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BY THE U.S. GENERAL ACCOUNTING OFFICE  
**Report To The Secretary Of Commerce**

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# Funding Constraints Require A New Approach To Support Tourism Information For Foreign Visitors

The President's 1983 budget request does not provide Federal funds to produce and distribute tourism information for potential foreign tourists. The Travel and Tourism Policy Act of 1981 encourages the U.S. Travel and Tourism Administration to seek alternate sources of funds to support its programs. Efforts through June 1982 to obtain alternate funds for tourism literature have met with limited success.

GAO recommends that the Agency encourage and coordinate the efforts of States, cities, and other tourism organizations to develop regionally focused tourism information that could be distributed by the Agency's foreign offices.



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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

INTERNATIONAL DIVISION

B-208754

The Honorable Malcolm Baldrige  
The Secretary of Commerce

Dear Mr. Secretary:

This report describes how the U.S. Travel and Tourism Administration's (USTTA) consumer information program can be re-focused to ensure that tourism information will continue to be available for distribution through USTTA's foreign field offices. Essentially, the program should encourage organizations that benefit from tourism to form regional groups where none exist and help these groups and others to develop effective regional tourism literature for distribution by USTTA's field offices.

USTTA's consumer information program distributes tourism literature to actual and potential foreign visitors, and to members of the tourism industry. The literature consists of a map, an information booklet, and a set of 20 travel brochures available in English, Spanish, French, German, and Japanese. The Travel Planning Area brochures provide such information as major attractions in an area, how to contact State and local visitor information agencies, and how to use local transportation.

The consumer information program did not always have enough literature to distribute in 1981-82 because of uncertain funding for fiscal years 1981 and 1982. The administration's fiscal year 1983 budget request to Congress provides no funds for it. USTTA's marketing plan proposes to continue the program only if alternate nonbudget funds can be obtained; however, efforts begun in June 1981 to obtain contributions from organizations that benefit from tourism have met with little success. If such funds are not obtained, this will preclude future printing by USTTA of tourism information literature.

We believe that the purposes of the consumer information program could be sustained by increasing support from organizations that benefit from tourism. One way to do this would be to solicit financial contributions from such organizations. An alternative that may be more acceptable to potential supporters would be to increase the program's reliance on tourism

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promotional literature produced by others. However, given the objectives of regional brochures, the geographic focus of non-Federal literature has sometimes been too narrow, has usually not been in the needed foreign languages, and has sometimes not been available at desired foreign locations. We believe USTTA could overcome these problems by encouraging the formation of regional tourism promotion groups where none exist and helping these groups and others to develop effective tourism literature. The fact that 31 States have formed 5 regional groups on their own initiative demonstrates the feasibility of regional tourism groups. Further, according to tourism experts, regional brochures are considered useful to foreigners and the regional approach offers the benefits of broad-based support and economies in the development and production of literature.

To encourage the organizations that benefit from foreign tourism to develop and supply regionally focused brochures in appropriate languages for distribution by USTTA's foreign offices, we recommend that you direct the Under Secretary of Commerce for Travel and Tourism to:

- Encourage and coordinate efforts of States, cities, and other appropriate entities not already regionally grouped to join together to develop regionally focused brochures.
- Have USTTA's foreign offices provide advice and, where practical, assist regional trade promotion groups in brochure design, translation, and distribution efforts.
- Work with regional groups to find ways to pay the costs of developing, printing, and shipping their brochures to USTTA's regional offices.

We believe assistance in the development and translation of regional literature for USTTA's markets can be provided by USTTA's present field office staff. USTTA field offices have helped upgrade and translate tourism literature, and its headquarters staff have provided liaison assistance between domestic tourism promotion organizations and USTTA's field offices. We believe the necessary domestic coordination can be accomplished by USTTA's headquarters staff (at planned levels) incidental to their normal coordinative activities.

We also recommend certain measures on page 16 to help USTTA cope with interim literature shortages that may develop.

Department of Commerce comments on our draft letter expressed general concern about the feasibility of some of our recommendations and the length of time needed for their implementation.

Our response to these comments clarifies some misconceptions about what we are recommending and why we believe our recommendations to be reasonable. (See p. 16, app. I.)

Detailed information on the matters discussed above is contained in appendix I.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

Sincerely yours,



Frank C. Conahan  
Director

FUNDING CONSTRAINTS REQUIRE A NEW APPROACH  
TO SUPPORT TOURISM INFORMATION FOR FOREIGN VISITORS

BACKGROUND

Tourism employs approximately 7 million people in the United States, which shows its importance to the Nation's economic and social well-being. By 1980, international travel services ranked as the third largest export industry, following grains and chemicals. The number of inbound tourists has increased for each of the past 19 years, with arrivals topping 23 million in 1981, up 3 percent over 1980.

