Exhibitions Day: Issues Brief

Event Overview

In 2014, the Exhibitions Mean Business campaign launched **Exhibitions Day**, an extension of the Exhibitions Mean Business campaign's efforts focused squarely on bringing members of the industry together to engage, as a single and cohesive voice, with U.S. Congressional leaders. Exhibitions Day 2015 will continue on this path, keeping the following objectives in mind:

1. Raise awareness about the industry as a whole among government and other influential audiences

2. Educate our nation's leaders about the value and impact of exhibitions and events on cities and communities across the United States

3. Help government officials to be more cognizant of our industry and its relationship to "their work"

Issues Overview

The exhibitions industry will address four primary topics with members of Congress during Exhibitions Day 2015:

1. Passage of H.R. 1401 – the JOLT Act
2. Support for Open Skies agreements
3. Support for Trade Promotion Authority
4. Advocating the importance of supporting government attendance at exhibitions

Each issue is outlined in greater detail in the following brief.

Passage of H.R. 1401 – the JOLT Act

H.R. 1401 - The Jobs Originated through Launching Travel (JOLT) Act of 2015 is a *bipartisan issue* that would *stimulate international tourism to the United States* by strengthening and expanding the Visa Waiver Program (VWP), now renamed the Secure Travel Partnership (STP) Program to more accurately reflect the purpose of the initiative.

Currently, a number of close U.S. allies and partners – including, Poland, Israel and Brazil – are not members of the U.S. STP (formerly VWP). The provisions created under H.R. 1401 would allow citizens of these and other STP participating countries to *enter the U.S. for short-term business or tourism purposes without having to go through the lengthy and often complicated, visa application process.*

The specific provisions of the JOLT Act that help travelers enter the United States would leverage the benefits of inbound international travel to *increase economic growth, create more jobs, generate additional tax revenue and boost U.S. exports*. The JOLT Act takes careful steps to ensure that while access into the country is improved, it is managed in a manner that *still preserves international travel safety measures*.

The JOLT Act would accomplish this through the following measures:

- Amending the STP/VWP to make mandatory security requirements that are currently only discretionary.
- These include airport security standards and a country's assistance with the air marshal program.
- Tightening passport security requirements.
- Share information about known or suspected terrorists and criminals with U.S. authorities.
- Allow U.S. inspections of all participating country security standards, protocols and apparatus.
- Require participating STP/VWP countries to promptly report data on all lost and stolen passports.
- Where applicable, use biometric passports that meet stringent international security standards.
- Updating eligibility criteria to require applicant countries to have both a visa overstay rate and a visa refusal rate of not more than 3 percent.

- Reinstating the Secretary of Homeland Security's authority to waive the 3% visa refusal rate requirement, up to a maximum of 10%, if a country meets all other STP/VWP requirements.

- Directing the Comptroller General to review the Secretary of Homeland Security's methods for tracking aliens entering and exiting the United States and for detecting visa overstays.

- Requiring the Secretary of Homeland Security to conduct an evaluation of the Electronic System Travel Authorization (ESTA), including an assessment of any of the reforms that are necessary to improve the efficiency, accuracy and comprehensive vetting of travelers.

- Making it a statutory requirement to collect and report to Congress data on visa overstay rates.

History of the JOLT Act

Originally introduced in 2012 by Sen. Charles Schumer (D-NY), the JOLT Act has fallen short of coming up for a vote in the last two Congresses. The latest version of the JOLT Act (H.R. 1401), was introduced to the House by Rep. Joseph Heck [R-NV-3] on March 17, 2015.

JOLT Act Talking Points

- The JOLT Act is about more than changing how visas are issued and granted. The JOLT Act and provisions included in it through the Secure Travel Partnership (STP) will ensure America remains competitive from a business and economic perspective.

- Business and leisure international travelers spend an average of $4,300 per trip to the U.S. generating significant tax revenue for visited cities.

- In 2014, 20.3 million international visitors came to the U.S. through the VWP (now STP). This segments represented 60% of all overseas visitors entering the country. While here, these travelers generated $190 billion in total output for the U.S. economy, supporting nearly one million U.S. jobs.

- Current visa policies are driving foreign and domestic audiences to shift business travel investments to more "traveler-friendly" markets overseas with fewer visa restrictions and regulations.

- Beyond leisure travel losses that impact local businesses and the travel/hospitality industry, visitor visa issues create significant business losses for the U.S. by impeding international business participation in exhibitions and creating a barrier to foreign trade as U.S. companies fail to meet with current or potential prospects.

- If passed, the expanded STP/VWP in the JOLT Act would attract as many as 1 million more visitors to the United States per year, create roughly 61,000 more American jobs, and generate as much as $11 billion in revenue.

