

## UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

June 3, 2024

The Honorable Gina Raimondo  
Secretary of Commerce  
Washington, D.C. 20230

Dear Secretary Raimondo:

Thank you for your ongoing support of the U.S. travel and tourism industry, and for the leadership you and your team at the National Travel and Tourism Office (NTTO) have invested to accelerate the pace of recovery in this important sector of our nation's economy. You recently requested that the United States Travel and Tourism Advisory Board (TTAB) develop specific recommendations regarding how the Federal Government can assist in identifying and responding to current and future trends within our industry, as well as ensuring small business and under-served populations do not get left behind.

The recommendations offered in this letter were identified by the TTAB within the context of the 2022 National Travel & Tourism Strategy (NTTS) and previous TTAB recommendations, as well as other relevant sources of analysis and guidance pertaining to current travel and tourism trends. We recognize the topics herein are broad and require ongoing analysis and adaptation, so we offer these recommendations with the specific intent of positively impacting the travel and tourism industry in the foreseeable future, as well as informing future TTAB efforts and NTTS updates.

### Artificial Intelligence

In light of the transformative potential of artificial intelligence (AI), we anticipate significant opportunities and challenges as we evolve to a travel and tourism ecosystem enabled by Generative AI (Gen AI) technologies which offer adaptable and context-aware solutions that can enhance every facet of the traveler's journey while safeguarding national security interests and bolstering resiliency. The eight principles outlined in President Biden's October 30, 2023, *Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence* provide a solid foundation to build upon as we consider the benefits, risks, and limitations of AI in the realm of travel and tourism.

- (1) We encourage the United States Department of Commerce ("Commerce") to expand its evaluation of AI impacts and policymaking to specifically evaluate benefits and risks as they uniquely apply to travel and tourism. Commerce should embrace a strategic approach that prioritizes safety, fairness, and efficiency of commerce while navigating the complexities of compliance, data governance, and international standards. At the same time, we believe that a full-scale assessment of AI in travel that specifically inventories the benefits and risks, including issues that are truly unique to travel and tourism, is

needed to support informed policymaking that is relevant to our industry.

As we advocate for U.S. industry interests abroad, it is imperative to establish and maintain broad alignment on standards, adoption, and governance principles. This entails fostering a collaborative environment where shared values and objectives drive collective action across borders. While data restrictions are essential to protect individual privacy and national security, we must also acknowledge the critical role Gen AI can play in promoting innovation and the benefits it brings to our industry. Balancing these imperatives requires a nuanced approach that leverages AI's capabilities while safeguarding against potential risks and vulnerabilities.

- (2) Public policy work to promote responsible deployment of AI technology is very important. However, many of the existing laws, regulations and risk management frameworks establishing guidelines for developing and deploying AI are not developed with the travel and tourism industry in mind. Recognizing the need for compliance standards that are relevant and not unduly burdensome, especially for small businesses, the Federal Government should adopt a multi-stakeholder approach that fosters collaboration and dialogue among technology experts, industry players, regulatory bodies, and international partners. This approach will ensure regulatory frameworks and government action remain agile and responsive to technological advancements while avoiding redundant or overlapping requirements. Possible outcomes for this recommendation could include:
  - a. Convene a public forum to support the application of existing legal frameworks to ensure travel and tourism industry players have an opportunity to understand and apply existing guidelines and rules (e.g., NIST AI Risk Management Framework).
  - b. Issue public advisements with specific guidance or insights for travel and tourism businesses and stakeholders.
  - c. Establish a panel of public and private sector technology experts with practitioner-level of knowledge of AI to keep Commerce informed on AI-related developments in travel and tourism and to help identify how government data sets can be made more useful to US travel and tourism businesses.
- (3) AI holds immense potential in identifying and resolving pain points in the traveler's journey, enhancing national security by detecting potential threats, and preparing us for future disruptions such as pandemics. By harnessing AI-driven insights and leveraging AI to analyze very large datasets, we can proactively address emerging challenges and fortify our national resilience in the face of uncertainty. AI should be a central theme in future planning and evaluation of travel and tourism.

#### Reauthorization and Funding of Brand USA

Reauthorization of Brand USA, our nation's indispensable travel and tourism marketer, is due in 2027. The importance of marketing the United States globally through Brand USA cannot be overstated, especially amidst evolving trends in travel and tourism. In a landscape where competition for tourists is fiercer than ever, our nation faces competitive disadvantages compared to other countries.<sup>1</sup> While the United States ranks high in traveler affinity and destination

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<sup>1</sup> "U.S. Competitive Analysis", U.S. Travel Association, December 21 2023.

promotion, many competitors have become much more well-resourced since Congress created the original funding structure for Brand USA. \$100 million (nominal dollars) in available matching funds simply doesn't have the same purchasing power as it did when the Travel Promotion Act was first passed in 2010.

