

WebMemo



Published by The Heritage Foundation

No. 2612
September 15, 2009

How *Not* to Increase U.S. Tourism

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Last week, the U.S. Senate passed S. 1023, the “Travel Promotion Act of 2009” (TPA). This legislation, if it passes the House, could, ironically, make foreigners less inclined to visit the United States. By imposing fees on travelers applying for travel to the U.S. through the Electronic System for Travel Authorization (ESTA), the TPA will increase the cost of visiting America—hardly a sensible way to entice tourists, particularly in the current global economic downturn.

A Counterproductive Message. Yet again, the U.S. could be sending a counterproductive message to the world, negating efforts to attract new visitors and improve the lagging image of the U.S. abroad. Despite Americans’ desire to attract more travelers to the U.S., imposing new costs for visitors from friendly nations makes no sense, and it invokes the law of unintended consequences.

This nation is still struggling to overcome the post-9/11 perceptions that travelers are not welcome here: The number of foreign visitors to the U.S. is expected to drop 8 percent in 2009, a problem for both business and tourism.

Yet despite this decrease in foreign travelers, TPA will have the greatest impact on visitors from countries participating in the U.S. Visa Waiver Program (VWP). The VWP already helps facilitate travel to the U.S. by providing visitors from approved nations with free travel approval procedures. Adding costs to the VWP process will only hurt a program that has already been helping make travel to the U.S. easier.

Introduced in June by Senators Byron Dorgan (D–ND) and John Ensign (R–NV), S. 1023 passed the Senate with overwhelming bipartisan support (79 votes). This may reflect a misguided belief that a tax imposed on foreigners has no downsides as they do not vote in U.S. elections. Foreigners can, however, vote with their feet and are likely to do so.¹

The bill also expands government into yet another sphere best served by private enterprise, an approach that has failed in the past. For instance, the act includes a provision creating a semi-governmental Corporation for Travel Promotion and a new Office of Travel Promotion within the Department of Commerce.

Friends Footing the Bill. To fund these new government entities, Section 5 of S. 1023 sets up “Travel Promotion Fund Fees,” which will also fund the ESTA program. The act amends the Immigration and Naturalization Act to the effect that:

[n]o later than September 30, 2009, the Secretary of Homeland Security shall establish a fee for the use of the System and begin assessment and collection of that fee. The initial fee shall be the sum of—(I) \$10 per travel authoriza-

This paper, in its entirety, can be found at:
www.heritage.org/Research/PublicDiplomacy/wm2612.cfm

Produced by the Douglas and Sarah Allison
Center for Foreign Policy Studies

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002–4999
(202) 546-4400 • heritage.org

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tion; and (II) an amount that will at least ensure recovery of the full costs of providing and administering the System, as determined by the Secretary.

In other words, the fee will be \$10 at a minimum. What the maximum will be is unclear and will be left entirely up to the discretion of Homeland Security Secretary Janet Napolitano.

When the Department of Homeland Security implemented ESTA in 2008, the Bush Administration made it clear to America's foreign friends and allies in the VWP that there would be no additional fees associated with the program. Even so, there were concerns in the business community that the pre-registration requirement would have a detrimental effect on international business travel. So long as the program is running correctly, however, these fears will be unfounded.²

Unfortunately, at the very same time that important progress has been made on the VWP to include a number of U.S. allies from Central and Eastern Europe that were previously excluded from the program, new potential limitations are looming. For example, in addition to fingerprinting and pre-registration, travelers from VWP countries will now be asked to fund American travel promotion. These new restrictions would have a major detrimental impact on U.S. public diplomacy: Does anyone really imagine this will make visiting the U.S. more attractive?

Recommendations. Rather than passing legislation increasing the cost of visiting the U.S., Congress should:

- Leave travel promotion to the states and to private enterprise—and keep the federal government out of the way;
- Look for other ways to fund ESTA, which was established in the interest of U.S. national security and whose costs should not be passed on to foreigners;
- Expand the VWP to include U.S. allies like Poland who have proven themselves eager to work with the U.S. on increasing border security;
- Improve customer service and procedures at U.S. points of entry to make arrival in the U.S. a far more welcoming and pleasant experience for foreigners than is currently the case; and
- Establish a government-wide strategy for public diplomacy and strategic communication to guide legislative and executive branch efforts on outreach to foreign publics.

Ease, accessibility, and friendliness: these are the factors—not higher costs and more hassle—that will increase the number of foreigner visitors to the U.S.

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1. See Jena Baker McNeill, "Promoting U.S. Tourism: Taxes Are the Wrong Approach," Heritage Foundation *WebMemo* No. 2492, June 18, 2009, at <http://www.heritage.org/Research/HomelandSecurity/wm2492.cfm>.
2. Jena Baker McNeill, "Electronic Travel Authorization: Important for Safer and More Secure Overseas Travel," Heritage Foundation *WebMemo* No. 1964, June 19, 2008, at <http://www.heritage.org/Research/HomelandSecurity/wm1964.cfm>.