The Federal role in tourism is set forth in the International Travel Act of 1961 (22 U.S.C. 2121 *et. seq.*) as amended by the National Tourism Policy Act of 1981. The 1981 Act established within the Department of Commerce a U.S. Travel and Tourism Administration (USTTA) to succeed the U.S. Travel Service and to implement the Act's provisions. USTTA and its predecessor <sup>1/</sup> developed and implemented various programs to promote and facilitate foreign visitor travel to the United States. These have included

- use of contract media specialists in USTTA's markets to place materials in the respective host countries' newspapers and magazines;
- assistance to foreign tour operators in promoting lesser known U.S. destinations;
- multilingual receptionist assistance for arriving foreign visitors at a number of U.S. airports;
- a research effort to develop and interpret data on actual and potential foreign visitors to the United States;
- conduct of educational seminars and workshops for travel agents and tour operators in USTTA's markets; and
- a consumer information program for the development, printing, and distribution of tourism information literature.

The Federal role in promoting foreign tourism to the United States has been the subject of controversy for several years.

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<sup>1/</sup> USTTA, as used in this report, includes the predecessor agency.

The controversy has revolved around funding levels, the appropriate organization to carry out promotional functions, and the nature of functions which should be carried out.

As a result of the controversy and a general trend to budget stringency, USTTA's appropriation authorization has substantially declined from a high of \$32.5 million in 1978 to \$8.6 million for 1982. The actual appropriations declined from \$14.4 million in 1978 to \$7.6 million in 1982, and the 1983 budget request is \$5.0 million.

Organizationally, efforts by both the Carter and Reagan Administrations to merge USTTA into other Commerce organizations, at reduced levels, were not successful. However, the Agency was directed by legislation (Public Law 96-85, October 10, 1979) to reduce its headquarters staff by 60 percent, from 75 to 30 positions, in 1979. Further emphasis on the overseas offices was added by 1981 legislation (Public Law 97-63, October 16, 1981) that directed USTTA to maintain the number of foreign offices, and the number of employees assigned to those offices, at levels no less than the numbers that prevailed in fiscal year 1979. The latter law also directed that the amount of funds made available from appropriations for obligation for activities of foreign offices should not be less than the amount obligated for such activities in fiscal year 1980.

The 1981 legislation, the National Tourism Policy Act of 1981, was the culmination of extensive oversight hearings. It built upon the International Travel Act of 1961 by adding a series of national tourism policy objectives and several additional duties and functions to be carried out by the Secretary of Commerce. Among the new duties was a requirement to develop and submit annually to the Congress a detailed marketing plan to stimulate and encourage travel to the United States during the next fiscal year. The plan is to include the estimated funding and personnel levels required to implement the plan and alternate means of funding activities under the Act.

Although there is no clear legislative history explaining the intent of the "alternate means of funding" phrase, both USTTA and its congressional oversight committees have subsequently interpreted the phrase as intending to encourage USTTA to seek means of funding its programs outside the Federal budget. For example, in recent congressional hearings, Representative James Santini recommended that USTTA seek legislation to impose a fee on U.S. passports or a tax on departure of international passengers, with the revenue wholly or partly devoted to support USTTA programs. Another alternate means of funding suggested was voluntary contributions by State and local governments and commercial organizations that benefit from tourism.

In accordance with the President's austerity program, the administration requested a \$5-million budget for USTTA in 1983, or a one-third reduction from the 1982 appropriated level. In presenting its budget to a House Appropriations Subcommittee, USTTA recognized that its activities would be substantially reduced. The six foreign offices would be confined to maintaining working relationships with the travel trade, providing documents and some technical assistance, and conducting training seminars. The \$5-million budget would provide no funds to carry out the various programs mentioned earlier. USTTA did express its intent to seek alternate funds to supplement its appropriated budget and to continue to support certain tourism programs, including the consumer information program. The related Marketing Plan for 1983 described how the various programs would be carried out if the \$5-million budget could be supplemented at three hypothetical levels of alternate funding--\$3 million, \$5 million, and \$7 million.

USTTA's consumer information program prints and distributes tourism literature through USTTA's offices in Canada, Mexico, the United Kingdom, West Germany, France, and Japan. USTTA distributes most of its literature to the travel trade (travel agents, tour operators, etc.) through contractors who warehouse and mail USTTA's literature. Although its offices are not designed to encourage walk-in visits by the public, such visits do occur. The offices receive about 400,000 requests a year for data from visitors and by phone or mail. These requests are honored when literature is available. This literature consists of a map of the United States, a 68-page information booklet, and 20 travel brochures. The map shows major roads, national parks, and distances between major urban areas. The booklet, "USA Travel Information," includes entry requirements, a description of the U.S. currency system, and tips on driving in the United States; it is printed in English, Spanish, French, German, and Japanese. The Travel Planning Area brochures (TPAs) have been developed in the same five languages and provide information on major attractions, how to contact State and local visitor information agencies, and how to use local transportation. Some TPAs cover single States, but most are structured around gateway cities (visitor ports of entry) and surrounding States. (See app. II for a list of the TPAs.)

#### OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of our review was to determine whether USTTA's consumer information program could be made more efficient and economical and what could be done to ensure that information for foreign visitors' use is available if anticipated funding constraints limit USTTA's ability to print tourism literature.

