

110TH CONGRESS
1ST SESSION

S. 1661

To communicate United States travel policies and improve marketing and other activities designed to increase travel in the United States from abroad.

IN THE SENATE OF THE UNITED STATES

JUNE 19, 2007

Mr. DORGAN (for himself, Mr. STEVENS, and Mr. INOUE) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To communicate United States travel policies and improve marketing and other activities designed to increase travel in the United States from abroad.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) This Act may be cited as the “Travel Promotion
5 Act of 2007”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. The Corporation for Travel Promotion.
- Sec. 3. Accountability measures.
- Sec. 4. Matching public and private funding.

- Sec. 5. Travel promotion program funding.
 Sec. 6. Assessment authority.
 Sec. 7. Under Secretary of Commerce for Travel Promotion.
 Sec. 8. Research program.
 Sec. 9. Definitions.

1 **SEC. 2. THE CORPORATION FOR TRAVEL PROMOTION.**

2 (a) ESTABLISHMENT.—The Corporation for Travel
 3 Promotion is established as a nonprofit corporation. The
 4 Corporation shall not be an agency or establishment of
 5 the United States Government. The Corporation shall be
 6 subject to the provisions of the District of Columbia Non-
 7 profit Corporation Act (D.C. Code, section 29–1001 et
 8 seq.), to the extent that such provisions are consistent
 9 with this section, and shall have the powers conferred
 10 upon a nonprofit corporation by that Act to carry out its
 11 purposes and activities.

12 (b) BOARD OF DIRECTORS.—

13 (1) IN GENERAL.—The Corporation shall have
 14 a board of directors of 14 members, appointed by
 15 the Secretary of Commerce, who are United States
 16 citizens with professional expertise and experience in
 17 the fields of travel, international travel promotion,
 18 and marketing and broadly represent various regions
 19 of the Nation, of whom—

20 (A) 1 shall represent hotel accommodations
 21 providers;

22 (B) 2 shall represent restaurant and retail
 23 businesses;

1 (C) 2 shall represent attractions and recre-
2 ation businesses;

3 (D) 1 shall represent the passenger air
4 transportation business;

5 (E) 1 shall represent the car rental busi-
6 ness;

7 (F) 3 shall represent State and local of-
8 fices from disparate regions of the country;

9 (G) 1 shall be a Federal employee (as de-
10 fined in section 2105 of title 5, United States
11 Code);

12 (H) 1 shall represent the higher education
13 community; and

14 (I) 2 shall represent the small business
15 community.

16 (2) INCORPORATION.—The members of the ini-
17 tial board of directors shall serve as incorporators
18 and shall take whatever actions are necessary to es-
19 tablish the Corporation under the District of Colum-
20 bia Nonprofit Corporation Act (D.C. Code, section
21 29–1001 et seq.).

22 (3) TERM OF OFFICE.—The term of office of
23 each member of the board appointed by the Sec-
24 retary shall be 3 years, except that, of the members
25 first appointed—

1 (A) 3 shall be appointed for terms of 1
2 year;

3 (B) 4 shall be appointed for terms of 2
4 years; and

5 (C) 4 shall be appointed for terms of 3
6 years.

7 (4) VACANCIES.—Any vacancy in the board
8 shall not affect its power, but shall be filled in the
9 manner required by this section. Any member whose
10 term has expired may serve until the member's suc-
11 cessor has taken office, or until the end of the cal-
12 endar year in which the member's term has expired,
13 whichever is earlier. Any member appointed to fill a
14 vacancy occurring prior to the expiration of the term
15 for which that member's predecessor was appointed
16 shall be appointed for the remainder of the prede-
17 cessor's term. No member of the board shall be eligi-
18 ble to serve more than 2 consecutive full terms.

19 (5) ELECTION OF CHAIRMAN AND VICE CHAIR-
20 MAN.—Members of the board shall annually elect
21 one of their members to be Chairman and elect 1 or
22 more of their members as a Vice Chairman or Vice
23 Chairmen.

