UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

June 10, 2013

The Honorable Cameron Kerry
Acting Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Secretary Kerry:

On behalf of the United States Travel and Tourism Advisory Board, we are writing to offer the Board's recommendations for aviation policy and enhancing travel and tourism in the United States. We believe that this can best be accomplished by supporting investments in air traffic control technology and in the nation's airports.

As the President's Task Force on Travel and Competitiveness recognized in its National Travel and Tourism Strategy (Strategy) last year, travel and tourism are critical to the American economy. In 2012, the travel and tourism industry generated $1.4 trillion and supported 7.7 million jobs. Real travel and tourism spending grew 2.7 percent in 2012, outpacing the 2.2 percent growth rate for the economy as a whole.[1] The number of travelers by air continues to increase – according to the Department of Transportation's Bureau of Transportation Statistics, passenger enplanements on US air carriers increased by more than 41 million between 2000 and 2011, stretching the system's ability to meet the needs of the nation's economy. In calendar year 2007, the Federal Aviation Administration (FAA), within the Department of Transportation (DOT), estimated that the national cost of airport congestion and delays was almost $31.2 billion ($27.2B direct and $4.0B in GDP). The FAA anticipates that the cost of congestion and delays to the economy will rise from $34 billion in 2020 to $63 billion by 2040, unless action is taken.[2] The American Society of Civil Engineers gives our aviation system a grade of D+, representing Poor: At Risk.[3]

In order to reach the Strategy's goal of welcoming 100 million annual visitors by 2021, our nation must focus on aviation infrastructure investment both in the air and on the ground. The Strategy recognizes

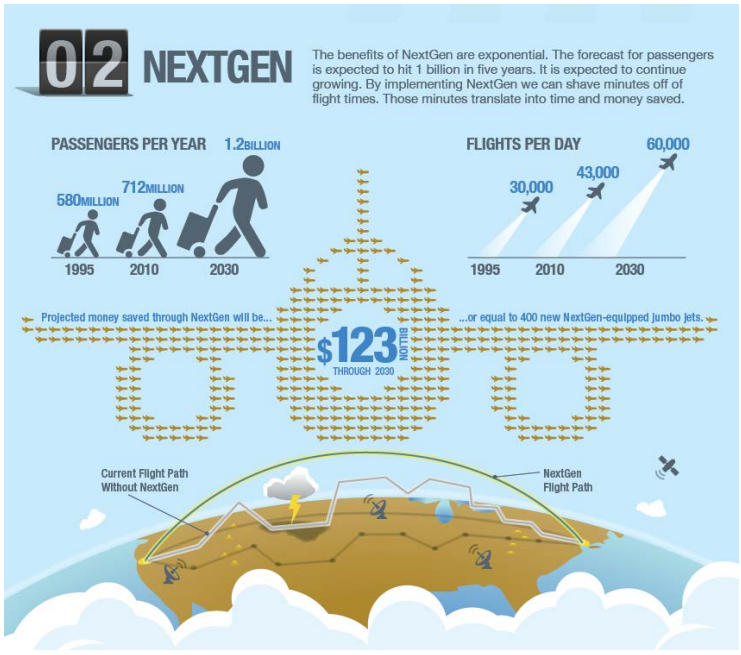
[1] Office of Travel and Tourism, Policy and Planning, U.S. Department of Commerce
[2] American Society of Civil Engineers 2013 Report Card for America's Infrastructure.
[3] Ibid.

that the United States must *Maintain and Improve Transportation Infrastructure*[4], with specific focus on implementing the Next Generation Air Transportation System (NextGen).

Under the leadership of the FAA, the complex work to develop and implement NextGen is underway. Yet few domestic or international travelers appreciate the profoundly negative impact air traffic control delays are having on our economy. In the New York City area alone, the Partnership for New York City concluded that flight delays at the region's three major airports (JFK International, Newark Liberty and LaGuardia) were responsible for more than $2.6 billion in losses to the regional economy in 2008, and that the projected cost to the regional economy could grow to $79 billion by 2025.[5]

In an effort to demonstrate the importance of NextGen investment, DOT Deputy Secretary John Porcari has often said that NextGen is the largest infrastructure project in the United States today.[6] While NextGen is hard for people to comprehend because the technological systems are largely invisible to most Americans, [7] the benefits will be obvious in the form of shorter flight times, fewer delays, and fewer emissions. A modernized air traffic control system isn't just important to the aviation or even the travel and tourism communities. Our challenge is to shine a light on the importance of this work and to educate business and consumers alike about the significant cost to travelers of an unimproved system today, and the great benefits a modernized system will bring to our economy. By doing so, we hope to encourage greater and faster investment in NextGen.

