Destination Discrimination?

“There you go again!” That’s what Ronald Reagan said to Jimmy Carter in the 1980 presidential debates, and it might be an appropriate phrase to describe the current, repeated attacks by the Obama administration on the Travel & Tourism industry.

The first attack came earlier this year when the President said in a town hall meeting that companies receiving taxpayer “bailout” money shouldn’t use corporate jets or “take trips to Las Vegas or the Super Bowl.” The result was devastation to resort hotels across the nation as dozens, if not hundreds, of convention bookings were hastily cancelled. Hawaii’s Hilton Hawaiian Village lost a 12,000-room-night booking from Wells Fargo & Co. that would have brought over $6 million in revenue to our state plus countless hours of job opportunity, wages and tips for hotel Housekeepers, Banquet staff and Bell staff, plus work for taxi drivers, hula dancers and lei-makers throughout Hawaii Nei.

I had hoped the furor would die down before long, but this week the Wall Street Journal revealed that some biggest agencies of the federal government, including the Department of Agriculture and Department of Justice, are being discouraged from booking meetings at “locations and accommodations that give the appearance of being lavish or are resort destinations.”

According to Agriculture Department guidelines issued this spring, Las Vegas, Reno and Orlando are on the “no-no list.” Denver, St. Louis, Milwaukee, Phoenix, Portland (Oregon) and Chicago are OK. It’s even OK to whoop it up in Ft. Collins (Colorado), a rural town of 131,000 that has a 237-room Marriott with 13 meeting rooms, but no city convention center. Will there be a new slogan? – “What happens in Ft. Collins . . . .”

Some wonder why Hawaii was not mentioned in the banned list until they remember it is the President’s home state.

The reaction from the Travel & Tourism industry was immediate and strong. Many pointed out that in today’s economic climate, resort areas have a lot of empty rooms and are more than willing to make deals on the use of meeting and tradeshow facilities.

According to the Las Vegas Review-Journal, Senate Majority Leader Harry Reid (D-Nev.) introduced a bill to prevent federal agencies from discriminating against Reno, Lake Tahoe, Las Vegas, and other resort cities when choosing destinations for business meetings.

White House Chief of Staff Rahm Emanuel sent Reid a letter noting the Obama administration’s view that travel decisions should revolve around cost-benefit analysis rather than a location’s reputation.

Reid immediately forwarded that letter to all Cabinet secretaries and the heads of all federal agencies asking them to make sure their rules don’t prohibit travel to any cities. He also noted that “Las Vegas currently has a relatively low average room rate of about $90.”

I hope this issue has now been put to bed for good. In today’s market, every dollar counts and, like it or not, government is today’s growth industry. Although apparently no government meetings were canceled since the controversial travel memos were issued, we have to worry about a possibly large number of future government meetings that will no longer be booked in resort areas, as meeting planners and department heads seek to steer clear of controversy.

If that is the case, destination discrimination could affect meeting and convention travel for years to come.