To understand and evaluate the consumer information program, we interviewed USTTA officials in Washington, D.C.; Toronto, and Montreal, Canada; and London, Paris, and Frankfurt. We discussed the use of USTTA's tourism literature with tour operators and retail travel agents in Windsor, Toronto, and Montreal, Canada. Opinions on the design and likely consumer impact of USTTA's literature were obtained from senior executives of major advertising agencies and from U.S. International Communication Agency (USICA) officials.

To determine whether USTTA's brochures duplicated other tourism literature and the extent of information loss which might occur if the availability of USTTA's literature diminishes, we:

- Analyzed field office inventory reports for Frankfurt, London, Paris, Toronto, and Mexico City.
- Reviewed the tourism information available at selected major travel agencies in Toronto, Montreal, Windsor, London, Paris, and Frankfurt.
- Reviewed the information content and foreign language availability of materials prepared by five regional travel associations, selected State tourism offices, promotional organizations for Detroit, New York, Miami, San Francisco, Chicago, Los Angeles, and Washington, D.C., and selected private organizations that promote tourism.
- Discussed with officials of many of these organizations the possibility of and problems associated with making their data available to USTTA offices for distribution.

Although tourism information is distributed by other sources in USTTA's markets, our analysis centered on the availability of data for distribution by USTTA's offices. We did not attempt to identify all the possible ways that tourists might obtain information similar to that provided by USTTA. For example, according to an Air Transport Association official, the U.S. airlines spent over \$40 million abroad in 1981 to promote travel to the United States. A Japan Airlines official told us that his company spends about \$7.5 million annually on literature promoting U.S. destinations, all printed in Japanese.

We did not attempt to measure the effect of USTTA's literature on the number of tourists who visit the United States nor could we identify anyone who has done so. We did, however, determine from persons in the advertising industry knowledgeable of overseas promotions that the type of data contained in USTTA brochures would be helpful to tourists who planned to visit the United States.

A draft of this report was submitted to the Department of Commerce for review and comment, and comments of a generally editorial nature have been incorporated into the report where appropriate. Substantive comments and our response to them are included in this appendix.

We performed our review in accordance with our "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

FUNDING DIFFICULTIES CAUSE  
SHORTAGES OF PROGRAM LITERATURE

Uncertain funding delayed printing of TPAs and led to extended shortages in USTTA's foreign offices. Recent actions to obtain a new supply of certain TPAs should somewhat relieve the shortages. However, the program faces a very uncertain future because the fiscal year 1983 budget request provides no funds to produce TPAs. USTTA's 1983 marketing plan proposes to continue the program only if alternate (nonbudget) funds can be obtained. USTTA's efforts to obtain contributions from organizations that benefit from tourism have met with limited success.

Program funding uncertain

USTTA funding for fiscal years 1981 and 1982 was and is being provided by a series of continuing resolutions. Budgeting and operations for 1982 were further complicated by a directive to operate during the first quarter at a spending rate consistent with the funding level recommended by the Office of Management and Budget--\$6.5 million--rather than at a spending rate consistent with the full continuing resolution level of \$7.6 million.

With such uncertain funding, USTTA deferred printing of TPAs until it could determine the funds available for the consumer information program. In 1981 the continuing resolution eventually allowed USTTA to spend \$412,240 to print TPAs. These funds provided for printing of all six major gateway areas in French, German, and Spanish in 1981. In 1982 the continuing resolution reduced TPA funding from a planned level of \$524,100 to \$170,000. In late March 1982, USTTA ordered the printing of the remaining 14 TPAs in French, German and Spanish. No further printing of TPAs is planned for fiscal year 1982.

The outlook for future supplies of TPAs is even more uncertain. The fiscal year 1983 budget proposal provides no funds for printing and distributing tourism literature. USTTA has proposed, in its first annual marketing plan submitted to Congress, to continue the consumer information program contingent

on alternate, nonbudget funds becoming available to pay for it. The plan provides that, depending on the amount of alternate funds available, between \$450,000 and \$1,000,000 would be spent on TPAs.

Efforts to date to secure alternate funds have focused on contributions by travel and tourism organizations that benefit from foreign tourists. This approach, begun in June 1981, has met with limited success. USTTA's April 1982 approach to the Travel and Tourism Advisory Board to obtain the \$7 million of alternate funding for the general purpose of implementing programs proposed in the marketing plan was essentially rebuffed. On the other hand, requests for funds for specific projects have been successful. One private company and two tourism associations contributed a total of \$135,000 to print USTTA maps and "USA Travel Information" booklets for distribution by USTTA. USTTA's London office also succeeded in funding, through advertising sales, 12,000 copies of a locally developed, 46 page, USA 1982 Travel Sales Manual, which was distributed only to travel agents.

#### Shortages of TPAs

Because of funding uncertainty and printing delays, TPAs were in short supply in most of USTTA's foreign offices in fiscal year 1981 and still are. Several offices were completely out of many TPAs for extended periods and were unable to meet the demands of the travel trade and individual requesters.