- By increasing the number of international travelers participating in U.S. events and exhibitions, the JOLT Act would help reinforce the country’s position as a top event market, increase domestic economic growth, create more jobs, generate additional tax revenue and boost U.S. exports.

- Travel, both leisure and business, supports millions of American jobs and is a staple for an average of 1 in 9 employees in the U.S.

- Safer, yet less complicated visa protocols introduced via the JOLT Act and STP/VWP will help boost America’s diplomacy efforts. A recent survey found that 74% of international visitors to the U.S. were more likely to have a favorable view of America if visa management were improved. Additionally, 61% of those surveyed were also more likely to support U.S. policies if visa procurement adjustments were made.

Call to Action

- Let’s remind elected officials about the importance of international travel to our livelihoods and clear up misunderstandings about the JOLT Act. The Act represents what should be a cornerstone program for attracting travel to the U.S. and generating economic revenue and encouraging business vitality across all corners of the country.

Support for Open Skies

Open Skies agreements essentially set the standard of operations for flights into and out of the United States. These agreements *eliminate government control over routing, frequency and pricing*, and allow *free and open market competition*. As a result, Open Skies agreements stand as a *vital tool to promote fair competition between air carriers and protect customers from unfair pricing*. Open Skies agreements frees carriers to provide *more affordable, convenient and efficient air service to consumers*, *promoting increased travel and trade* and *spurring high-quality job opportunity and economic growth*.

History of Open Skies

Since 1992, the U.S. Department of State has pursued an "open skies" policy designed to eliminate government involvement in airline decision-making about routes, capacity, and pricing in international markets. Open Skies agreements contain provisions governing commercial opportunities, safety, and security. The United States has negotiated agreements with numerous aviation partners and presently, there are 114 Open Skies agreements in place between the U.S. and countries around the world.

Open Skies Talking Points

- Open Skies agreements promote fair competition amongst air carriers, but beyond that, these agreements benefit the public and encourage travel that has a direct impact on local economies.

- Before Open Skies, many cities, including those that are major travel hubs today like Dallas and Las Vegas, had very few or no direct international air connections. Open Skies created new route and pricing options that delivered more choices and better value from the airline industry, not less.

- Research has found that airline routes included within Open Skies agreements have seen fares drop roughly 32 percent compared to routes that are not included in Open Skies agreements – that drop has translated to approximately $4 billion in traveler savings.

- Under Open Skies agreements, a record 75 million international travelers visited the U.S. in 2014 and spent $180 billion on travel goods and services, directly supporting over one million U.S. jobs. Each overseas visitor spends on average $4,500 when they visit the U.S.

- Open Skies do not simply benefit leisure travelers – the competitiveness of pricing and diverse flight options also encourage business travel into the country. Business travelers spend thousands on good and services that help our local economy, and they engage in business at exhibitions and other events that lead to increased sales for companies and job opportunities for U.S. workers.

- U.S. legacy carriers, American, Delta and United, claim that Emirates, Etihad and Qatar Airlines all receive unfair financial support from their local governments and instead of letting Open Skies policies drive the consultation and review of these allegations, they are demanding that the U.S. freeze routes and capacity specifically for the three Gulf carriers.

- What our own country's carriers are proposing would undermine everything Open Skies stands for and have a direct, negative impact on our economy.

- In 2013 alone, Emirates, Etihad and Qatar brought 140,600 international visitors to the U.S. These visitors spent $984 million in the U.S., which generated $2.3 billion in economic output and supported a total of 16,000 American jobs.

- These Gulf carriers are also a pipeline to the Middle East, India, Southeast Asia, and beyond –all vital markets for driving more international travel and positive business opportunities to the U.S.

- The view against the Gulf carriers shared by American, Delta and United is not shared by other U.S. airlines. JetBlue, for example, credits Open Skies for its international success and partnerships with 30 overseas airlines, including the Gulf carriers.

- What the legacy U.S. carriers are proposing wouldn't level any playing fields, it would however, give them more of a home field advantage.

- Virtually all global airlines, including the U.S. carriers, have received some form of financial or regulatory subsidies from their home governments. Knowing this, the U.S. and all 114 Open Skies nations agreed to articles of "fair competition," based on the solid foundation of unrestricted market access, not the slippery slopes of how a government treats its airlines under financial and commercial regulations.

- Violating Open Skies and freezing paths and capacity for Etihad, Emirates and Qatar would hurt many more U.S. airlines. Presently, Gulf carriers drive thousands of travelers (and millions in revenue) directly to the U.S. legacy carriers. Approximately 30 percent of all Gulf carrier passengers to the U.S. are directly handed off to U.S. airlines upon their arrival in the U.S. Nearly 20 percent are handed off to the three U.S. legacy carriers themselves – a total of 450,000 passengers.

