



**Testimony of**

**Scott White, President & Chief Executive Officer  
of the Greater Palm Springs Convention and Visitors Bureau**

**On**

**“Where the Jobs Are: Promoting Tourism to America.”**

**Before the**

**U.S. House of Representatives  
Committee on Energy and Commerce  
Subcommittee on Commerce, Manufacturing, and Trade**

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**Greater Palm Springs CVB**  
70-100 Highway 111  
Rancho Mirage, CA 92270  
760.770.9000  
Fax 760.770.9001

# **GREATER PALM SPRINGS CALIFORNIA**

## **INTRODUCTION**

Chairman Bono Mack, Ranking Member Butterfield and Members of the Subcommittee: Thank you for the opportunity to testify today on behalf of our destination, Greater Palm Springs, California. Tourism is the number one industry for our region and we applaud you for holding today's hearing and recognizing the importance of travel. I am the President & CEO of the Greater Palm Springs Convention & Visitors Bureau, we are a Joint Powers Authority, representing eight cities within the County of Riverside. Tourism and Hospitality is the leading industry in Greater Palm Springs, one in every six jobs are tourism related, accounting for over 24,000 jobs. Tourism generates an estimated \$2.1 billion in economic impact.

## **OVERVIEW**

Greater Palm Springs is located in Southern California's desert region, two hours east of Los Angeles. Population is estimated at 448,000 full-time residents and in the winter months, the population grows by an estimated 30-40% with additional part-time residents. The destination offers more than 200 hotels with over 18,000 hotel rooms.

Annual hotel occupancy for the destination is increasing. Reported occupancy rates were 51% in 2010, 55% in 2011. In First Quarter 2012, occupancy was at 69%, more than 6% over the same period in 2011. Additionally, Revenue Per Available Room (RevPAR) has increased more than 12% while Average Daily Rate (ADR) has increased over 5%, for the same period.

Air access to the Palm Springs International Airport (PSP) is available via 11 airline carriers, with specific carriers increasing flights and routes during the fall, winter and spring seasons. The Palm Springs International Airport and the Greater Palm Springs CVB worked together to attract additional routes to the destination and in the first quarter of 2012 we were able to increase capacity by 22% more seats equating to a 17% in passenger traffic over the same time last year. In addition, the increased capacity reduced the airfare by 13%, creating a competitive environment that both visitors and residents benefited from.

Meetings and Conventions are critical for our destination. In 2011 the Conventions & Visitors Bureau booked over 150,000 room nights into the destination for future dates, representing 258 groups with over 90,000 delegates and over \$94 million in new direct spending. It is impossible to replace the benefits of face to face networking and the opportunity to learn, develop relationships and grow your business.

As we report strong figures for the first quarter of 2012, our industry remains exposed to many threats that can impact our destination. The economic downturn that began in 2008, as well as the negative repercussions felt throughout the travel industry as the result of the AIG scandal, had as much of an impact on our destination and the small business owners as anywhere else in the nation.

Key attractions that depend on group business from conferences, tradeshow and business trips saw their business decrease by as much as 70%, forcing staff and management reductions and foreclosures.

The Greater Palm Springs CVB represents over 1,300 businesses that depend on tourism either directly or indirectly. The economic downturn exposed the true value of our industry and has brought our local leaders together recognizing the power of travel and the positive impact it has on a community. For many cities the taxes collected from tourism rank as their number one or two source for income.

Tourism allows the cities to provide services and amenities without having to raise taxes. As a regional destination it is critical that we diversify our sources of visitation.

The destination is dramatically impacted by seasonal temperatures that impact the area's population, hotel occupancy and number of flights. Our high season is January through May, when our warm winter climate attracts visitors and second home owners from the northern United States and Canada.

During our off season, June – September occupancy and average daily rates decrease significantly forcing many employers to reduce the number of jobs and negatively impacting local governments.

### **INTERNATIONAL OPPORTUNITY**

We recognize international visitation as an opportunity for our destination to diversify and grow an important segment positively impact our off-season.

The Travel Promotion Act and the creation of Brand USA are vital for the United States to be competitive and vital for a regional destination such as ours to effectively compete. We do not have the budget or resources to effectively market on a global basis.

The Greater Palm Springs CVB is dependent on organizations such as Visit California and now Brand USA to effectively reach the international consumer and educate them on the benefits of visiting our destination. International visitors stay longer, spend more money and become strong advocates for our destination and our country.

We currently target international visitors through receptive operators, tour operators and wholesale operators.

Currently our top international countries are:

1. Canada
2. United Kingdom
3. Germany
4. Australia
5. France

Direct impact is difficult to measure, as many international visitors will fly into gateway destinations such as Los Angeles and San Francisco and will drive the entire state, seeking the authentic California experience, like Joshua Tree National Park which attracts 1.2 million visitors annually. Our state park, Mount San Jacinto attracts over 450,000 visitors and is available via the Palm Springs Aerial Tramway, featuring the World's Largest Rotating Tramcar; Visitors travel to an elevation of 8,500 feet in a matter of 10 minutes, taking them from the desert floor to a pristine wilderness with more than 50 miles of hiking trails.

It is impossible with our budget and resources to share this experience with the international consumer on a broad platform and influence the traveler to stay longer or plan a return visit.

We feel the new Brand USA campaign will enable Greater Palm Springs to target new destinations and grow our economy. Emerging markets for our destination include Japan, China, India and South America. The primary travel time frames for international visitation is April – September, which is also the time period when most major meetings and conventions do not meet. It is our off-season and greatest opportunity to add jobs, grow tax revenues and positively impact our community.

## **CONCLUSION**

The services and support that the Greater Palm Springs CVB provides to our partners and community are vital to keep our destination economy healthy and vibrant. We appreciate your time today and the opportunity to share our view point. We hope Congress recognizes the importance of tourism in the United States and will support programs that will increase travel and ultimately put more Americans back to work.