The Mexico City office was particularly hard hit by a shortage of Spanish language brochures; as of September 1, 1981, it had none of the 20 TPAs. It subsequently received a supply of TPAs for the six major gateway areas, but the other TPAs were expected to remain out of stock until those ordered in March 1982 were delivered. The new supply however, may provide only short-term relief for some shortages because it provides only a limited quantity. For example, only 50,500 Spanish language TPAs for Texas were ordered, although 92,000 had been distributed in an earlier year.

The Frankfurt office had to resort to rationing TPAs. It distributed 544,000 in fiscal year 1981 but estimated that demand was 1.5 million. As of September 30, 1981, it was out of stock for 12 of the TPAs. Again, it received a resupply for the six major gateway areas during the first quarter of fiscal year 1982, but the others remained out of stock until the TPAs ordered in March were received.

Because of TPA shortages, the London office's fiscal year 1981 distribution was substantially less than the 1,324,000 TPAs distributed in fiscal year 1980. As of September 30, 1981,

it was out of stock for 13 TPAs. The London office received a resupply later in 1981, but the quantities received were generally less than the fiscal year 1980 demand. Funds are not available to print any more English language TPAs in 1982.

### Need for TPAs

Senior advertising executives who handle international promotions for the travel industry told us that the two marketing phases for which tourism literature is most important are

- "awareness," which is getting a potential customer's attention to the extent that there is the unaided recall of a product or service (often characterized by literature featuring lots of pictures depicting activities and emotionally appealing settings); and
- "information," also referred to as knowledge/comprehension, which provides a potential customer with a lot of data about the product or service.

These experts also told us that the TPAs are information rather than awareness literature. They agreed that the TPAs, as individual pieces and as a package, contain good quality information. These TPAs:

- Would be used by people who have already decided to visit the United States and are looking for additional information for use in planning specific activities while here.
- Are unlikely to persuade a prospective foreign visitor to choose the United States over competing foreign countries.
- Have marginal utility in influencing a foreign visitor who has decided to visit the United States to either modify his itinerary to try something new or to extend his stay.

How this literature is actually being used tends to corroborate these judgments. For example, USTTA's Montreal staff said most travelers had already decided their U.S. destination(s) before contacting the office for supplemental information. Canadian tour operators and retail travel agents viewed the TPAs as useful for customers who knew where they wanted to go, but who were seeking information to help plan their activities. Some Canadian tour operators included relevant TPAs in the package of transportation tickets and travel documents provided to their customers once their basic itineraries had been arranged.

RELIANCE ON IMPROVED NON-FEDERAL LITERATURE  
COULD SUSTAIN THE PROGRAM

An alternative means of sustaining the consumer information program would be to increase its reliance on tourism promotional literature produced by others. Such literature has not always been suitable for program use and has not always been available. USTTA could provide the coordination and assistance needed to overcome these problems.

Problems with non-Federal literature

USTTA has distributed some tourism information prepared by State, local, and regional tourism promotion agencies and private organizations to supplement its own literature. We found that such literature would not always meet the potential visitors' information needs because it is sometimes narrowly focused geographically, usually not in the needed foreign language, and not always available in USTTA's foreign markets.

Experts told us that regionally focused literature is most useful to foreign visitors. Most of the non-USTTA-produced material focuses on particular States or cities. However, 31 States have formed the following 5 regional tourism organizations and have developed regional brochures.

- The Council of Ozark Governors, Inc., whose literature theme is "America's Heartland", promotes Kansas, Missouri, Arkansas, Louisiana, and Oklahoma.
- The Old West Trail Foundation, which prints material promoting tourism to North and South Dakota, Nebraska, Montana, and Wyoming.
- The Foremost West Regional Commission, which prints tourism information about Colorado, Utah, New Mexico, Arizona, and Nevada.
- The Travel South USA, which prints material covering Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North and South Carolina, Tennessee, and Virginia.
- Great Lakes Council of State Travel Directors, which prints tourism information about Indiana, Illinois, Iowa, Ohio, Michigan, Minnesota and Wisconsin.

Other groups, such as the Ocean Hiway Association and the Blue Ridge Parkway Association, composed of public and private-sector parties, promote parts of certain States through regionally focused brochures.

Much of the non-USTTA literature we reviewed had not been translated into the foreign languages needed in USTTA's markets, as shown below.

Foreign Language Coverage of Non-USTTA Literature

	No. of groups whose literature was reviewed	No. in foreign language	Brochure printed in			
			German	French	Spanish	Japanese
States	29	11	3	11	0	3
Cities	20	11	7	8	7	6
Regional organizations	5	1	1	1	1	0

The Director of USTTA's Frankfurt office told us that 95 percent of the information it receives that is produced by non-Federal groups is in English only. The Paris office had materials from all 50 States and from numerous cities, almost all of which were in English and, according to USTTA officials in Paris, were virtually useless in the French market. The only non-Federal literature available in French in the Paris office came from Florida and Kentucky, the San Antonio and Houston Convention and Visitors Bureaus, and the Foremost West Regional Commission. Although the Montreal office receives literature in French from various States and cities, only about half of it had been adequately translated from English; others read awkwardly and some had obvious grammatical errors.