Without a robust and highly targeted marketing strategy, we risk losing market share and slowing the post-pandemic momentum we've all worked to establish. Moreover, Brand USA generates proven, positive returns to the U.S. economy and tax receipts while supporting tens of thousands of jobs at no cost to U.S. While the traveler fee collections used to fund the organization have grown significantly over the past decade and a half, the actual amount made available to Brand USA has not kept pace.

By leveraging Brand USA's expertise and resources, we can effectively position our nation as a top travel destination and attract record numbers of international visitors to the U.S., especially as we look ahead to and are able to leverage major international events like the 2026 World Cup and the 2028 Olympics. We recommend Commerce work with Congress to support reauthorization of Brand USA and explore opportunities to substantially increase the available matching funds for Brand USA. Furthermore, this action should be completed on a timeline that will provide the travel industry with the certainty it needs to engage in normal business planning and the ability to fully leverage the funds to capture international traveler intent.

Reauthorizing Brand USA and increasing its budget is imperative for safeguarding our nation's position in the global travel and tourism industry. By doing so, we can overcome competitive disadvantages, adapt to changing trends, promote America around major international events and seize opportunities for economic prosperity in an increasingly interconnected world.

#### Enhancing the Success of Small and Medium-Sized Enterprises (SMEs) in Travel and Tourism

Small scale Black, Indigenous, People of Color (BIPOC) led travel and tourism businesses are an essential element of a healthy economy. However, many of these small suppliers in the travel and tourism industry are not fully prepared to seize the opportunities available to them. This is due to several reasons, including lack of industry-specific education, lack of access to capital, and lack of integration within local and national travel and tourism networks of promotion and commerce. Also, existing tourism marketing and promotion networks are not designed to fully and consistently support Native Nations and Native Communities' tourism marketing needs due to their unique status of designation outside of the geographic boundaries and established tax and fee structure that supports tourism.

- (1) We recommend Commerce collaborate with other agencies, such as the Minority Business Development Agency and Small Business Administration, to explore the needs of underrepresented small scale BIPOC suppliers in underserved communities, with the intent of helping to create a pathway for equitable opportunities, economic prosperity and inclusion in the U.S. travel and tourism industry. An ongoing program managed by the Cultural Heritage Economic Alliance, Inc. (CHEA) has delivered positive results by addressing tourism business readiness by providing direct technical assistance to small scale BIPOC businesses, access to capital for startups and growth stage tourism businesses, access to travel trade meetings and events, and industry-specific education

and certification.

- (2) We recommend the NTTO study how an integrated and fully supported national Indigenous Tourism marketing strategy could enhance the future impact of Indigenous cultural tourism in the United States, drawing upon examples of how other countries' (e.g., Canada) promote Indigenous tourism.
- (3) We recommend NTTO identify the appropriate federal agencies to provide resources specific to marketing Indigenous tourism products and initiatives to advance authentic cultural tourism programming and offerings to support equitable inclusion of Native Nations and Native Communities in the U.S. tourism service sector.

Possible outcomes for this recommendation could include:

- Enhanced public/private partnerships designed to provide capital investment in support of existing tourism program models that prepares small scale BIPOC suppliers to become tourism and market ready for providing world-class experiences to inbound travelers, thus better positioning destinations to attract international visitors seeking diverse tour products and experiences. This could also enhance the small scale BIPOC businesses' readiness to adapt and respond to other challenges identified herein within other recommendations.
- Strategic partnerships that provide valuable marketing opportunities to help small scale BIPOC businesses as well as Native Nation and Native Community marketers expanded access to domestic and international travel business growth opportunities, thus creating broader diversity, inclusion and representation at key industry meetings and events.
- Allocation of federal grant resources through MBDA, SBA and other appropriate federal granting agencies to support efforts to scale existing technical assistance, capacity building, access to capital and access to industry network services and assistance to small scale BIPOC suppliers to ensure these businesses do not get left behind.
- Data and research to help the industry develop strategies on how the U.S. travel and tourism industry can broaden equity, inclusion and integration through tourism marketing, travel trade, supplier diversity contracting, and destination stewardship. Likewise, this could help federal agencies better understand the technical assistance needed by small business when accessing federal resources. Organizations such as the Cultural Heritage Economic Alliance and American Indian Alaska Native Tourism Association (AIANTA) could provide valuable support in this effort.

