



U.S. House of Representatives  
**Congresswoman Mazie K. Hirono**

Serving Hawaii's 2nd District

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*“As the world searches for peace, the world will turn to Hawaii because Hawaii has the key...and the key is aloha.” Pilahi Pahi*

## **Congresswoman Mazie K. Hirono's Tourism Agenda for Hawaii and the U.S.**

As President Obama and Secretary Clinton affirmed at the APEC Conference in Honolulu, as well as in their subsequent travels throughout the Asia-Pacific region, America is entering what will be known as the “Pacific Century.”

Building relationships with nation's like China, India, and other emerging economies and powers will be vital for the U.S.—and Hawaii is well positioned to be a place where East meets West to build our commercial, diplomatic, and strategic ties to our mutual benefit.

Ensuring that Hawaii's tourism industry remains a sustainable, job-creating economic driver, while also raising the state's profile in Asia-Pacific affairs and developing new growth industries, are priorities for Congresswoman Hirono in the 112<sup>th</sup> Congress.

### ***Tourism as Economic Driver Nationally***

The U.S. travel and tourism sector has generated a trade surplus for our country every year since 1989. That means, more people are coming to the U.S. and spending money on vacations and businesses than anywhere else in the world—and more than American travelers are spending elsewhere. Travel and tourism represents nearly 24 percent of our nation's service exports, and the 2010 trade surplus was \$31.7 billion, according to the U.S. International Trade Administration (ITA).

Still, according to the President's Council on Jobs and Competitiveness, between 2000 and 2010 the global travel market grew by 60 million travelers—but the U.S. share of the international travel market declined from 17 percent to 12.4 percent. If the U.S. can regain a 17 percent market share, we could add an additional \$390 billion in international visitor spending per year, and create 1.3 million more jobs.

The average international visitor spends \$4,000 in the U.S. according to the U.S. Travel Association, and in 2010 the U.S. welcomed a record-breaking 60 million visitors. These visitors directly spent \$134 billion at U.S. businesses, and the industry as a whole generated \$1.1 trillion in economic activity—2.8 percent of our total GDP. Altogether, the travel and tourism sector in 2010 supported 14 million total jobs—7.4 million directly, and 6.8 million indirectly. In fact, one in nine workers in the United States depends on travel and tourism for their job according to the U.S. Travel Association.

A 2011 report by American Express Global Business Travel found that companies around the world could benefit significantly from increased business travel. The report found that “The economy-wide average return on investment to business travel spending is about 20-to-1, meaning that for every \$1 strategically invested in business travel, businesses have seen an average of \$20 in additional gross profit.”

### ***...and In Hawaii***

The impact of travel and tourism in Hawaii is especially important. According to the Hawaii Tourism Authority, in 2010 over 152,000 Hawaii residents drew their paychecks in the industry—approximately 19 percent of Hawaii’s total workforce. In 2010, the entire state GDP according to the Commerce Department was \$66.8 billion. Of that total, visitor spending accounted for \$11 billion—approximately 16 percent of Hawaii’s economy.

Hawaii’s second district is particularly dependent on tourism, with over 84,000 residents employed in the industry according to the U.S. Travel Association.

### ***Growing Markets: Then and Now***

Increasing international travel to Hawaii will generate economic growth, and create jobs—particularly if this expansion comes from our Asia-Pacific neighbors. There is much precedent for this, and according to the World Travel and Tourism Council, between now and 2030 the nation’s of Brazil, India, and China, “Will produce a total of two billion new middle-class consumers.”

In 1964, Japan liberalized its visa policies and allowed its residents to travel abroad. In 1969, Hawaii welcomed 69,000 visitors from Japan—in 1997 the State welcomed a record 2.2 million. In 2010, Japan ranked third in total visitor expenditures, visitor days, and arrivals. Japanese visitor spending in Hawaii totaled \$1.9 billion—accounting for 17 percent of Hawaii’s total. On average, Japanese visitors stayed for 5.87 days, and Hawaii welcomed 1.2 million Japanese visitors—of which 58.5 percent were repeat visitors.

