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United States Senate

COMMITTEES: FINANCE BANKING, HOUSING, AND URBAN AFFAIRS ENERGY AND NATURAL RESOURCES INDIAN AFFAIRS

April 8, 2025

The Honorable Howard Lutnik Secretary U.S. Department of Commerce 1401 Constitution Ave NW Washington, DC 20230

The Honorable Sean Duffy Secretary U.S Department of Transportation 1200 New Jersey Avenue, SE Washington, DC 20590

Dr. Kevin Hassett Director National Economic Council (NEC) 1600 Pennsylvania Ave. N.W. Washington, DC 20500 The Honorable Scott Bessent Secretary U.S. Department of Treasury 1500 Pennsylvania Avenue NW Washington, DC 20220

The Honorable Kristi Noem Secretary U.S. Department of Homeland Security 300 7th St SW Washington, DC 20024

The Honorable Jamison Greer Ambassador United States Trade Representative 600 17th Street NW Washington, DC 20508

Dear Secretary Lutnik, Secretary Bessent, Secretary Duffy, Secretary Noem, Dr. Hassett, and Ambassador Greer,

January 20, 2025, marks the beginning of the Trump Administration. Since then, President Trump has made broad statements, decisions, and orders with seemingly little consideration of their consequences or legality. Among the Trump Administration's unclear executive orders, actual and threatened executive actions, and the work of the Department of Government Efficiency (DOGE), there has been no transparency about the negative impacts these actions will have on the United States. These efforts have resulted in damaging trade policies, frozen federal funding, a gutted federal workforce, and have extended Presidential authority beyond legal limits, all creating real consequences for working families, small businesses, and industries. I cannot stress enough the need for the Trump Administration to seriously consider the devastating impacts your actions are having on our nation's tourism economy.

LAS VEGAS 333 LAS VEGAS BOULEVARD SOUTH SUITE 8016 LAS VEGAS, NV 89101 (702) 388–5020 FAX: (702) 388–5030 MOBILE OFFICE SERVING RURAL NEVADA (775) 225–1457 RENO 400 SOUTH VIRGINIA STREET SUITE 902 RENO, NV 89501 (775) 686–5750 FAX: (775) 686–5757 Because of the lack of transparency regarding the negative impacts of the Trump Administration's actions, I am writing to underscore a concern about these efforts and their harm on our nation's travel and tourism sector, request information on how you are mitigating the economic stress, and offer solutions. It is a fact that the travel industry is seeing a noticeable decrease in room bookings, business travel, and recreational visits from both domestic and international travel.¹ This sector is fundamental to my home state of Nevada and its hundreds of thousands of hardworking men and women who work in events, entertainment, and hospitality.

Policies that have been highlighted as being detrimental to tourism include, but are not limited to, the threats and application of tariffs to nations around the globe, including toward our allies like Canada; the increasingly aggressive, and questionably legal, procedures being utilized by the U.S. Customs and Border Protection (CBP); the freezing, shifting, or eliminating of federal funding supporting improvements to transportation infrastructure like airports, National Parks and cultural sites, and within agencies that support our travel security mission such as CBP, the Transportation Security Administration (TSA), and air traffic controllers; and the firing, pushing toward resignation, and reduction in force across these same departments.

The travel industry represents 2.5% of the national Gross Domestic Product (GDP), is one of the nation's largest exports, and supports over 15 million jobs.² The combination of travel, tourism, and outdoor recreation supported by visitors is consistently a top five industry in every state and territory across the U.S. The U.S. is undermining its strength as a sought-after destination for visitors from around the world. Given the significant economic contributions of the travel and tourism industry, the Trump Administration must recognize the critical link between your policies and travel demand.

International travel to the United States contributes \$181 billion towards the economy.³ At the beginning of the year, it was predicted international travel to the U.S. would be up 9% from 2024.⁴ However, this was contingent on continued interest from foreign visitors. The United States is already predicted to lose \$150 billion over the next decade due to excessive visa wait times and \$227 million in a year due to CBP staff shortages.⁵ This does not include the ill-advised impacts that the Trump Administration will have on international travel. Travel experts are already estimating the number of people arriving in the U.S. from abroad to decline by 9.4% this year and travel spending to fall 12.3%, a \$22 billion annual loss.⁶

The travel industry is already experiencing softer demand for domestic air travel and lower consumer confidence amid shaky economic conditions. In February, U.S. consumer spending on

https://time.com/7273576/tourism-economics-travel-us-visitors-forecast-drop-trump-foreign-policy/ and Travel Weekly, Johanna Jainchill, March 28, 2025 "U.S. Travel sound industry warning," https://www.travelweekly.com/Travel-News/Government/U-S-Travel-sounds-industry-

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¹ Travel Weekly, Johanna Jainchill, March 28, 2025 "U.S. Travel sound industry warning," <u>https://www.travelweekly.com/Travel-News/Government/U-S-Travel-sounds-industry-warning</u>