State and local organizations do not always make their tourism literature available to all the markets served by USTTA; for example, Detroit distributes its brochures only to Canada. Also, we found that information on other major cities, such as Boston, Chicago and Washington, D.C., was not always available in USTTA's European offices. In contrast, three of the five regional organizations told us they distribute their literature in at least three of USTTA's foreign markets.

USTTA's London and Canadian offices stock a variety of English language materials provided by State, local, regional, and private tourism promotion organizations. The Toronto and Montreal offices, however, have problems in obtaining enough literature from some popular areas, such as New York, Florida, Texas, and California. Reasons given for this include the fact that USTTA no longer provides prepaid franked labeling privileges, the high postal rates, and printing costs.

USTTA coordination and assistance  
could improve non-Federal literature

USTTA could help overcome the problems of both availability and suitability of non-Federal literature by encouraging the formation of appropriate regional tourism promotion groups and providing advice and assistance to develop effective regional tourism literature.

USTTA, as the principal Federal agency promoting foreign tourism to the United States, has established and maintains extensive contacts within the U.S. travel and tourism sector. It also has acquired substantial experience and expertise in promoting tourism to the United States during its 20-year existence. USTTA could undertake to encourage the formation of appropriate regional tourism promotion groups that would include State and local tourism agencies and private organizations that benefit from tourism in the region.

Although some promotional organizations may be reluctant to participate, the 5 regional groups comprising 31 States demonstrate that regional groups are feasible. To encourage a regional approach to the development of tourism information literature, the USTTA should emphasize the following advantages.

- Tourism experts regard regionally focused literature as most useful to foreign visitors in planning trips.
- A single regional brochure that replaces numerous State, local, and private brochures would provide substantial savings in developing and producing literature.
- A regional program could provide a broad base of support and minimize the cost for each participant.
- A regional brochure is likely to enhance the opportunities for and acceptability of commercial participation and related financial support.

USTTA's major contribution under this alternative would be the distribution of regional literature through its foreign offices. However, it could also advise and assist in the development of regional literature based on its experience in producing and distributing TPAs. In particular, USTTA could have its foreign office staffs arrange for translating brochures and could provide advice on physical characteristics of brochures needed to facilitate overseas distribution. For example, foreign postal authorities may impose restrictions on the dimensions of materials to be carried in the mail. The foreign offices have provided such services from time to time in the past, and can continue to do so.

TEMPORARY SHORTAGE OF BROCHURES  
MIGHT HAVE BEEN AVOIDED OR BETTER MANAGED

The temporary shortage of program literature might have been avoided or reduced through more aggressive efforts to obtain alternate funding to print USTTA literature as encouraged by the 1981 Act. Also, the effects of the shortage could have been reduced by relying more on non-Federal literature.

Although funding uncertainty delayed the printing of TPAs until after March 1982, USTTA had "camera-ready" copy ready to send to the printers by December 1981. At that time, only the funding constraints held up printing, and USTTA's foreign offices had already run out of some TPAs. One option for obtaining needed supplies of TPAs would have been to seek contributions from State and local tourism promotion agencies to pay for printing.

Four of 12 State travel officials we interviewed told us they would favorably consider such a request, while 7 thought their States would be unwilling to contribute. One State travel official was uncertain about contributing. However, USTTA did not contact any of these organizations but waited until Federal funding uncertainties were resolved in March and then placed printing orders with May 31 delivery dates. As a result, the field office TPA shortages continued and were likely to worsen before new supplies arrived.

USTTA could supplement its TPAs by developing and distributing annotated bibliographies of U.S. tourism information available from various sources in its markets as some USTTA regional offices have done. For example, Pan Am's 666-page "USA Guide-Everything You Need to Know About 50 Great States-and U.S. Territories," contains the same type of data as USTTA literature, but in much more detail. It is for sale in English at most Pan Am offices around the world. Foreign publishers also produce detailed U.S. guidebooks which could be highlighted in a bibliography. Such bibliographies would have been particularly useful during the shortage of TPAs and should be relatively inexpensive to develop using existing resources. USTTA field office staff can use the books and publications in each office's reference library for much of the bibliographic information. These bibliographies in turn would help actual or potential foreign visitors identify publications on travel and tourism in the United States.

CONCLUSIONS

Because of uncertain funding for USTTA in 1981 and 1982, Travel Planning Area brochures were in short supply at USTTA's foreign offices. The fiscal year 1983 budget request provided

for no funds to print the brochures. Accordingly, continuation of this form of assistance to foreign tourists appears doubtful.

We believe that the kind of tourism information provided in USTTA's brochures is useful to prospective foreign tourists and should continue to be available. We agree in general with the "alternate funds" approach set forth in USTTA's 1983 marketing plan. However, efforts to obtain monetary contributions to support the plan from organizations that benefit from tourism have met with little success.

An alternative means of sustaining the program would be to increase its reliance on tourism promotional literature produced by others. Such literature has not always been suitable for program use because its geographic focus has sometimes been too narrow, it has usually not been in the needed foreign languages, and it has had other technical problems. In addition, this literature has not always been available. We believe USTTA could overcome these problems by encouraging the formation of regional tourism promotion groups where none exist and helping these groups and others to develop effective regional tourism literature. Further, the regional approach offers the benefits of broad-based support and economies in the development and production of literature.

