

Fred Holland (host): The American Hotel and Lodging Association has this thing called, and I guess it's about to expire, Brand USA. Is this kind of like the convention of visitors bureau for America, I guess, right? Would that be a right way to characterize it or not?

Chip Rogers: Yeah, that's almost a perfect description. If you think kind of what Alabama does, and how they promote themselves I know the Sweet Home Alabama campaign is going on right now which fits perfectly. It encourages people to visit Alabama and see all the great things in Alabama—particularly in the northern part where the mountains are and spend their money. Brand USA, and we're part of a coalition that supports Brand USA, Brand USA is really by itself, but they market to the rest of the world for people to come into the United States and do the same thing. Enjoy the United States, spend a lot of money while they're here, and consequently that creates a jobs, it creates tax revenue. It's a win win, in a kind of overused description there, but more accurately it's a win win win because it doesn't use any taxpayer money it just needs to be authorized by Congress.

Holland: Alright so is this kind of like the beef check off, or something like that for the beef industry, or the egg board, is it similar you're kind of taxing yourself?

Rogers: Yeah, it's similar, but it's even better than that. The way the program works is when an international visitor applies to get a VISA to the U.S., if they're approved, then they pay a small fee. Those fees are then collected, and then private sector industries match it dollar for dollar up to a total of one hundred million dollars. And then that pool of a hundred million dollars is used to market the U.S. to people all across the globe. And the good thing is, when foreign travelers hear about the U.S., and when they think of the U.S., they probably think of maybe New York, maybe L.A., maybe Disney World. But this program really markets everything across the country. So, the people who are coming here they see one thing, they enjoy themselves, they go back home, then they want to come back and do it again. So, it's really been working well, we've seen the results, it's not a theory, we've seen it in play, it makes a difference. The problem is, that we're facing now is two-fold. The U.S. is losing global market share for travelers. So, if you go back to 2015 the global market share that the U.S. had was 13.7%. And then, in 2018 that number had fallen down to 11.7%. And what that means in real numbers is about 59 billion dollars in economic activity, and about 120,000 jobs that we missed out on having because people are going other places as opposed to coming to the U.S.

Holland: I think it's sad, because we've kind of done this to ourselves with the rhetoric. I think that's unfortunate, because I love foreign travelers. Particularly OPM, other peoples money, right?

Rogers: And that's exactly what we're talking about here, other people's money. There are some other challenges to it though, because again with the decline happened beginning back in 2015, and what we began to see was the strength of the U.S. dollar played a major role. And it's still strong today, in fact you heard the president talk about it recently, the dollar is kind of at an all-time high right now so it is expensive to come to the U.S. Second thing is, Europe has a lot of low-cost airfare, so getting around Europe quite easily doesn't cost much. Third thing, we've made it difficult, as you said, we've made it somewhat difficult on ourselves on people coming here. The VISA process is very challenging. So, think about if you're a traveler somewhere in Europe, you want to come to the U.S. But A: it's expensive, and B: it takes a long time to get a VISA. At some point you might just say hey, it's a lot cheaper to go to Spain as opposed to come to the U.S., and that's why we've got to do a great job marketing our country, and getting rid of some of these other challenges.

Holland: You know, we're mucking up the works here. Because we haven't figured out all this invasion from the south, we've complicated it, if someone wants to go visit it it becomes complicated. The other thing that I see here, and you mentioned it, is that airfares in Europe, they all subsidize. I think even the Canadians do. A lot of these countries subsidize their airlines, but we do not. So, that plays a role too, right?

Rogers: Well yes, subsidies are always a challenge. But if you think about, like domestically here in the U.S., there's a million low cost air companies. I grew up and lived most of my life in Atlanta, I could fly out of Atlanta to just about anywhere under a hundred dollars one-way. You can see that same thing in Europe. But the problem is, when I fly to Europe or fly to any other country, then all these taxes get imposed and prices go up significantly. And we really do the same thing to them, so there's a lot of things we can do to help improve this. But marketing the U.S. and telling them how great the country is seems to be the easiest.