24 (6) STATUS AS FEDERAL EMPLOYEES.—Not-
25 withstanding any provision of law to the contrary,

1 no member of the board may be considered to be a
2 Federal employee of the United States by virtue of
3 his or her service as a member of the board.

4 (7) COMPENSATION; EXPENSES.—No member
5 shall receive any compensation from the Federal
6 government for serving on the Council. Each mem-
7 ber of the Council shall be paid actual travel ex-
8 penses and per diem in lieu of subsistence expenses
9 when away from his or her usual place of residence,
10 in accordance with section 5703 of title 5, United
11 States Code.

12 (c) OFFICERS AND EMPLOYEES.—

13 (1) IN GENERAL.—The Corporation shall have
14 a President, and such other officers as may be
15 named and appointed by the board for terms and at
16 rates of compensation fixed by the board. No indi-
17 vidual other than a citizen of the United States may
18 be an officer of the Corporation. The corporation
19 may hire and fix the compensation of such employ-
20 ees as may be necessary to carry out its purposes.
21 No officer or employee of the Corporation may re-
22 ceive any salary or other compensation (except for
23 compensation for services on boards of directors of
24 other organizations that do not receive funds from
25 the Corporation, on committees of such boards, and

1 in similar activities for such organizations) from any
2 sources other than the Corporation for services ren-
3 dered during the period of his or her employment by
4 the Corporation. Service by any officer on boards of
5 directors of other organizations, on committees of
6 such boards, and in similar activities for such orga-
7 nizations shall be subject to annual advance ap-
8 proval by the board and subject to the provisions of
9 the Corporation's Statement of Ethical Conduct. All
10 officers and employees shall serve at the pleasure of
11 the board.

12 (2) NONPOLITICAL NATURE OF APPOINT-
13 MENT.—No political test or qualification shall be
14 used in selecting, appointing, promoting, or taking
15 other personnel actions with respect to officers,
16 agents, or employees of the Corporation.

17 (d) NONPROFIT AND NONPOLITICAL NATURE OF
18 CORPORATION.—

19 (1) STOCK.—The Corporation shall have no
20 power to issue any shares of stock, or to declare or
21 pay any dividends.

22 (2) PROFIT.—No part of the income or assets
23 of the Corporation shall inure to the benefit of any
24 director, officer, employee, or any other individual

1 except as salary or reasonable compensation for
2 services.

3 (3) POLITICS.—The Corporation may not con-
4 tribute to or otherwise support any political party or
5 candidate for elective public office.

6 (e) DUTIES AND POWERS.—

7 (1) IN GENERAL.—The Corporation shall de-
8 velop and execute a plan—

9 (A) to provide useful information to for-
10 foreign tourists and others interested in travelling
11 to the United States, including the distribution
12 of material provided by the Federal Government
13 concerning entry requirements, required docu-
14 mentation, fees, and processes, to prospective
15 travelers, travel agents, tour operators, meeting
16 planners, foreign governments, travel media and
17 other international stakeholders;

18 (B) to counter and correct misperceptions
19 regarding United States travel policy around
20 the world;

21 (C) to maximize the economic and diplo-
22 matic benefits of travel to the United States by
23 promoting the United States of America to
24 world travelers through the use of, but not lim-
25 ited to, all forms of advertising, outreach to

1 trade shows, and other appropriate promotional
2 activities;

3 (D) to ensure that international travel ben-
4 efits all States and the District of Columbia, in-
5 cluding areas not traditionally visited by inter-
6 national travelers; and

7 (E) to give priority to the Corporation's ef-
8 forts in terms of countries and populations
9 most likely to travel to the United States.

