

**Testimony of Carolyn Boser Newhouse**

**Before the  
Pennsylvania House of Representatives  
Tourism & Recreational Development  
Committee**

**Hearing on House Bill 2056  
Creation of the  
Pennsylvania Tourism Commission**

**April 4, 2012**

Chairman Stern, Chairman Kirkland and members of the Committee, thank you for the opportunity to be here today. My name is Carolyn Boser Newhouse and I serve as the deputy secretary for Pennsylvania's Office of Innovation and Investment in the Department of Community and Economic Development. Governor Corbett has placed tourism within my deputate, recognizing the important role tourism plays in the commonwealth's overall economy and our economic development efforts.

Prior to my appointment by Governor Corbett earlier this year, the bulk of my professional career has been spent as a serial entrepreneur in a diverse set of businesses ranging from founder and CEO of a wired and wireless communications company to co-founder and president of an engineering company specializing in supply chain automation, from president of a limited partnership for commercial real estate to president of an LLC for a multi-faceted retail operation. I would also like to note that I hail from Bradford, PA located in McKean County in the north-central region of our state.

As a business owner I have faced the typical challenges many Pennsylvania business owners face. No matter the challenge, the successes I have realized in the private sector directly correlate to the following:

- 1) my ability to identify a market need
- 2) to then define and effectively execute a plan to profitably address this need
- 3) to pull together the team necessary to realize success.

I have always embraced the challenges inherent in identifying and then solving problems and I look forward to working closely with the Governor's office, the legislature and the tourism industry to define and execute a successful public/private partnership transition plan.

I have convened an inclusive Tourism Privatization Work Group comprised of many of the individuals that worked to create House Bill 2056 that would establish a public/private partnership for statewide tourism marketing. We have held two highly productive meetings in the past three weeks and I am committed to making this one of my top priorities moving forward.

What became clear at the first meeting is that this is not an easy issue. There are challenges the Tourism Privatization Work Group needs to work through, with the funding being one of them.

Other states have addressed the funding issue in a number of ways and what is clear from this review is that Pennsylvania's solution will need to be unique to Pennsylvania, involve the private sector, and be flexible enough to take on any challenges that may arise regardless of the state's financial picture.

I commend our tourism industry for their vision and passion in stepping forward to be an integral part of the solution and we all recognize that the state can simply no longer operate the way it has for the past 50 years or so. We all realize it is time for us to embrace a new paradigm in the way we structure and fund our tourism marketing operations.

One of my first meetings as Deputy Secretary was with the Pennsylvania Association of Convention and Visitors Bureaus' (PACVB) Executive Committee. In addition to meeting with the PACVB, I have also made it a priority to meet with our local tourism partners throughout the state to listen to their concerns and the challenges they face. It has been a great experience to learn about all the things these partners are doing to market and bring tourists to our state and to their respective regions.

So far, I have had five meetings – starting in Erie meeting with the Tourism Promotion Agency (TPA) directors from Pennsylvania's Great Lakes region; then on to Philadelphia meeting with individuals from the Philadelphia and the Countryside region. I next went to State College

where I met with tourism leaders from The Alleghenies region and then up to Moosic for the Upstate PA and Lehigh Valley regions. My most recent meeting was in Pittsburgh where I got to sit down with tourism leaders from the Pittsburgh and its Countryside and Laurel Highlands regions. I am looking forward to my upcoming meetings scheduled with leaders from the Pennsylvania Wilds, Valleys of the Susquehanna, and Dutch Country Roads tourism regions.

I have come away from each meeting humbled by the commitment, passion, experience, and concern this group of individuals has conveyed as they market and promote Pennsylvania at the local level. I have been deeply impressed by their understanding that the status quo no longer exists; but also the realization that statewide marketing is essential if Pennsylvania is to be successful in the highly competitive tourism market.

We are not just competing with our neighboring states for tourists and the tourist dollar, but with every other state in this country. I am sure you have all seen the ads from Michigan, North Carolina, Florida and even Colorado and California. But the competition is even greater than that. Practically every nation on this earth is actively competing in the tourism market, many with budgets that number in the hundreds of millions of dollars because tourism means jobs and tourism brings much needed revenues.

It is within this highly competitive environment the state and our local tourism partners are operating. They have told me they rely on statewide marketing to help drive tourists to their destinations and to maintain and cultivate "Brand Pennsylvania." They have also told me they know the tourism industry has to be part of the solution in supporting statewide marketing.

House Bill 2056, developed in partnership with Pennsylvania's tourism industry, provides a solid foundation on which the Privatization Work Group can build. The initial members of this work group are now reviewing how other states structure their statewide tourism marketing

operations. We are very cognizant of the fact that what works for one state may not be the ideal solution for Pennsylvania, but we would be remiss if we did not examine how other states have confronted these challenges.

Our initial review has shown that while many states have retained their statewide tourism operations in-house, as either a standalone agency or as part of a larger agency, as Pennsylvania does now, there are also other models that warrant our attention and investigation. Many of these involve some form of public/private partnership. Most of these are governed by a board comprised of members from both the private and public sectors. However, a few states – notably California, Florida, and Oregon – have structured their statewide tourism governance boards primarily, if not solely of private sector individuals representing various components of their state’s tourism industry, with requirements to ensure geographic, as well as industry sector representation.

We are also looking at Washington State, which closed its tourism office last June, and has a purely private model. They have established a 501(c)(6), have a governing board and bylaws. They too are struggling with the critical issue of funding. Right now, they are relying on industry memberships at varying levels of contributions to fund their operations and recognize their current \$400,000 or so budget is not enough to mount a comprehensive and effective statewide tourism marketing program.

I would like to close with the following beliefs and core values that I have brought from my life in the private sector.

First, is to always provide a solution that best serves the interests of the client; in this case the thousands of tourism businesses throughout the commonwealth, many of which are small businesses like the ones I started, that benefit from statewide tourism marketing efforts.

Second, represent ourselves, the commonwealth and our partners with respect, passion, perseverance, and consistency.

And finally, embrace change – both for the prospect for growth it brings and for the opportunity to create a statewide tourism marketing program that becomes the model other states look to – a model that is truly innovative, efficient and effective. I am confident that together we can do this.

DCED is committed to making the time, resources, and research necessary to find a viable, long-term solution that works for Pennsylvania.

Thank you for providing me the opportunity to comment on this vitally important issue.