



JUN 26 2007

The Honorable Daniel Inouye
Chairman, Committee on Commerce,
Science, and Transportation
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Thank you for the opportunity to share the views of the Department of Commerce (DOC) on S. 1661, the "Travel Promotion Act of 2007."

The Department fully supports the travel and tourism industry, recognizing its importance to our nation's economy, employment and trade. Secretary Gutierrez is directly and actively involved with this industry and works closely with the Travel and Tourism Advisory Board. In September 2005, he appointed this Board to provide advice on government policies and programs that affect the U.S. travel and tourism industry. In addition, DOC works very closely with other federal agencies, such as the Departments of Homeland Security, State and Transportation, to ensure that U.S. policies and programs facilitate and enhance travel to the United States.

The Office of Travel and Tourism Industries (OTTI), in DOC's International Trade Administration, serves as the principal contact for the travel and tourism industry. OTTI coordinates the interagency Tourism Policy Council, conducts unique research and data collection, develops intra-governmental and inter-governmental policy, and serves as a liaison between the industry and other federal agencies.

S. 1661 would create a Corporation for Travel Promotion that operates much like a government-sponsored enterprise. Board members would be appointed by the Secretary of Commerce. The Corporation would have borrowing authority from the Treasury and would be partially funded by fees collected by the Federal Government.

The Department shares the Committee's interest in supporting the travel and tourism industry but cannot support S. 1661. The Department believes that tourism promotion activities should be financed and undertaken by the private sector and, where they desire, by states and local governments. We believe that federal resources are better used to support inherently governmental efforts, such as the liberalization of air travel services and visa facilitation. DOC opposes provisions in this bill that would divert fees from an Electronic Travel Authorization (ETA) system to the proposed Corporation for Travel Promotion. Any fees collected through the use of the ETA system should be used to operate the system – that is, to determine whether U.S.-bound passengers represent threats to the national security – not to fund this proposed corporation. DOC also opposes the investment and borrowing authority proposed for the Corporation. Moreover, the funding mechanisms proposed by S. 1661 would circumvent the normal appropriations process.

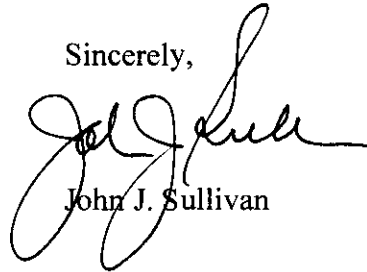
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S. 1661 would also create an Under Secretary for Travel Promotion. The Department opposes the creation of an Under Secretary position for this activity, as travel and tourism sector issues are already well served within DOC's existing structure.

The bill has several other provisions that we have not had a chance to consider fully. The Department will continue to review these provisions and share our views as they become available.

Thank you for the opportunity to express the Department's views on this legislation. We look forward to working with Congress and your Committee on this and other issues of importance to the national economy and to this important industry. The Office of Management and Budget has advised that there is no objection to transmittal of this letter to the Congress from the standpoint of the Administration's program.

Sincerely,

A handwritten signature in black ink, appearing to read "John J. Sullivan". The signature is fluid and cursive, with a large initial "J" and "S".

John J. Sullivan

cc: The Honorable Ted Stevens
Co-Chairman