10 (2) SPECIFIC POWERS.—In order to carry out
11 the purposes of this section, the Corporation may—

12 (A) obtain grants from and make contracts
13 with individuals and private companies, State,
14 and Federal agencies, organizations, and insti-
15 tutions;

16 (B) hire or accept the voluntary services of
17 consultants, experts, advisory boards, and pan-
18 els to aid the Corporation in carrying out its
19 purposes; and

20 (C) take such other actions as may be nec-
21 essary to accomplish the purposes set forth in
22 this section.

23 (f) OPEN MEETINGS.—Meetings of the board of di-
24 rectors of the Corporation, including any committee of the
25 board, shall be open to the public. The board may, by ma-

1 jority vote, close any such meeting only for the time nec-
2 essary to preserve the confidentiality of commercial or fi-
3 nancial information that is privileged or confidential, to
4 discuss personnel matters, or to discuss legal matters af-
5 fecting the Corporation, including pending or potential liti-
6 gation.

7 (g) MAJOR CAMPAIGNS.—The board may not author-
8 ize the Corporation to obligate or expend more than
9 \$25,000,000 on any advertising campaign, promotion, or
10 related effort unless—

11 (1) the obligation or expenditure is approved by
12 an affirmative vote of at least $\frac{2}{3}$ of the members of
13 the board present at the meeting;

14 (2) at least 8 members of the board are present
15 at the meeting at which it is approved; and

16 (3) each member of the board has been given
17 at least 3 days advance notice of the meeting at
18 which the vote is to be taken and the matters to be
19 voted upon at that meeting.

20 (h) FISCAL ACCOUNTABILITY.—

21 (1) FISCAL YEAR.—The Corporation shall es-
22 tablish as its fiscal year the 12-month period begin-
23 ning on October 1.

24 (2) BUDGET.—The Corporation shall adopt a
25 budget for each fiscal year.

1 (3) ANNUAL AUDITS.—The Corporation shall
2 engage an independent accounting firm to conduct
3 an annual financial audit of the Corporation’s oper-
4 ations and shall publish the results of the audit. The
5 Comptroller General shall have full and complete ac-
6 cess to the books and records of the Corporation.

7 **SEC. 3. ACCOUNTABILITY MEASURES.**

8 (a) OBJECTIVES.—The Board shall establish annual
9 objectives for the Corporation for each fiscal year subject
10 to approval by the Secretary. The Corporation shall estab-
11 lish a marketing plan for each fiscal year not less than
12 60 days before the beginning of that year and provide a
13 copy of the plan, and any revisions thereof, to the Sec-
14 retary.

15 (b) BUDGET.—The board shall transmit a copy of the
16 Corporation’s budget for the forthcoming fiscal year to the
17 Secretary no later than August 16 immediately preceding
18 that fiscal year, together with an explanation of any ex-
19 penditure provided for by the budget in excess of
20 \$5,000,000 for the fiscal year. The Corporation shall
21 make a copy of the budget and the explanation available
22 to the public and shall provide public access to the budget
23 and explanation on the Corporation’s website.

24 (c) ANNUAL REPORT TO CONGRESS.—The Corpora-
25 tion shall submit an annual report for the preceding fiscal

1 year to the Secretary of Commerce for transmittal to the
2 Congress on or before the 15th day of May of each year.

3 The report shall include—

4 (1) a comprehensive and detailed report of the
5 Corporation's operations, activities, financial condi-
6 tion, and accomplishments under this Act;

7 (2) a comprehensive and detailed inventory of
8 amounts obligated or expended by the Corporation
9 during the preceding fiscal year;

10 (3) an objective and quantifiable measurement
11 of its progress, on an objective-by-objective basis, in
12 meeting the objectives established by the board;

13 (4) an explanation of the reason for any failure
14 to achieve an objective established by the board; and

15 (5) such recommendations as the Corporation
16 deems appropriate.

17 **SEC. 4. MATCHING PUBLIC AND PRIVATE FUNDING.**

18 (a) ESTABLISHMENT OF TRAVEL PROMOTION
19 FUND.—There is hereby established in the Treasury a
20 fund which shall be known as the Travel Promotion Fund.