² U.S. Travel Association, "Economic Impact of Travel 2024," <u>https://impact.ustravel.org/national</u>

³ U.S. Travel Association, "Economic Impact of Travel 2024," <u>https://impact.ustravel.org/national</u>

⁴ TIME, Dee-Durbin, April 1, 2025, "Tourism to the U.S. Expected to Plunge at Trump's Policies and Rhetoric," https://time.com/7273576/tourism-economics-travel-us-visitors-forecast-drop-trump-foreign-policy/ and U.S. Travel Association, https://cdn.prod.website-files.com/6780148103e54a0a2029c8ff/67ad11d003d4b12d65423ee7_2025UST-By%20the%20Numbers%20Fact%20Sheet.pdf

⁵ U.S. Travel Association, <u>https://cdn.prod.website-files.com/6780148103e54a0a2029c8ff/67ad11d003d4b12d65423ee7_2025UST-By%20the%20Numbers%20Fact%20Sheet.pdf</u>

⁶ TIME, Dee-Durbin, April 1, 2025, "Tourism to the U.S. Expected to Plunge at Trump's Policies and Rhetoric,"

air travel and hotels dropped 10% and 6% from last year, respectively. Additionally, every week in 2025 through March 24, Americans spent less on airfares and hotels compared to the same week in 2024.⁷

Even our longtime allies and neighbors are beginning to rethink traveling to the U.S. Advanced aviation bookings between the U.S. and Canada, the number one source market for international travel to the U.S., has plummeted more than 70% for the summer flying season.⁸ A 10% reduction in travel from Canada could mean \$2.1 billion in lost spending and 14,000 job losses.⁹

With all of this in mind, I am requesting you answer these questions in writing:

- 1. What analysis has been done to understand the impact of your administration's policies on the \$2.9 trillion tourism industry? Please share this analysis.
- 2. Based on your analysis and while maintaining reasonable national security standards, how would a decline in international visitation and spending negatively impact the GDP?
- 3. Can you provide data on the economic impact that travel, outdoor recreation, and hospitality have on each state and territory in the U.S. that you are putting at risk?
- 4. What plans or proposals does the Trump Administration have for restoring international visitor interest and mitigating the loss of their contributions to the U.S. economy?
- 5. Can you provide the interagency plan the Trump Administration has created to meet the overall needs and challenges of international events the U.S. is hosting in the coming years, including Formula 1, the 2026 FIFA World Cup, and the 2028 Summer Olympics?
- 6. Is the Trump Administration focused on finding ways to ease the processing of visas and safely welcome foreign travelers, such as investments in CBP and TSA personnel, improved processes, or the adoption of technologies to support the safe clearance of travelers through our ports of entry? Please share this analysis.

As you prepare a response to this Congressional oversight request, please consider working with me and other tourism advocates within Congress to support the travel and tourism industry by appointing a qualified individual to serve as the first Assistant Secretary of Commerce for Travel and Tourism, as well as request adequate funding in your Fiscal Year 2026 Budget proposal for the position to execute the provisions of the bipartisan *Visit America Act* passed by Congress. In addition, please review and work with us to address the recommendations provided within the U.S. Travel Association's *Commission on Seamless and Secure Travel Report*.¹⁰ This report includes guidance on actions the Trump Administration can take to "welcome 40 million international visitors and drive \$95 billion in economic activity." The recommendations included a range from needed improvements like sufficient staffing of airport customs, visa processing, and enhanced security technology, to White House leadership to help coordinate all agencies to support domestic and international travelers.

⁷ Forbes, Suzanne Rowan Kelleher, April 1, 2025, "Americans Are Pulling Back On Travel Spending In 2025, New Data Shows," <u>https://www.forbes.com/sites/suzannerowankelleher/2025/04/01/americans-pulling-back-travel-spending-in-2025/</u>

⁸ Travel Weekly, Johanna Jainchill, March 28, 2025 "U.S. Travel sound industry warning," <u>https://www.travelweekly.com/Travel-News/Government/U-S-Travel-sounds-industry-warning</u>

⁹ TIME, Dee-Durbin, April 1, 2025, "Tourism to the U.S. Expected to Plunge at Trump's Policies and Rhetoric," https://time.com/7273576/tourism-economics-travel-us-visitors-forecast-drop-trump-foreign-policy/

¹⁰ U.S. Travel Association, Commission on Seamless and Secure Travel, <u>https://www.ustravel.org/programs/seamless-and-secure-travel-commission</u>

I appreciate your attention to this vital industry. I ask you to provide responses to this inquiry in a timely fashion, answer my call to more deeply consider the impacts the Trump Administration's actions have on this vital industry, and work to mitigate those factors hampering this incredibly important sector.

Sincerely,

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Catherine Cortez Masto United States Senator