The temporary shortage of program literature in 1981 and 1982 might have been avoided through more aggressive efforts to obtain alternate funding to print USTTA literature. The effects of the shortage could have been reduced by relying more on non-Federal literature. Because literature shortages are likely to recur before a long-term solution is effective, USTTA needs to consider measures to deal with such shortages.

#### RECOMMENDATIONS

In view of the Commerce Department's determination to carry out the consumer information program only if alternate funds can be obtained, as encouraged by the National Tourism Policy Act of 1981, we recommend that the Secretary of Commerce direct the Under Secretary of Commerce for Travel and Tourism to encourage beneficiaries of foreign tourism to the United States to develop and supply regionally focused brochures in appropriate languages for distribution by USTTA's field offices. Specifically, the Under Secretary should be directed to:

- Encourage and coordinate efforts of States, cities, and other appropriate entities not already regionally grouped to join together to develop regionally focused brochures.
- Have USTTA's foreign offices provide advice and where practical assist regional trade promotion groups in brochure design, translation, and distribution efforts.

--Work with regional groups to find ways to pay the costs of developing, printing, and shipping their brochures to USTTA's regional offices.

We believe assistance in the development and translation of regional literature for USTTA's markets can be provided by USTTA's present field office staff. USTTA field offices have helped to upgrade and translate tourism literature and its headquarters staff have provided liaison assistance between domestic tourism promotion organizations and USTTA's field offices. We believe the necessary domestic coordination can be accomplished by USTTA's headquarters staff (at planned levels) incidental to their normal coordinative activities.

To minimize possible gaps in information availability during the implementation of the approach recommended above, USTTA should:

1. More aggressively seek others to pay for printing TPAs, using USTTA's camera-ready copy. Tourism promotion entities with specific interests should be told that the TPAs are camera-ready and can be printed at moderate costs.
2. Seek non-USTTA literature for areas where stocks of TPAs are short. For example, brochures produced by The Foremost West and the Old West Trail Foundation appear to be suitable for overseas distribution. USTTA should work with such agencies to obtain their literature to overcome shortages.
3. Develop and distribute annotated bibliographies of tourism information available from other foreign-based sources or for sale. This could be a useful information supplement even when stocks of TPAs or other literature are plentiful.

#### AGENCY COMMENTS AND OUR EVALUATION

The Department of Commerce commented that our recommendation to refocus the USTTA literature program to ensure that tourism information will continue to be available to USTTA offices abroad is worthy of exploration and analysis and that the Under Secretary for Travel and Tourism has been discussing the feasibility of a regional brochure concept with public and private groups. (See app. III.) However, Commerce believes there is a serious question whether the program can be refocused exactly as we recommended because of budget uncertainties and lack of funding in the regions. Nevertheless, we believe that our recommendation is still appropriate. The major reservations expressed by Commerce are summarized below, followed in each case by our evaluations.

- Commerce questioned whether many States would have the desire or the financial resources to jointly develop regionally focused brochures and noted that implementing such a proposal could take as long as 2 years.

We agree that literature produced by regionally focused tourism promotion organizations may not achieve full representation of all States and all possible tourist destinations. Each jurisdiction will have to assess for itself the relative costs and benefits of participation. It could take 2 years or more to implement our proposal, since we view the program as a continuing endeavor that may have increasing participation if it proves successful. We believe the proposal should be considered in the context of the present circumstances, which greatly limit the options available for sustaining an information program. As pointed out in our report, the administration's budget proposal provides no funds to support the program and efforts to secure non-Federal financial support have met with limited success to date. One remaining option--that program beneficiaries fund, produce, and distribute tourism information literature with USTTA assistance and coordination--is consistent with our recommendation.

- According to Commerce, our recommendation that "USTTA's foreign offices assist \* \* \* in brochure design, translation, and distribution," conveys an overly optimistic implication that the staff of these offices possess the technical skills for graphic design, literary style, and printing production. Also, distribution, which is now handled by mailhouse contractors abroad, would have to be funded by the regional groups.

We believe that Commerce has interpreted "assist" more broadly than we intended. We stated that "USTTA's major contribution under this alternative would be the distribution of regional literature through its foreign offices." The design functions that we referred to were characterized by the example cited on p. 13, with respect to advising on the physical characteristics that brochures need to facilitate overseas distribution. The regions would be responsible for design and production, but arrangements could be made for USTTA information specialists in target markets to provide advice and assistance within their competence to the regional groups. Our intent concerning translation services was to provide access to a service that might be difficult to obtain in some U.S. locations. We understand that the Frankfurt and Paris staff have provided translation services in the past, but the key point is for the offices to provide access to such services, either internally or through contracts. We recognize that the

proposed 1983 budget would not provide funds to support mailhouse contractors and agree that this expense would have to be funded by the regional groups or through other alternate funding.