21 (b) FUNDING.—

22 (1) FIRST YEAR.—For fiscal year 2008, the
23 Corporation may borrow from the Treasury begin-
24 ning on October 1, 2007, such sums as may be nec-
25 essary, but not to exceed \$10,000,000, to cover its

1 initial expenses and activities under this Act. Before
2 October 1, 2012, the Corporation shall reimburse
3 the Treasury, without interest, for any such
4 amounts borrowed from the Treasury, using funds
5 deposited in the Fund from non-Federal sources.
6 Amounts reimbursed to the Treasury shall be treat-
7 ed as matching funds from non-Federal sources for
8 purposes of subsection (c) in the fiscal year in which
9 such reimbursements are made.

10 (2) SUBSEQUENT YEARS.—For each of fiscal
11 years 2009 through 2012, from amounts deposited
12 in the general fund of the Treasury during the pre-
13 ceding fiscal year from fees under section 5 of this
14 Act, the Secretary of the Treasury shall transfer not
15 more than \$100,000,000 to the Fund, which shall be
16 made available to the Corporation, subject to sub-
17 section (c) of this section, to carry out its functions
18 under this Act. Transfers shall be made at least
19 quarterly on the basis of estimates by the Secretary,
20 and proper adjustments shall be made in amounts
21 subsequently transferred to the extent prior esti-
22 mates were in excess or less than the amounts re-
23 quired to be transferred.

24 (c) MATCHING REQUIREMENT.—

1 (1) IN GENERAL.—No amounts may be made
2 available to the Corporation under this section after
3 fiscal year 2008, except to the extent that—

4 (A) for fiscal year 2009, the Corporation
5 provides matching funds from non-Federal
6 sources equal in the aggregate to 50 percent or
7 more of the amount transferred to the Fund
8 under subsection (b); and

9 (B) for any fiscal year after fiscal year
10 2009, the Corporation provides matching funds
11 from non-Federal sources equal in the aggre-
12 gate to 100 percent of the amount transferred
13 to the Fund under subsection (b) for the fiscal
14 year.

15 (2) GOODS AND SERVICES.—For the purpose of
16 determining the amount of matching funds, other
17 than money, available to the Corporation—

18 (A) the fair market value of goods and
19 services (including advertising) contributed to
20 the Corporation for use under this Act may be
21 included in the determination; but

22 (B) the fair market value of such goods
23 and services may not account for more than 80
24 percent of the matching requirement for the
25 Corporation in any fiscal year.

1 (3) RIGHT OF REFUSAL.—The Corporation may
2 decline to accept any contribution in kind that it de-
3 termines to be inappropriate, not useful, or commer-
4 cially worthless.

5 (4) CARRYFORWARD.—The amount of any
6 matching funds received by the Corporation in fiscal
7 year 2009, 2010, or 2011 that cannot be used as
8 matching funds in the fiscal year in which received
9 may be carried forward and treated as having been
10 received in the succeeding fiscal year for purposes of
11 meeting the matching requirement of paragraph (1)
12 in such succeeding fiscal year.

13 **SEC. 5. TRAVEL PROMOTION FUND FEES.**

14 If a fully automated electronic traveler authorization
15 system to collect basic biographical information in order
16 to determine, in advance of travel, the eligibility of an
17 alien to travel to the United States is implemented, the
18 United States Government may charge a fee to an appli-
19 cant for the use of the system. The amount of any such
20 fee initially shall be at least \$10, plus such amounts as
21 may be necessary to cover the cost of operating such a
22 system, but may be reduced thereafter if that amount is
23 not necessary to ensure that the Corporation is fully fund-
24 ed.

1 **SEC. 6. ASSESSMENT AUTHORITY.**

2 (a) IN GENERAL.—Except as otherwise provided in
3 this section, the Corporation may impose an annual as-
4 sessment on United States members of the international
5 travel and tourism industry (other than those described
6 in section 2(b)(1)(D), (H), or (I)) represented on the
7 Board in proportion to their share of the aggregate inter-
8 national travel and tourism revenue of the industry.