In 1989, South Korea began allowing its citizens to travel to the U.S. and just over 40,000 came to Hawaii. In 2010, Hawaii welcomed over 80,000 Korean visitors—a 59 percent increase over 2009, and the highest number since the year 2000. These visitors spent a total of \$146.1 million—an increase of 85 percent from 2009. Nearly 82 percent of Korean visitors were first-time visitors, indicating that growth in this market could be picking up.

Chinese visitors represent a significant untapped market. Over 54 million Chinese citizens travelled abroad in 2010. Only 800,000 of these visitors came to the U.S.—and only 62,000 visited Hawaii! This represents a 48 percent increase over 2009. The average Chinese visitor spent \$2,000 per trip in 2010, and unlocking this vast new market could have serious positive implications for Hawaii.

According to the Chairman of the China National Tourism Administration, if visa hassles were reduced and direct flights were increased between the U.S. and China, he could see 5 million visitors travelling to the United States by 2015.

### ***Congresswoman Hirono's Work to Support Tourism***

Supporting this vital industry, and ensuring that it remains sustainable and profitable for Hawaii, is a top economic priority for Congresswoman Hirono in the 112<sup>th</sup> Congress—and has been a priority of hers since her time as Lieutenant Governor.

As Lieutenant Governor, Congresswoman Hirono worked to increase tourism to Hawaii by advocating for faster visa processing for South Korea, additional flights to Hawaii from Japan and Russia, and the inclusion of South Korea in the U.S. Visa Waiver Program.

### **Visa Waiver Designation for South Korea**

In the 110<sup>th</sup> Congress (2007-2008), Congresswoman Hirono was able to finally see her work on South Korea travel to fruition, when she voted in favor of the “Implementing Recommendations of the 9/11 Commission Act of 2007,” (P.L. 110-53), of which she was also an original cosponsor.

Among other provisions vital to U.S. security, this legislation reformed the visa waiver program to strengthen security arrangements required of existing participant countries, as well as expand the conditions for aspiring countries to join the program.

Homeland Security Secretary Michael Chertoff signed a visa waiver program memorandum of understanding with South Korea on April 18, 2008. As a result, Hawaii has seen steady growth in visitors from Korea each year. In 2010 Hawaii welcomed over 81,000 Korean visitors—a 59 percent increase from 2009.

### **Establishing Brand USA**

In the 111<sup>th</sup> Congress (2009-2010), Congresswoman Hirono was proud to be a cosponsor of the Travel Promotion Act, which was signed into law by President Obama on March, 4, 2010 (P.L. 111-66). This law helps establish the first coordinated federal policy that recognizes what we've known in Hawaii for a long time—that tourism and travel create jobs.

This legislation created the Corporation for Travel Promotion, a public-private partnership between the travel industry and government to promote the United States abroad so we can more effectively compete with other countries for international visitors. The Corporation will receive half its funding from private sector contributions and can receive matching funds from the Department of Commerce. These matching funds are not taxpayer dollars instead they are generated from new fees collected from international visitors.

Brand USA is led by an 11 member Board of Directors which was appointed by former Commerce Secretary Gary Locke in September of 2010. The board includes Hawaii's own Chef Roy Yamaguchi. On May 17, 2011, the Corporation named its first Chief Executive Officer.

Since its establishment in 2010 the Corporation for Travel Promotion has been renamed Brand USA and has been focused on getting up and running. This includes developing a marketing strategy, raising private sector funding commitments, and hiring staff. Brand USA's strategy will begin to be implemented this year.

***In the 112<sup>th</sup> Congress (2011-2012), Congresswoman Hirono has worked to support and develop bipartisan legislation that will help to increase travel to Hawaii, and to the U.S. in general.***

### **Bipartisan Travel Reforms**

Congresswoman Hirono is a cosponsor of the bipartisan H.R. 3039, the Welcoming Business Travelers and Tourists to America Act of 2011. This legislation directs the Secretary of State to set a processing standard of 12 days for visas at U.S. consulates in China, Brazil, and India, and allows the Secretary to utilize certain visa fees to hire a sufficient number of officers to maintain the standard. It also directs the Secretary to carry out a 2-year pilot program for visa interviews conducted via secure videoconference, and directs the Secretary to provide Congress with a forecast of the annual demand for non-immigrant visas in Brazil, China, and India.