- Even worse, it would devastate the U.S. business industries by limiting access to key international markets and cutting commercial opportunities that benefit American companies and American workers.

- One thing legacy U.S. carriers can't deny is that Open Skies is working. Robust airline competition is good for the U.S., bringing millions more passengers into the country every year and offering new opportunities for leisure and business travelers, all of which positively impact our economy.

- It is vital that the Department of State and others involved use the existing Open Skies framework to process disputes between parties, including consultations, when substantiated violations of an agreement exist.

- To support the request of three U.S. carriers to freeze routes and capacity for the Middle East carriers during an investigatory phase or consultations would be an unprecedented step that would effectively break the Open Skies agreements and call into question agreements with other countries, putting the entire system at risk.

- The majority of Open Skies partners have either full or partial government ownership of airlines. Even the U.S. airlines have received financial assistance from the U.S. government. Consultations like freezing capacity or paths should only be pursued if there is strong evidence to support a violation of Open Skies

Call to Action

- Let's show members of Congress how restricting travel to the U.S. will hurt our economy, hurt consumers and undermine the foundation of Open Skies. Our industry serves millions of businesses, employees and cities and we strongly support following existing Open Skies processes to review this dispute raised by U.S. legacy carriers. We do NOT support freezing Gulf carrier paths or capacity during this review, an act that would directly violate Open Skies agreements and deliver a major blow to our country's economy.

Support for Trade Promotion Authority

The Trade Promotion Authority (TPA) is a measure that *will significantly strengthen America's overall travel economy* by serving as an essential tool for negotiating trade agreements. Specifically, TPA *helps ensure a rules-based system for two-way trade* and it helps *ensure that American workers and businesses, including travel-related businesses, get the fairest deal out of new trade agreements*. TPA parameters are set by Congress and used by the President of the United States of America when conducting trade negotiations. In exchange for laying out the terms it wants to see in agreements, under TPA, Congress agrees to conduct an up or down vote on trade agreements within 90 days.

History of TPA

The U.S. Congress has granted TPA to every single U.S. President since Franklin Roosevelt, with the exception of Richard Nixon, who resigned before the authority became effective. TPA was last enacted in 2002 and expired in 2007, as a result, a bipartisan bill to re-establish TPA is expected in the near future.

TPA Talking Points

- Expanded trade parameters are a boon to U.S. business. Free trade encourages companies to expand internationally, stimulating travel to the U.S. and increased participation in business-friendly exhibitions and trade shows.

- Travel experts report that more international visitors participate in U.S. trade shows and exhibitions —an important segment of America's robust travel economy—as a result of free trade agreements.

- Presently, foreign exhibitors attending U.S. exhibitions spend more than $36,100 each and foreign buyers attending U.S. exhibitions spend more than $13,600 each.

- The average annual growth rate of international visitation to the U.S. accelerated during the first five years following implementation of recent free trade agreements, compared to the previous five years prior. For example, Australia visitation accelerated by 21 percent, Colombia by 139 percent, Singapore by 50 percent, and South Korea by 67 percent.

- Increased business travel into the U.S. translates to increased opportunity to U.S. workers. In 2014, every $1 million in international traveler spend in the U.S. directly supported nine American jobs in the travel industry.

- Presently, travel exports, which include all inbound international travel given the fact that domestic goods and services are consumed using foreign currency, actually outpace other U.S. exports.

- From 2010 to 2014, travel exports increased 31% compared to just a 16% increase of the U.S. GDP in current dollars and 26% increase in overall exports of goods and services during the same time period.

- In 2014, U.S. travel exports totaled $220.6 billion and it is estimated that $1 in every $11 spent on new U.S. exports in 2014 came from a foreign traveler buying U.S. goods and services.

- This economic contribution has also helped the U.S. reduce its trade deficit. While the U.S. trade deficit in 2014 was $505 billion, the travel and tourism industry boasted a trade surplus of $74 billion. Without this trade surplus, America's 2014 trade deficit (-$505 billion) would have been nearly 15% larger.

Call to Action

- Let's remind elected officials that the Trade Promotion Authority provides valuable, long-term benefits to the U.S., from boosting local economies and supporting businesses of all sizes, to reinforcing America's global competitiveness and presence in major trade and industry sectors.

Advocating for Government Attendance at Exhibitions

Government meetings and related event travel are *critical to ensuring federal employees are able to do their jobs as effectively as possible*, while also helping extend *support towards encouraging economic growth and job creation*. The ability to attend exhibitions and engage with others face-to-face allows for *better knowledge transfer, increased access to training and development resources, and improved vetting processes for contract vendors and other partners.* Attempts to cut government employee access to these valuable opportunities and tools runs the *risk of hurting federal efficiency and productivity*, in addition to creating an even more pronounced divide between government agencies and how they are seen by and interact with the general public.