9 (b) INITIAL ASSESSMENT LIMITED.—The Corpora-
10 tion may establish the initial assessment after the date
11 of enactment of the Travel and Tourism Promotion Act
12 at no greater, in the aggregate, than \$20,000,000.

13 (c) REFERENDA.—

14 (1) IN GENERAL.—The Corporation may not
15 impose an annual assessment unless—

16 (A) the Corporation submits the proposed
17 annual assessment to members of the industry
18 in a referendum; and

19 (B) the assessment is approved by a ma-
20 jority of those voting in the referendum.

21 (2) PROCEDURAL REQUIREMENTS.—In con-
22 ducting a referendum under this subsection, the Cor-
23 poration shall—

24 (A) provide written or electronic notice not
25 less than 60 days before the date of the ref-
26 erendum;

1 (B) describe the proposed assessment or
2 increase and explain the reasons for the ref-
3 erendum in the notice; and

4 (C) determine the results of the ref-
5 erendum on the basis of weighted voting appor-
6 tioned according to each business entity's rel-
7 ative share of the aggregate annual United
8 States international travel and tourism revenue
9 for the industry per business entity, treating all
10 related entities as a single entity.

11 (d) COLLECTION.—

12 (1) IN GENERAL.—The Corporation shall estab-
13 lish a means of collecting the assessment that it
14 finds to be efficient and effective. The Corporation
15 may establish a late payment charge and rate of in-
16 terest to be imposed on any person who fails to
17 remit or pay to the Corporation any amount as-
18 sessed by the Corporation under this Act.

19 (2) ENFORCEMENT.—The Corporation may
20 bring suit in Federal court to compel compliance
21 with an assessment levied by the Corporation under
22 this Act.

23 (e) INVESTMENT OF FUNDS.—Pending disbursement
24 pursuant to a program, plan, or project, the Corporation
25 may invest funds collected through assessments, and any

1 other funds received by the Corporation, only in obliga-
 2 tions of the United States or any agency thereof, in gen-
 3 eral obligations of any State or any political subdivision
 4 thereof, in any interest-bearing account or certificate of
 5 deposit of a bank that is a member of the Federal Reserve
 6 System, or in obligations fully guaranteed as to principal
 7 and interest by the United States.

8 **SEC. 7. UNDER SECRETARY OF COMMERCE FOR TRAVEL**
 9 **PROMOTION.**

10 (a) IN GENERAL.—Title II of the International Trav-
 11 el Act of 1961 (22 U.S.C. 2121 et seq.) is amended by
 12 inserting after section 201 the following:

13 **“SEC. 202. OFFICE OF TRAVEL PROMOTION.**

14 “(a) OFFICE ESTABLISHED.—There is established
 15 within the Department of Commerce an office to be known
 16 as the Office of Travel Promotion.

17 “(b) UNDER SECRETARY FOR TRAVEL PRO-
 18 MOTION.—

19 “(1) IN GENERAL.—The head of the Office
 20 shall be the Under Secretary of Commerce for Trav-
 21 el Promotion. The Under Secretary shall be ap-
 22 pointed by the President, by and with the advice and
 23 consent of the Senate.

24 “(2) QUALIFICATIONS.—The Under Secretary
 25 shall—

1 “(A) be a citizen of the United States; and

2 “(B) have experience in a field directly re-
3 lated to the promotion of travel in the United
4 States.

5 “(3) LIMITATION ON INVESTMENTS.—The
6 Under Secretary may not own stock in, or have a di-
7 rect or indirect beneficial interest in, a corporation
8 or other enterprise engaged in the travel, transpor-
9 tation, or hospitality business or in a corporation or
10 other enterprise that owns or operates theme park
11 or other entertainment facility.