--Commerce stated that our recommendation that USTTA work with regional groups to find ways to pay the costs of developing, printing, and shipping brochures does not address the magnitude of the costs involved and that "To achieve the superior distribution levels which GAO suggests \* \* \* we would have to foresee literature funding levels of \$1.5 to \$2.0 million in 1983 and 1984." USTTA's headquarters staff has been reduced to the point where there are no staff members whose duties and functions include providing liaison for State/city affairs.

We do not recommend any particular distribution level for tourism brochures nor attempt to estimate the funding required to support the refocused program. The quantities of regional brochures to be distributed and the amount of funds committed to the program will have to be determined by the regions, giving consideration to the benefits they perceive and funds available to them. Commerce's funding estimate appears somewhat excessive in relation to USTTA's estimate in the 1983 Annual Marketing Plan submitted to Congress in March 1982. Under high-option funding in that plan, (\$12 million combined Federal and alternate funds), USTTA proposed to allocate \$1 million for a tourism information literature program which "\* \* \* makes possible new, creative treatment for informational literature, and supporting trade materials such as regional destination posters, National Park information, and other activity feature materials in foreign languages."

We recognize that the USTTA headquarters staff has been reduced to about 20 and that they must focus on priority matters. We did not attempt to assess the relative importance of USTTA's various programs and activities. However, encouraging and coordinating tourism information programs primarily operated by regional groups should be accorded a high priority, consistent with the priorities and goals proposed by the Under Secretary for Travel and Tourism in testimony for a House Appropriations Subcommittee in March 1982. The Under Secretary stated then that the Federal role in tourism is primarily coordinative, advocative, facilitative, and promotional. In noting that some activities would no longer receive Federal funding, he cited printing and dissemination of brochures as candidates for alternative funding and suggested that they could be funded cooperatively by regional groupings of States and private organizations. Presumably, arrangements with such groups were to be made by the headquarters staff.

LIST OF USTTA  
REGIONAL BROCHURES (TPAs)

1. San Francisco, Northern California, and Northern Nevada
2. Los Angeles, Las Vegas, Southern California, and Southern Nevada
3. Texas
4. Denver/Salt Lake City (Colorado and Utah)
5. New Orleans and the South (Louisiana, Mississippi, Alabama, Arkansas, Tennessee, Kentucky)
6. Arizona and New Mexico
7. Atlanta and Georgia and North and South Carolina
8. Hawaii and the U.S. Islands of the Pacific
9. Seattle/Portland and Washington, Oregon, and Idaho
10. St. Louis/Kansas City and Missouri, Kansas, and Oklahoma
11. Chicago, Detroit, and Great Lakes Country (Illinois, Indiana, Ohio, Michigan, Wisconsin)
12. Wyoming and Montana
13. Puerto Rico and the U.S. Virgin Islands
14. Alaska
15. Nebraska and North and South Dakota
16. Washington, D.C./Philadelphia and George Washington Country (Maryland, Delaware, West Virginia, Virginia, Pennsylvania, District of Columbia)
17. Miami/Miami Beach and Florida
18. Boston and New England (Connecticut, Rhode Island, Massachusetts, Maine, Vermont, and New Hampshire)
19. New York City (New York and New Jersey)
20. Minneapolis/St. Paul (Minnesota, Wisconsin, Iowa)



**UNITED STATES DEPARTMENT OF COMMERCE**  
**The Under Secretary for Travel and Tourism**  
Washington, D.C. 20230

July 14, 1982

The Honorable Henry Eschwege  
Director  
United States General Accounting  
Office  
Washington, D. C. 20548

Dear Mr. Eschwege:

Thank you for giving me an opportunity to review and comment on the draft of the proposed report on "Printing of Tourism Information Literature by the U. S. Travel and Tourism Administration."

We appreciate the level of effort which your auditors put into the research and the extent of the field work required for this task. I am told that our agency staff relationships on this project were excellent.

We feel certain that the report has been written in a manner intended to be constructively critical and to provide advice and assistance on how greater reliance on the use of non-federally produced literature could be helpful in implementation of the alternate funding clause of the National Tourism Policy Act. Our enclosed comments are made in that same spirit of cooperation designed to produce a more meaningful analysis and conclusion. We hope they will be of help to you prior to completing and issuing your report. If we can be of further help on this project, please don't hesitate to let me know.

Thank you once again for your efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter McCoy".

Peter McCoy

Enclosure

## I. Letter to Secretary Baldrige from Frank Conahan.

The following comments pertain to the letter to Secretary Baldrige from Frank Conahan and are presented in consecutive page number order.

Page 1

- The GAO letter to Secretary Baldrige from Director Conahan recommends that USTTA's literature program be re-focused to ensure that tourism information will continue to be available to USTTA field offices abroad. We feel that this recommendation is a proposal worthy of exploration and analysis and the Under Secretary for Travel and Tourism has been talking to public and private sector groups to determine the feasibility of the regional brochure concept. There are many hazards that could limit the implementation due primarily to budget uncertainties and regions' lack of funding.

This agency shares with the Director the underlying premise that such materials should be available on a dependable basis as a primary requisite to the operation of a Federal tourism organization. There is a serious question, however, that this program "can be" re-focused exactly as the report describes and recommends.

