

John Longstreet Testimony to the Pennsylvania Senate and House Joint Committee Hearing on Tourism Funding

March 16, 2016

9:00 AM

Chairwoman Ward, Chairman Farnese and Chairman Hickernell and members of the committees, thank you for taking the time to convene this hearing to discuss the important subject of tourism marketing and the necessary funding needed within our Commonwealth. I'm John Longstreet, President & CEO of the Pennsylvania Restaurant and Lodging Association, whose members include some 7,500 restaurant and hotel properties across the state. Our association prides itself on representing all 21,000 restaurants and 1,400 hotels in the Commonwealth, along with their over half a million employees.

The beauty of the subject we are here to address today is that we're not asking for money, we're offering a solution that will improve the general fund of Pennsylvania AND (this is the important point) perhaps for the first time--we will be introducing evidence to prove that this plan will work.

At its peak the Commonwealth was investing some \$40 Million dollars per year to bring visitors and their money to the state. Last year, the state spent about \$2 million dollars on tourism marketing, of which only \$10,000 went to advertising. That investment placed Pennsylvania 50th out of 50 states in terms of tourism advertising. Even more disconcerting is that over the last six years of reduced tourism funding, we have lost \$324 million dollars NET in state taxes. In a moment I'll introduce Adam Sacks, President of Tourism Economics, who will provide more details about the ramifications of the defunding and, more importantly, the opportunities of reinvesting in tourism.

Each year since tourism has been defunded, legislation has been introduced to reverse this trend and begin to re-fund this important line item--state tourism marketing. Not surprisingly, though, none of the legislation ever made it through the legislative process.

Consequently, the PRLA, along with the Pennsylvania Association of Travel and Tourism and over 25 other partners, in an effort to be proactive, commissioned a comprehensive study last fall to accurately measure the impact the defunding of tourism had on state taxes and to determine the potential revenue the state would see by making an appropriate investment in tourism marketing.

We received proposals from four firms and chose the highly regarded firm of Tourism Economics in partnership with Longwoods International. In our opinion this collaboration of these two highly regarded firms made possible--research, data collection and analysis which have led to the findings we will present to you today.

As I mentioned earlier, here with us, is Adam Sacks, President of Tourism Economics. Adam will now review highlights of the study and we will be prepared to answer any questions you may have when he concludes.