#64

Repeal the Corporation for Travel Promotion

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016–2020	2016–2025
–$38	–$42	–$46	–$50	–$55	$0	$0	$0	$0	$0	–$231	–$231

Heritage Recommendation:

Repeal the Corporation for Travel Promotion, which was extended by the Travel Promotion, Enhancement, and Modernization Act in the December 2014 omnibus spending bill. It should be noted that once created, federal programs are rarely allowed to expire.

This proposal will increase net government spending (taxes minus revenues) by $231 million over five years (the length of its current extension) because, although it will reduce government spending by $500 million, it will also eliminate $731 million in projected tax revenues. Despite adding to net spending, this proposal will reduce the size and scope of government.

Rationale:

More commonly known as Brand USA, the Corporation for Travel Promotion is a public-private partnership that promotes international travel to the U.S. and is administered by the Department of Commerce.[54] Funding comes from the private sector and local governments, and is matched by federal funding up to $100 million. Federal funds come from a fee collected from foreign travelers using the Electronic System for Travel Authorization (ESTA), a service intended to expedite the visa process for nations that are friends and allies of the U.S.

According to the Department of Commerce, the travel industry is one of America's largest export services and garnered $1.5 trillion in total sales in 2013; and international travel to America began increasing years before Brand USA's founding in 2010, beginning with a post-9/11 upswing in 2004. The federal government's role in international travel should remain in improving visa and security requirements. Congress should not be helping industries with marketing and communication strategies.

Additional Reading:

- Katie Tubb, "U.S. Does Not Lack Brand Recognition," The Daily Signal, October 10, 2014, http://dailysignal.com/2014/10/10/u-s-lack-brand-recognition/.

- Jessica Zuckerman, "Travel Promotion: Brand USA Marked by Waste and Abuse," Heritage Foundation *Issue Brief* No. 3751, October 10, 2012, http://www.Heritage.org/research/reports/2012/10/travel-promotion-brand-usa-marked-by-waste-and-abuse.

Calculations:

Savings are based on budget authority found on page 2 of Congressional Budget Office Cost Estimate, "H.R. 4450: Travel Promotion, Enhancement, and Modernization Act of 2014," July 18, 2014, http://www.cbo.gov/sites/default/files/hr4450.pdf. This estimate includes $100 million in estimated federal budget authority from FY 2016–2020 as well as $731 million in estimated revenues that would not be collected if the program were repealed.