12 “(c) FUNCTION.—The Under Secretary shall—

13 “(1) serve as liaison to the Corporation for
14 Travel Promotion established by section 2 of the
15 Travel Promotion Act of 2007 and support and en-
16 courage the development of programs to increase the
17 number of international visitors to the United States
18 for business, leisure, educational, medical, exchange,
19 and other purposes;

20 “(2) work with the Corporation, the Secretary
21 of State, and the Secretary of Homeland Security—

22 “(A) to disseminate information more ef-
23 fectively to potential international visitors about
24 documentation and procedures required for ad-
25 mission to the United States as a visitor; and

1 “(B) to ensure that arriving international
2 visitors are processed efficiently and in a wel-
3 coming and respectful manner;

4 “(3) support State, regional, and private sector
5 initiatives to promote travel to and within the
6 United States;

7 “(4) supervise the operations of the Office of
8 Travel and Tourism Industries; and

9 “(5) enhance the entry and departure experi-
10 ence for international visitors.

11 “(d) REPORTS TO CONGRESS.—Within a year after
12 the date of enactment of the Travel Promotion Act of
13 2007, and periodically thereafter as appropriate, the
14 Under Secretary shall transmit a report to the Senate
15 Committee on Commerce, Science, and Transportation
16 and the House of Representatives Committee on Energy
17 and Commerce describing the Under Secretary’s work
18 with the Corporation, the Secretary of State, and the Sec-
19 retary of Homeland Security to carry out subsection
20 (c)(2).”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 5313 of title 5, United States Code,
23 is amended by adding at the end the following:

24 “The Under Secretary of Commerce for Travel
25 Promotion.”.

1 (2) The International Travel Act of 1961 (22
2 U.S.C. 2121 et seq.) is amended by striking “Com-
3 merce (hereafter in this Act referred to as the ‘Sec-
4 retary’)” in section 201 (22 U.S.C. 2122) and in-
5 serting “Commerce, acting through the Under Sec-
6 retary for Travel Promotion,”.

7 **SEC. 8. RESEARCH PROGRAM.**

8 Title II of the International Travel Act of 1961 (22
9 U.S.C. 2121 et seq.), as amended by section 6, is further
10 amended by inserting after section 202 the following:

11 **“SEC. 203. RESEARCH PROGRAM.**

12 “The Office of Travel and Tourism Industries shall
13 expand and continue its research and development activi-
14 ties in connection with the promotion of international trav-
15 el to the United States, including—

16 “(1) expanding access to the official Mexican
17 travel surveys data to provide the States with trav-
18 eler characteristics and visitation estimates for tar-
19 geted marketing programs;

20 “(2) revising the Commerce Department’s Sur-
21 vey of International Travelers questionnaire and re-
22 port formats to accommodate a new survey instru-
23 ment, expanding the respondent base, improving re-
24 sponse rates, and improving market coverage;

1 “(3) developing estimates of international travel
2 exports (expenditures) on a State-by-State basis to
3 enable each State to compare its comparative posi-
4 tion to national totals and other States;

5 “(4) evaluate the success of the Corporation in
6 achieving its objectives and carrying out the pur-
7 poses of the Travel Promotion Act of 2007; and

8 “(5) research to support the annual report re-
9 quired by section 202(d) of this Act.”.

10 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated to the Secretary of Com-
12 merce for fiscal years 2008 through 2012 such sums as
13 may be necessary to carry out this section.”.

14 **SEC. 9. DEFINITIONS.**

15 In this Act:

16 (1) BOARD.—The term “Board” means the
17 board of directors of the Corporation.

18 (2) CORPORATION.—The term “Corporation”
19 means the Corporation for Travel Promotion estab-
20 lished by section 2.

21 (3) FUND.—The term “Fund” means the Trav-
22 el Promotion Fund established by section 4.

1 (4) SECRETARY.—Except as otherwise expressly
2 provided, the term “Secretary” means the Secretary
3 of Commerce.

○