so many things in this world, there are many people who talk about problems and issues, but few leaders who implement needed improvements and reforms. Thankfully, that situation seems to be changing in at least one important area – recently a number of barriers to international travel have been getting attention by both business and government.

There is general agreement that the U.S. has been losing market share in global travel. In a recent press release, the Travel Industry Association reports that since the attacks of 9/11, nearly 60 million fewer international travelers than projected have come to the U.S. That has translated into 194,000 fewer jobs, a $25.9 billion drop in payroll, a $94 billion decrease in spending by foreign visitors, and a $15.6 billion loss in tax revenue to federal, state, and local government, nationwide, over the past nearly six years.

The causes of the decline are many, but the main culprits seem to be:

- Difficulty in obtaining a U.S. visa
- Cumbersome, slow and demeaning entry procedures
- The lack of a national marketing organization with a budget adequate to persuade significant numbers of international travelers to visit the U.S.

“Whether realities or perceptions, our country’s cumbersome visa policies and unwelcoming entry procedures are deterring would-be travelers from choosing to visit America,” says Jonathan M. Tisch, chairman and CEO of Loews Hotels and chairman of the Travel Business Roundtable.

Honolulu Mayor Mufi Hannemann has stepped up to help improve international tourism, which is vital to Hawaii’s Visitor Industry. Recently he shared with me three resolutions on international travel that he introduced at last month’s annual meeting of the U.S. Conference of Mayors, held in Los Angeles.

The first resolution calls for the federal government to implement common-sense visa policy reforms to make it easier and faster for foreign travelers to get a U.S. visa. Particularly important in this effort would be the use of technology and teleconferencing so that visa applicants living in smaller cities would not have to endure hundreds of miles of travel to a major city in their country for a face-to-face interview by a State Department representative at an American embassy or consulate.

The resolution also calls for improvements in America’s welcome at ports of entry through enhanced customer service training of Customs officials, implementation of an international registered traveler program, etc.

The second resolution asks the Department of Homeland Security (DHS) to delay implementation of the Western Hemisphere Travel Initiative, which would mandate stricter rules for identification and proof of citizenship for Canadian travelers by January 31, 2008. Canadian visitors have always been a very important part of travel to Hawaii, and the proposed DHS regulations would drive a significant part of that business to Caribbean countries and Mexico next year.

The third resolution urges the Bush administration to enter into a bilateral agreement to expand leisure group travel from China and to make it easier for Chinese citizens to get U.S. visas.

Over the past decade, the growth of Chinese international travel has been phenomenal – 31 million Chinese citizens traveled abroad in 2005, with an increase of 10 percent predicted for 2006, once the numbers are tallied, according to People’s Daily Online. That is nearly twice the current level of Japanese international travel of about 17 million. Predictions for future years are even more breathtaking. The New York Times cites unnamed Chinese and international travel industry experts who forecast that 50 million Chinese tourists will travel overseas annually by 2010 and 100 million by 2020, very possibly making China the world’s biggest source of outbound tourism.
Yet, unbelievably, the U.S. is one of the world’s few major countries, if not the only one, that does not have “approved-destination status” from China. That means the U.S. government cannot open tourism offices, run promotional travel ads, or market group tours in the country with the world’s largest population and fastest-growing economy. Further, the U.S. makes it very difficult for a Chinese citizen to get a visitor visa. According to Stephen Agins writing for HMSAI Marketing Review, visa applicants must post a bond of 100,000 yuan, or about $12,000 – per person; imagine the cost for a family of four! – to ensure they will not remain in America illegally, but return to China.

The attendees at the U.S. Conference of Mayors meeting unanimously approved all three of Mayor Hannemann’s resolutions.

And, thankfully, Congress is paying attention. A Senate panel approved language in the recently debated immigration bill that would reform the current system of issuing U.S. visitor visas abroad and the process of screening arriving international travelers. The immigration bill died, but the Senate Committee on Commerce, Science, and Transportation did approve S. 1661, the “Travel Promotion Act of 2007.” This would create an independent Corporation for Travel Promotion, an Office of Travel Promotion within the State Department, and a Travel Promotion Fund. Jonathan Tisch recognized Hawaii’s Senator Daniel Inouye for his work and leadership in getting this legislation moving.

Congratulations and thanks to Mayor Hannemann and Senator Inouye for their efforts to promote and facilitate international travel. There is a lot more to do before these initiatives are enacted, but this is a great start.