Government Attendance Talking Points

- Restrictions on government attendance at exhibitions affect multiple audiences – 1. Government employees who depend on the education, training and networking opportunities; 2. Businesses of all sizes that depend on government contracts; and 3. Community members who depend on government presence at exhibitions for local revenue generation, job creation and insights for projects and other contract bids.

- Government employees benefit from the valuable training and development sessions, knowledge sharing platforms and networking opportunities that are unique to exhibitions. As a result of these benefits, government employees are armed with the knowledge and tools needed to do their jobs as effectively as possible.

- In a recent poll, 85 percent of government respondents agreed that exhibitions and other face-to-face events added value to their career development and training.

- Nine out of ten, or 98 percent, federal employees believe that in-person meetings, exhibitions and other face-to-face events are important for doing their jobs effectively and for advancing the mission of their agencies.

- 92 percent of federal employees say that engaging with colleagues, peers, partners and vendors face-to-face improves their ability to do their jobs.

- 89 percent of federal employees say that in-person trainings, conferences and continuing education events provide a better learning environment. Of those surveyed, 75 percent say they receive better feedback while 78 percent say they are better able to focus.

- 81 percent of federal employees surveyed say in-person trainings better foster teamwork with 86% noting they believe in-person trainings encourage better networking and engagement. The overwhelming majority of federal workers experience increased value from in-person meetings as opposed to remote ones.

- Eighty percent of federal employees say they are more likely to actively participate in a face-to-face training. The same percentage says they have attended an in-person event that would not have resulted in the same level of success if conducted remotely.

- Nearly three-quarters (74 percent) of private-sector executives said that having government employees present at meetings and events added value to their firms through knowledge transfer.

- Face-to-face interaction is a valuable tool in facilitating cross-agency collaboration and developing private-sector partnerships. Exhibitions are a large-scale platform where government agencies can engage in high-quality interaction to learn more about potential partners in an efficient and effective manner.

- Two in three federal employees believe that collaborating and innovating are best accomplished in-person. Seven in ten say that it offers the best way to build public-private partnerships.

- Government meetings supported nearly 300,000 jobs in 2012 alone and generated $32.9 billion in travel spending. Additionally, government exhibitions and other face-to-face events drive significant local revenue to host markets through the surge of visiting conference attendees and buyers.

Call to Action

- Like Congress, the exhibitions industry supports oversight and transparency of federal travel spending as a means of protecting against any possible misuse of taxpayer dollars. However, we strongly oppose harmful, arbitrary across-the-board cuts that limit exhibition participation and create serious and harmful negative repercussions for so many Americans

General Exhibitions Industry Overview

Exhibitions and other face-to-face events have been a common thread in the fabric of our economic structure for centuries. While evolving in how and where they were carried out, the essence of what makes exhibitions valuable has remained the same – attendees and buyers coming together to engage face-to-face, and to test, taste, hear, see and feel things for themselves before making a purchase.

Our industry represents EVERY industry. From energy and agriculture, to crafts and even pet supplies. *We are the economy's industry*. The constituents you meet with here on Capitol Hill, the groups who come to champion a cause or service, they rely on exhibitions just as they rely on you. We are a first-line of commerce for these groups, bringing buyers and sellers together to help make business happen.

General Industry Talking Points

- According to the Center for Exhibition Industry Research (CEIR), the business-to-business exhibition industry's direct and indirect contribution to GDP in 2014 is $71.3 billion.
    - Direct contributions include: direct product and services purchased by exhibitor and attendee and exhibition organizer production of exhibitions
    - Indirect contributions include: input purchases to host an exhibition by an organizer as well as suppliers' inputs to produce goods/services purchased by exhibitor and attendee directly
    - Induced impacts, such as increases in personal consumption expenditures due to increases in wages and salaries of organizers and suppliers are not quantified at this time. As such, it's quite possible that the exhibitions industry's economic impact is larger than what is currently reported.
- According to the 2015 CEIR Index Report, the total number of professional attendees and exhibiting organizations that participated in business-to-business exhibitions in 2014:
    - Attendees: 68.9 million / Exhibiting organizations: 2.1 million
- According to CEIR's *2015 Marketing Spend Decision Report*, exhibitions are the number one spend of marketers, capturing on average over 40% of an annual marketing budget, with the median spending per exhibition approximately $20,000. No other channels come close to this allocation.
- *The 2015 Young Professional Exhibitor Needs and Preferences Study* finds 98 percent of young marketers find exhibitions deliver unique value that cannot be met by other marketing or sales channels. Among the key benefits were ROI and the ability to achieve multiple sales and marketing objectives in a compressed time period.