



September 24, 2008

The Honorable Nancy Pelosi
Speaker, U.S. House of
Representatives
Washington, D.C. 20515-6501

Dear Madam Speaker:

This letter is to provide the Administration's views on H.R. 3232, the "Travel Promotion Act of 2008." I wish to underscore the Administration's position that this legislation is unnecessary and takes the wrong approach for our economy. For the reasons set out below, if the bill is presented to the President, his senior advisors would recommend that he veto the legislation.

This is not the time to create a new entity that may be perceived as a Government-Sponsored Enterprise, with access to up to \$100 million in government revenues for each of fiscal years 2010-2018. These revenues would come from the imposition of new fees on the very travelers that this legislation is seeking to attract to the United States. The U.S. travel and tourism industry does not need millions of dollars in new government handouts. Indeed, international visitation and U.S. tourism receipts are both at record-breaking levels. In 2007, the United States set new records with 56 million international visitors who spent a record \$122 billion. For the first six months of 2008, international visitors have increased 11 percent over the same period in 2007 and their spending is up 23 percent, putting us on track for another record year.

This legislation would authorize a fee on travelers to the United States and would give it to the travel and tourism industry to promote itself. When the government levies fees on foreign tourists to visit our country, the monies should be used for an inherently governmental purpose – such as securing the border from terrorists and effectively administering border security programs – not to subsidize the U.S. travel and tourism industry.

The Department of Commerce fully supports the travel and tourism industry and recognizes its importance to our nation's economy, employment and trade. The most effective way the Federal Government can assist the industry is by facilitating travel while providing proper security measures. That is why the Administration has implemented initiatives such as the Rice-Chertoff Model Ports Program, a joint venture between federal agencies and the private sector that enhances border security while streamlining security processes and facilitating travel for legitimate visitors, and a groundbreaking agreement with China to open group leisure travel from China to the United States.

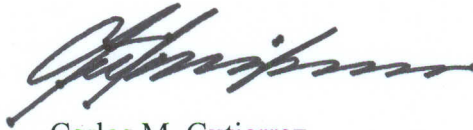
I am directly and actively involved with this industry and work closely with the Travel and Tourism Advisory Board, which advises me on government policies and programs that affect U.S. travel and tourism industry. While the Department appreciates its working relationship with

this industry, it nevertheless cannot support an unjustified new government subsidy that is inconsistent with federal credit policies.

Thank you for the opportunity to express the Administration's views on this legislation. I look forward to working with Congress and your Committee on this and other issues regarding the national economy and this important industry.

The Office of Management and Budget has advised that there is no objection to the transmittal of this letter to the Congress from the standpoint of the Administration's program.

Sincerely,



Carlos M. Gutierrez

cc: The Honorable John A. Boehner
Republican Leader

The Honorable John D. Dingell
Chairman, Committee on Energy and Commerce

The Honorable Joe Barton
Ranking Member, Committee on Energy and Commerce

The Honorable Bobby L. Rush
Chairman, Subcommittee on Commerce, Trade, and Consumer Protection

The Honorable Ed Whitfield
Ranking Member, Subcommittee on Commerce, Trade, and Consumer Protection

The Honorable John Conyers
Chairman, Committee on Judiciary

The Honorable Lamar Smith
Ranking Member, Committee on Judiciary

The Honorable Bennie G. Thompson
Chairman, Committee on Homeland Security

The Honorable Peter T. King
Ranking Member, Committee on Homeland Security