



# The United States Conference of Mayors

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## THE NATION'S MAYORS FOCUS ON AIR TRAVEL IN AMERICA: NATIONAL ACTION FORUM ON ECONOMIC IMPACT OF TRAVEL INDUSTRY/ARTS

Palm Beach, FL – In the midst of the national financial crisis, U.S. Conference of Mayors President Miami Mayor Manny Diaz, along with Honolulu (HI) Mayor Mufi Hanneman, West Palm Beach (FL) Mayor Lois Frankel and USCM CEO and Executive Director Tom Cochran, today held a Mayors' Forum on Air Travel, Tourism & the Arts and the impact that each sector has on the U.S. economy.

More than 40 mayors from key cities around the country gathered at the Breaker's Hotel in Palm Beach (FL) to discuss the impact of air travel industry on the U.S. economy, and mounting challenges that are undermining economic growth. Mayors heard from industry experts who explained that in 2007, the airline industry generated \$172 billion in revenues -- an amount equal to 1 percent of the U.S. gross domestic product. However, increasing jet fuel prices and growing flight delays have created a crisis with U.S. air travel in that 12 U.S. airlines have ceased operating since 2007 according to the Airport Transport Association (ATA).

The ATA also predicts that by the end of 2008, dozens of U.S. airports will have lost all of at least one airline's scheduled service -- impacting economic growth in the nation's metropolitan areas. In 2008, jet fuel prices reached all-time highs, causing the loss of more than 36,000 jobs and the retirement of approximately 750 aircraft. Moreover, the decline in overseas travel since 2000 has cost America \$150 billion in lost visitor spending and 250,000 American jobs -- losses that affect every state and city in the country.

According to the U.S. Travel Industry Association, 28 percent of travelers avoided at least one trip over the past year due to the problems inherent in today's commercial aviation process. The same survey found that 78 percent of respondents believe the air travel system is either "broken" or in need of a "moderate correction."

In response, mayors are urging that existing levels of service be preserved to support economic growth in metropolitan areas. Mayors are also calling for reforms to the Transportation Security Administration (TSA) to ensure that TSA uses the most up to date technology to provide security for air-travelers, as well as encouraging the airline industry and the federal government to accelerate research and development for alternative fuels. As a long-term solution to air congestion, mayors are proposing the use of inter-city high speed commuter rail as an alternative to air flights of 500 miles or less. To accomplish this goal, mayors want to integrate air-rail regional planning in the federal transportation bills pending before Congress.

Honolulu Mayor Mufi Hanneman, Chair of the USCM Arts/Tourism Committee, said, "The nation's arts and tourism activities are an important component of our national economy. Protecting our nation must remain paramount, but a better balance is needed between homeland security and economic vitality. Cities are undoubtedly affected by the challenges facing our airline industry, therefore, it is essential that mayors are at the table offering their ideas and recommendations."

The forum also featured a discussion on the nonprofit arts and culture industry, which generates \$166.2 billion in economic activity every year. Mayors believe the national impact of this industry is significant because it supports 5.7 million jobs and generates \$29.6 billion in government revenue. As a result, the nation's mayors are calling for a cabinet-level position on culture and tourism.

"Mayors recognize that arts, culture, travel and tourism are driving forces for America's diplomacy and economy," said Mayor Diaz. "For too long, we have dealt with these issues in a piecemeal fashion and have not addressed the needs of these industries in a comprehensive manner."

This mayors' meeting on Tourism and the Arts was the fifth and last in a series of mayoral forums in key cities around the country intended to challenge the next Presidential Administration to invest in America's cities and metropolitan areas -- the economic engines of the nation accounting for 86 percent of the Gross Domestic Product and where over 85% of people in the country live.

Recommendations from the mayors' forum will be presented to the next President of the United States during the critical first 100 days of the new administration toward the creation of a metro/national/urban agenda. The first forum was on Crime in Philadelphia;

the second was on Infrastructure in New York City; the third was on Poverty held in Los Angeles; and following the Environment & Energy Forum in Miami, the last forum will be held on the Arts in Palm Beach.

Mayor Diaz believes that Washington no longer invests in its cities and its people. He has said, "Washington has lost its values – lost its principles – lost its sense of purpose – engaging in endless debate and partisan bickering while people in this country continue to suffer. ... Plain and simple, Washington has abandoned us."

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