

Darryl Berger (host): We're gonna spend a few minutes talking about international travel, and apparently international travel in the U.S. is down. We have an opportunity to spend a few minutes with the president, and CEO, of the U.S. Travel Association. Roger Dow joins us during this segment of the program. Roger thanks for the time this morning.

Is there any indication why travel is down in the U.S.?

Roger Dow: Yeah, travel, international inbound travel is down when we compare it to what's going on in the rest of the world. The rest of the world is up 8%, and we've been virtually flat—even down half a percent. Several reasons, one, the dollar is so strong it's expensive to come here and it's been like that for 3-4 years now with our strong dollar. Second, some weak economies around the world: South America, parts of Europe, make it a little harder. Third, a lot of low-cost carriers. Airline carriers in Europe are growing like crazy so they are saying go to Kenya, go to Italy, go here really cheap compared to "Come to Philadelphia," for example. And the last thing, we aren't sending a very welcoming message to the rest of the world of hey, come to America. And Brand USA is a group that does that and can be very helpful, so we got to get that reauthorized to get that word out.

Berger: Of course, that strong dollar makes it easier, or less expensive, for us to travel abroad.

Dow: And that may be even one of the little factors when you look at our share being down. You and I and our friends are travelling like crazy to Paris, and Rome, and South Africa, and places like that. So that contributes to it, but the big thing is we gotta get people coming back here. We have lost 2% of our share, and that may sound like a little bit but that's equivalent to 120,000 jobs, and that's a lot of jobs in Philadelphia.

Berger: So, you say Brand USA. What is Brand USA?

Dow: Brand USA is something that was created pretty brilliantly that Congress authorized about 10 years ago. And what it is, it's a promotional fund that is about \$200 million have come to America. It gets authorized every five years, and it's about to expire in 2020. And it's a no-brainer because it's not paid by taxpayers; it's visitors that come here pay a small amount every two years and it goes into a big pot for America. The only way we get a dollar out of the pot for the travel industry is put money in, so your convention bureau, your airports, we'll say come to Philadelphia and they put money in and that brings out those dollars that are paid for by visitors. So, it's a brilliant concept it just has to be authorized by Congress even though it's not a taxpayer funded program.

Berger: How do you measure the effectiveness of this? How do we know it's actually working?

Dow: Well we do a lot of research, and we have outside groups. Oxford economics, a huge research firm, and many others look at it. And according to them without Brand USA we would've been deeper in the hole, we would've lost, over the past 5-6

years, \$50 billion and 50,000 jobs. And that just makes no sense. Why? Why should we do that? We should get these people coming here telling their friends how much they love America and telling them to come back.

Berger: Where around the world, globally, do we attract the most visitors from?

Dow: Well first of all, you get Canada and Mexico are big, second is UK, number three is Japan, and then you start looking at China. China is like three million Chinese visitors. The nice thing about Chinese is they spend a lot of money. The average international visitor spends, when they come to Philadelphia, \$4,300 a person which is cool. But the average Chinese visitor spends about \$6,500 per person which is really big.

Berger: Now do the tariffs, the trade wars we're having with China, does that have any effect on international travel?

Dow: Right now, it hasn't. We're watching it very closely. The trade wars been going on with farm products, aluminum, steel, things like that. Travel, it seems like, the Chinese government and the US government both understand how important travel is so it hasn't gotten into the fray, but we're watching it because it could and that would be disastrous.

Berger: With all the debates going on about immigration, and the US-Mexican border, I never even thought about the impact that that might have on travel from Mexico into the US. Has that had any effect?

Dow: More effect has been the Mexico economy. It seems that people with money can separate politics and place. You and I will get on a plane out of Philly airport and head to China in a minute to go to the Great Wall, or go to Moscow to see the Red Square, but we don't like their politics. So, people can separate politics and place, and that seems to be going on in Mexico. So, it's more economy oriented, but we've got to get a more welcoming message out to the world. We've got to tell people we want them to come to America. Brand USA does that, but I think the administration could also chip in and help out.

Berger: Now from an international advertising perspective, obviously you mentioned Philadelphia a couple of times, we've got a lot of history in Philadelphia, and really this whole region is full of history. A lot of that tied to American independence and the revolution and that sort of thing, you've got Boston. Does that appeal to international travelers? I know that has some appeal among other folks in the US, but can you market that to international travelers or is it something else you market?

Dow: No, it's a huge benefit. We are finding international visitors more and more want to find authentic America, what makes America tick, what created America. And Philly's so well positioned. Your folks at Visit Philadelphia at the convention bureau, they have offices around the world telling people "You want to know how America started, you want to know about this miracle? Come to Philadelphia, see how it got started"

Berger: Now that's interesting, because I think that's a message that isn't delivered as effectively locally as it should be. The fact that it's delivered internationally is great, but I think there is an under-appreciation for that locally sometimes.

Dow: I think you're right on. I'll tell you Darryl, I'm in Washington DC and just to hop on the train to go to Philadelphia it's easy, to go to New York it's easy. And there is so much to do. The resurgence of downtown Philadelphia is just spectacular. The new hotels that are down there, what's going on downtown it's a pretty vibrant place and I don't know if people even know that. Visit Philadelphia is doing a great job getting the word out, but there's a lot of other visitors they can reach to come to Philadelphia because it has a lot to offer.

Berger: How do people find out more about Brand USA?

Dow: They can go on the website TheBrandUSA.com, and find out more about it. It's a great opportunity to get people coming here. And what I love about international visitors, they come, they leave their money, they go home, we don't have to educate their kids, we don't have to give them healthcare, we don't have to fix their potholes, and the bottom line they tell their friends "Hey, America is great, you ought to go there I was just there."

Berger: Sounds better all the time, alright Roger thanks for the time this morning

Dow: Alright Daryll, always a pleasure. Bye.