

Testimony of

Bruce Hyde

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10/10/07 Commissioner Bruce Hyde, Vermont Department of Tourism & Marketing

Canadian travel to Vermont is critical to the state's economy. It is extremely important that the border facilitates the movement of travelers, goods and services as expeditiously as possible. While security is paramount for the country's well being, it is also important to consider the economic impact if border crossings limit this free flow of commerce. These issues are of critical importance to both the United States and Canada.

In 2005 there were 1.92 million Canadian day visitors to Vermont spending an average of \$66 per day. Nearly \$350,000 per day is spent by Canadian day visitors. Canadian day visitors comprise over two thirds of all out-of-state day visitor traffic to Vermont. Day visitation from our neighboring states of New York, Massachusetts and New Hampshire combined is only one third of the total. Of all the research the Vermont Department of Tourism and Marketing (VDTM) has done recently, this is the most "surprising finding" according to State Economist Jeffrey Carr.

In 2005, Canadians accounted for 20 percent of our entire out of state visitation. Total Canadian visitor spending averages more than \$644,000 per day. In 2006, overnight Canadian visitors spent an average of \$204 per trip, which was up 20 percent over 2005 estimates due to longer stays and increased purchases of both goods and services. Vermont's tourism infrastructure has a lot of room for growth. Currently, Vermont has an occupancy rate of around 40 percent and the Canadian visitation is an important and increasing sector of the tourism economy.

Web traffic and visitor inquiries continue to increase from Canada. Canadian requests for vacation information increased 17 percent in September over last year. This is clearly a result of the strong Canadian dollar and more aggressive marketing in Quebec by VDTM. Visitor Centers along our northern border have experienced double digit increases over the last few months.

While Canadian visitation has increased significantly over the past few years, international visitation to the United States has declined 17 percent since 2001 resulting in the loss of billions of dollars in revenue and 200,000 jobs nationwide. During the same period, international travel has increased over 20 percent worldwide. The United States has lost a great deal of opportunity in this very important, low-impact export industry. The potential for international visitors entering Vermont from Montreal and other Canadian entry points is enormous, but unfortunately very curtailed in today's environment.

Canadians utilize the Burlington International Airport due to its convenience and competitive prices. Over 30 percent of travelers flying out of Burlington are from north of the border. The number continues to increase, despite little marketing effort in Canada.

The Western Hemisphere Travel Initiative (WHTI) has already had a negative impact on potential travel from Canada. VDTM and other Vermont organizations are constantly fielding questions from Canadians and tour operators about the passport requirements. There is a great deal of confusion about the documents required at the border. Less than 40 percent of Canadians have passports. This is a significant expense for many families and most certainly is a deciding factor when Canadians plan a vacation or trip.

Many of our border communities and families are split by the international property line. Families live on either side. School activities, sporting events, festivals and family gatherings take place on both sides of the border. Travel to and from these activities should be easily accomplished. Commerce needs to move as freely as possible.

While the enhanced driver's license will help Vermonters' identification requirements when returning to the United States, it does nothing to assist with Canadian entry. I hope the United States and Canadian governments can work together to establish efficient border criteria so both countries can continue the long standing exchange of people, goods and services.