

DRAFT V.1

Testimony of

Jay Rasulo

**Chairman, Walt Disney Parks and Resorts
Chairman, Travel Industry Association
Chairman, U.S. Travel and Tourism Advisory
Board**

**Before the
United States Senate Committee on Commerce,
Science, & Transportation**

January 31, 2007

Mr. Chairman, on behalf of the Nation's travel and tourism industry, I appreciate the opportunity to appear before you to discuss our plan to increase the economic and diplomatic benefits of travel to the U.S.

I speak today from three perspectives.

First, as 2006 Chairman of the Travel Industry Association, which represents the \$600 billion U.S. travel industry.

I also serve as Chairman of the U.S. Travel and Tourism Advisory Board. This is a panel of the industry's top CEOs that is charged with advising the Department of Commerce on the creation of a national strategy to compete for a greater share of the growing world travel and tourism market.

And finally, I am Chairman of Walt Disney Parks and Resorts, which operates 11 theme parks on three continents, a top rated cruise line, and 32,000 hotel rooms. Here in the U.S., our vacation businesses are responsible for creating 175,000 jobs, while contributing nearly nine billion dollars in economic revenue each year to their local economies.

The challenge that has been described today is not merely an industry challenge or even a private sector challenge – it is America's challenge – one that both government and the private sector must address together.

When it comes to security and ease of travel, people sometimes mistakenly believe we must choose one or the other – that we can't have both. I believe this is a false choice. And the blueprint we have created shows that it is well within America's reach to be both more secure and more welcoming.

As my colleagues have described, the solution we propose must unfold in three steps.

First, we must keep the visa process secure, but make it more user-friendly.

Second, we must strengthen the security of our entry process, but make it more welcoming and efficient.

But it's not enough to fix the problem. We must also tell the world we did it. Because negative perceptions have a funny way of lingering long after the reality has changed.

That's why the third step in this process must be the creation of a nationally-coordinated program that communicates these changes to the world.

In preparing the Blueprint to Discover America, we conducted quite a bit of research to understand why people are avoiding traveling the U.S. And it was very clear to us that confusion and misperceptions about the entry experience are a far bigger deterrent than the processes themselves.

The Western Hemisphere Travel Initiative is a perfect example. This new law requires a passport for travel to and from Canada – and it is causing considerable anxiety and confusion among travelers. Their confusion is unnecessarily amplified because the U.S. has no dedicated resources to communicate these changes, to counter misperceptions and help people understand and navigate the process.

The government agencies are individually doing what they can with their existing budgets, and so is the private sector. Many companies -- including Disney -- are dedicating marketing and sales resources toward getting the word out. The Travel Industry Association has even set up a web site called "get a passport now," which has been visited more than a million times.

But none of this is any substitute for a well-funded, nationally coordinated program that communicates these policies with a single voice.

In fact, this is something that virtually every other industrialized country in the world is already doing. Australia, for instance, spends \$113 million dollars a year communicating and promoting itself to travelers. Canada spends \$58 million dollars. But the U.S. currently has no such program.

We envision the creation of a new public-private entity. We could call it, perhaps, the Corporation to Discover America.

It would combine the expertise of the private sector with the oversight and coordination of the federal government. It would serve as the primary voice for all travel-related policies, and it would also coordinate our national strategies to maximize the benefits of travel to America.

This program would fill a vital gap in our current strategies to attract more visitors. And it would pay for itself many times over.

We estimate that almost all of the recommendations in our Blueprint could be implemented at a total cost of under \$300 million a year. If these changes resulted in an increase of only 1 million visitors, the additional tax revenue would cover the investment.

If we recapture 10 million new visitors – which represents little more than one additional share-point of world travel – the added tax revenues would be ten times what we invest. And that doesn't include 10s of billions added to the economy, and hundreds of thousands of new jobs.

But this effort also serves a larger national purpose. It would advance America's public diplomacy—the public face we present to the world.

Where I work, we often talk about the magic of Disney, but there is also a magic to America. People simply need to visit here to feel this magic. Our research has found that traveling to the United States makes a visitor 74% more likely to feel extremely favorably about this nation.

If we can get people through the gate, we can change their perceptions of America.

Imagine the goodwill that will result if we simply let people know we want them to come.

Imagine the benefits that will flow to our nation if other peoples around the globe know that America remains an open, friendly, pleasant place to visit.

Again, I thank you for the opportunity to speak here today, and I look forward to addressing your questions.