- The brochures are called Travel Planning Area brochures and not Travel Planning Aids.
- We suggest that to be precise the budget sentence should read "The Administration's fiscal year 1983 budget request to Congress provides...."
- The implication of the clause "efforts to obtain contributions...have met with little success", is that the agency has been trying hard and for some time to seek contributions but has been unsuccessful. This is misleading. Until the National Tourism Policy Act, which was approved October 16, 1981, USTTA did not have clear authorization to seek alternate funding. No action has yet been taken by Congress on the FY 1983 budget. Uncertainties on probable appropriation levels add to the difficulties in securing alternate funding.

Page 2

- The sentence in the proposed cover letter to the Secretary beginning: "Further, regional brochures are considered more useful to foreigners..." does not identify the authority for so sweeping an assumption. The touristic motivations of "foreigners" in their resident marketplaces do not conform to the political or topographical contiguity of any given group of states, but derives instead from a complex perception of the character of certain primary touristic target areas such as San Francisco, New York, Florida or Hawaii. These names evoke images and expectations of excitement, cultural opportunity, easy-living or sun and surf. These motivational expectations revolve around target places which need shaping in the minds of the foreigners in terms of "exactly where?" - "exactly what?" and "what else can I do nearby?" Or "what can my family do nearby?" In this way Florida means sun and beaches, but also Disney World; San Francisco means a lovely harbor and Chinatown, but also comes to mean vineyards and redwood trees, Fisherman's Wharf and even Reno and Lake Tahoe. What the foreigner wants are facts which will expand the target image to a broad but manageable horizon.

This was the conceptual, motivational objective of USTTA's Travel Planning Area brochures, based on the needs and wants of the consumer in the marketplace, and not on the political contiguity of States in a geographic region.

- The GAO Director makes a specific policy and programmatic recommendation to the Secretary - that he direct the Under Secretary for tourism to:

"...Encourage and coordinate States, cities and other appropriate entities not already regionally grouped to join together to develop regionally focused brochures."

This recommendation does not acknowledge the reality that regional groupings of tourism interests in the United States have traditionally centered around the areas less frequently visited by the international visitors including all of those listed on page 10; i.e., the Ozarks, Old West Trail, Great Lakes Council, etc. These do not include many of the primary tourist destinations for foreign visitors; specifically California and New York. Florida, on the other hand, shown here as part of the Travel South region, has traditionally preferred to do its own major promotions without participative dilution with States less successful in international production.

The implication that the five regional tourism organizations listed are homogeneous and will be sufficiently well-funded to produce literature in the quantities that might be needed is speculative, in that these "entities" have, in the recent past, counted on Federal grants and Federally funded Regional Commissions which are now inoperative. Currently they depend for funding on hard-pressed State legislative appropriations.

Implementation of such a proposal could involve a two year time-frame.

- Another recommendation would direct the Under Secretary to

"Have USTTA's foreign offices assist...in brochure design, translation and distribution efforts."

The proposal gives no cognizance to the fact that the preparation, design and production of tourism literature (much like the development of promotional materials for any commercial product or service) calls for specialized professional skills in design and printing. In previous years, USTTA had a full-time professional staff of four persons assigned to the task of directing the design and content of literature and ancillary promotional materials; of conducting or supervising the research, writing the scope of work for design, production and printing contracts and related services, and of managing the production development, the distribution and storage of such materials in the five languages which are basic to USTTA in the development of foreign tourism to the USA.

The USTTA offices abroad routinely contract for such services to outside professionals for the limited spectrum of materials which they produce locally. Even the translation of text into foreign languages and the typesetting and proofreading of such texts and galleys call for professionals in this specialized industry. Certainly the incumbent USTTA information specialists have skills and knowledge in the substance of the tourism product, but are not qualified in the technical requirements of graphic design, literary style, and printing production. The implication that they have such specialized skills and could apply them from distant foreign locations to U.S. regional publication needs is overly optimistic. We also routinely distribute through our present mailhouse contractors abroad regional, State and city literature. However, in the \$5 million proposed FY 1983 budget these distribution services are not provided for. The distribution service would also have to be funded by the regional groups.

- The recommendation also suggests that the USTTA should -  
"Work with regional groups to find ways to pay the costs of developing, printing and shipping their brochure."

The GAO report does not address the magnitude of the costs involved in the context of their findings. Recent USTTA budgets for the items elsewhere specified in this report (Maps, Travel Planning Area brochures; USA Information brochures) were budgeted at \$1.4 million and \$656,000 in 1979 and 1980 respectively. To achieve the superior distribution levels which GAO suggests would be desirable for present needs in a growing market, we would have to foresee literature funding levels of \$1.5 to \$2.0 million in 1983 and 1984.

- We believe it is incorrect to think the present USTTA field office staff can develop and translate regional literature for the markets. The staffs do not have the technical background and experience for editorial and translation skills required to produce suitable brochures. We also do not have the staff resources or skills to personally handle translations. These would have to be contracted out at the region's expense.
- USTTA's headquarters staff has been reduced to the point where there are no staff members whose duties and functions include the design, production, writing, and printing of brochures nor providing liaison for State/City affairs.

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