#### Ongoing Areas of Opportunity

This Travel and Tourism Advisory Board (TTAB) has recently submitted specific recommendations addressing four topics of great importance, each of which are reflected in the current NTTS: sustainable travel, accessible travel, facilitating travel, and workforce development. A fifth topic, digitalization, is equally important and impactful. These topics are complex, ongoing in nature and require extensive collaboration between the public and private sectors.

We understand the NTTO is currently evaluating our prior recommendations and we eagerly await an update on next steps. Nevertheless, given your charge to us to “plan for any anticipated

changes to the travel and tourism landscape,” we would be remiss to ignore these vital opportunities shared in this letter.

**Sustainable travel** is growing in importance to travelers worldwide, underscoring the criticality of ensuring that our actions today do not compromise the ability of future generations to meet their own needs. By investing in sustainable practices and infrastructure, we can mitigate the environmental impact of travel, protect cultural and historical assets, and enhance the long-term viability of tourism destinations. We also believe sustainable travel lends itself to a healthy dispersion of visitors which presents unique opportunities to equitably spread the benefits of travel to unserved and underserved communities.

**Accessible travel** remains a fundamental aspect of inclusive tourism, with 1 in 4 U.S. citizens possessing some form of disability.<sup>2</sup> Beyond the need for improved facilities, infrastructure and services, disabled travelers need relevant, accurate information to enjoy the full benefits of travel. As we work to promote accessibility in transportation, accommodations, and attractions, we are not only fulfilling our moral obligation to accommodate all travelers but also unlocking untapped economic potential by catering to diverse customer needs.

**Facilitation of travel** continues to be a priority, particularly as we navigate the complexities of border management, security protocols, and transportation logistics. Streamlining processes and embracing innovative technologies can enhance the efficiency and seamlessness of the traveler's journey, fostering positive experiences and bolstering economic growth.

**Workforce development and retention** remains crucial for the advancement of the travel industry. Attracting a skilled and adaptable workforce capable of meeting the evolving demands of the sector ensures the quality of services provided and creates opportunities for rewarding careers in travel and tourism, contributing to economic growth and social mobility.

**Digitalization of travel and tourism** presents many challenges and opportunities for our industry. As our society moves towards a cashless economy and relies increasingly on digital infrastructure, it is imperative that the travel and tourism industry anticipate and adapt to these changes to ensure the continued growth and resilience of the industry.

Various factors such as the transition to a cashless society, broadband access for rural and underserved communities, and the full deployment of 5G broadband technology will significantly shape the future of travel and tourism. By closely monitoring these developments and understanding their implications, we can proactively address challenges and capitalize on opportunities to enhance accessibility, efficiency, and sustainability within the sector.

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<sup>2</sup> Centers For Disease Control, “Disability Impacts All Of Us”, <https://www.cdc.gov/ncbddd/disabilityandhealth/infographic-disability-impacts-all.html>

Recognizing the importance of these five areas, we offer the following recommendations.

- (1) We recommend the NTTO identify existing government resources, including but not limited to federal grants, which may apply to these ongoing needs. A comprehensive list could be shared with various industry partners and trade associations to facilitate better coordination between the industry and government.
- (2) We recommend Commerce utilize current expertise within the federal government to evaluate the challenges and opportunities of digitalization on travel and tourism. Specific consideration should be given to small businesses and under-served communities.
- (3) These topics extend far beyond the responsibilities of Commerce and are affected by other federal agencies. Where appropriate, each should be a consideration in the agencies' planning and setting of priorities. We encourage you to leverage your leadership role in the Tourism Policy Council to take a whole-of-government approach as you work to address these priorities with other federal agencies in their planning and analysis.
- (4) We urge continued focus on these key areas of opportunity through future TTAB work and prioritized emphasis in the next update of the NTTS.

By addressing sustainability, accessibility, travel facilitation, workforce development and digitalization in tandem, we can build a more inclusive, resilient, and prosperous travel sector that benefits both present and future generations.

We appreciate the opportunity to respond to your broad, visionary charge and believe the recommendations herein offer abundant opportunities for public and private sector collaboration as we address the trends and opportunities that will affect our industry for the foreseeable future.

We also believe these recommendations provide a solid foundation for improvement as we seek to increase domestic and international inbound travel to new heights. We stand ready to assist you and the NTTO team and look forward to discussing these further with you.

Respectfully submitted,



Bill Hornbuckle  
Chair



Brad Dean  
Vice Chair