### **Increasing Chinese & Canadian Visitors**

On November 3, 2011, Congresswoman Hirono joined with Congressman David Dreier (R-CA) to introduce the VISIT USA Act a bipartisan bill aimed at reforming U.S. visa policies to increase tourism.

This legislation includes several provisions to encourage Chinese and Canadian visitors to the U.S. and Hawaii. The bill would extend the length of multiple entry visitor visas for Chinese visitors from 1 year to 5 years.

It would also give the State Department new tools to address visa backlogs. China is home to the world's largest population at 1.3 billion people. Yet, the U.S. only has 5 consulates in the entire country. The average visa wait time in China is 48 days, and many visitors that live in rural China have a difficult time acquiring a visa.

If the VISIT USA Act were to pass, and the U.S. could bring in 3.7 million visitors (the same number that travelled to Europe in 2010), Hawaii could expect an additional 286,750 visitors. If each visitor stays for 5.9 days (current average) and spends \$350 per day, Chinese visitor spending would amount to \$573.5 million—which could generate nearly \$1 billion in additional growth and \$270 million in employee earnings. (Based on calculations by UH-Manoa Emeritus Professor James Mak).

The VISIT USA Act addresses this in several ways. These include giving the State Department the ability to increase fees for expedited visa processing, establish a pilot program for secure videoconferencing of visa applicants, and allow the Department to reduce fees during off seasons to encourage more visitors.

It would also establish a “Canadian Retiree Visa.” This would allow Canadians over age 50 to apply for a visa that allows them to visit for 240 days per year. Current policy limits them to 180 days per year. In 2010, Canada was an important market for Hawaii. Nearly 500,000 Canadians visited Hawaii and spent \$32 million. 35 percent of Canadian visitors were between the ages of 41-59, the largest age group from Canada, and the target group for the Retiree Visa. 63 percent of all Canadian visitors were repeat visitors.

This legislation would also largely pay for itself. Currently, each consular officer generates \$1.5 million per year from processing visas at approximately \$140 each. Changing fee structures will help the State Department to maximize the number of visitors coming to the U.S. while increasing the amount of income generated in order to hire the people and acquire the technology to process visas efficiently.

### **APEC Business Travelers**

During the APEC Conference, on November 12, 2011, President Obama signed the Asia-Pacific Economic Cooperation (APEC) Business Travel Card Act into law. Congresswoman Hirono was a cosponsor of this legislation, which passed the House on November 4, 2011.

This law makes the U.S. a full member of the APEC Business Travel Card (ABTC) program, which allows for expedited travel in the Asia-Pacific region for qualified American travelers. The law authorizes U.S. Customs and Border Protection to issue the ABTC to U.S. citizens as part of its Global Entry program. Card holders will receive expedited scheduling of visa interviews and access to fast-track immigration lanes at airports in APEC's 21 economies.

### **Promoting Local Attractions**

Congresswoman Hirono joined House Travel and Tourism Caucus Co-Chairman Sam Farr (D-CA) and nine other members to introduce H.R. 3484, the Travel Regional Investment Partnership (TRIP) Act. This legislation would establish a matching grant program at the Department of Commerce that would give communities and businesses the ability to double their travel promotion dollars through public-private partnerships. The U.S. Travel Association released a 2011 report outlining the importance of investing in travel promotion for local communities.

### **Making Progress**

On December 1, 2011, she joined 34 of her colleagues—from both sides of the aisle—in writing in support of provisions in the Senate’s Fiscal Year 2012 State, Foreign Operations, and Related Programs Appropriations bill, which would make it easier for visitors from China, India, and Brazil to travel to the U.S.

The bill requires the State Department to hire adequate consular officers to ensure that visa requests are processed within 30 days, requires the Secretary of State to forecast visa demand over the next 5 years, and conduct a study on extending the business and leisure visa durations available to Chinese visitors. The bill would also require that the State Department undertake a pilot program for using secure videoconferencing as a way to process visa applications—As Hirono has proposed in the VISIT USA Act.

Together, these measures would help to reform the U.S. visa process in a way that would preserve U.S. national security, while creating jobs and generating sustainable economic growth in Hawaii.