The benefits of NextGen can be easily demonstrated[8]:

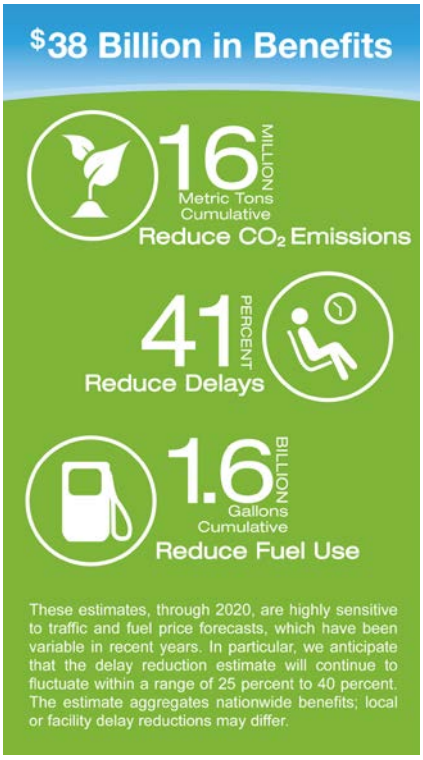


[4] US Travel and Tourism Strategy, pg. 27
[5] Partnership for New York City, Grounded: The High Cost of Air Traffic Congestion, February 2009.
[6] Statement of the Honorable John D. Porcari and Acting Administrator Michael Huerta, FAA, USDOT, before the Subcommittee on Aviation, Committee of Transportation and Infrastructure, U.S. House of Representatives. September 12, 2012.
[7] FAA Acting Administrator Michael Huerta, "More Direct Routes with NextGen." Oakland International Airport, Oakland, CA. March 19, 2012. Speech.
[8] Infographic from FAA NextGen Office

In order to accomplish this task, we recommend that the Department of Commerce partner with the U.S. Travel and Tourism industry on a public education campaign on the benefits of aviation investment. By enabling and educating the travel, tourism and business communities on the value and benefits of air traffic control and airport investment, we hope they will join us in an effort to accelerate its implementation to benefit all travelers and shippers as well as our overall economy.

In terms of NextGen, we propose that the Department of Commerce, with subject matter experts from the DOT, FAA and industry, organize a series of six regionalized presentations over the next 12 months – including three within the next six months in key cities – that would inform the local travel, tourism and business community on the value and benefit of a modernized aviation transportation infrastructure. We propose to explain that their local economies are adversely impacted by an overburdened system that creates congestion and delays which results in lost time and money. In addition, by not having NextGen, we are unable to achieve the environmental benefits of lower emissions that may be realized by more direct routings.

The goal of this public-private partnership, with involvement from Commerce, DOT and FAA as well as business and tourism leaders, is to build broader support for NextGen implementation and for the funding and other tools required by FAA to speed its work. We ask that the Department report back to the Board at its next meeting in September with detail on the initial sessions held, and based on that feedback we may have additional recommendations at that time.



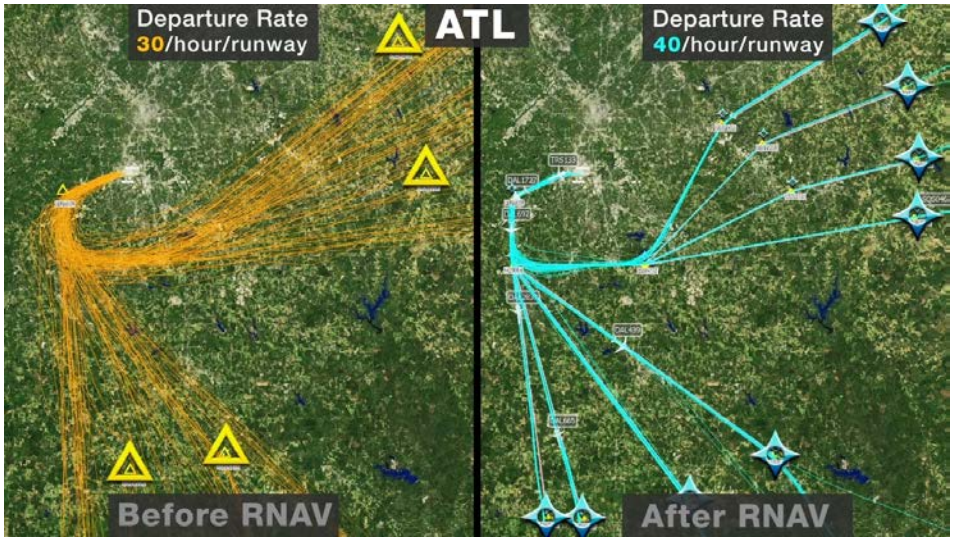
The nation's aviation infrastructure is an asset that drives the economy and connects businesses. The continued modernization and improvement of that asset is a long-term investment that will allow us to remain globally and locally competitive, fostering economic growth. Because much of the equipage is made by manufacturers such as Honeywell and Boeing, advancing these technologies will catapult the United States ahead of Europe, Canada and Australia, creating future export opportunities for Air Traffic Control technology in China and India. Without this needed investment, America's aerospace and aviation industries will be placed at a competitive disadvantage.

The United States is not the only nation developing a modernized air traffic control system. In Europe, development of its Single European Air Traffic Management Infrastructure (SESAR) system is well underway. Leaders in government and industry from the United States and Europe have worked to harmonize the two systems to ensure global compatibility. We support this work and urge that it be continued.

In order to be most effective, we propose the Department implement a series of regionalized briefings with key stakeholders in select cities that have NextGen technology, programs or procedures in place or soon to be operational. The goal of these meetings will be to clearly communicate the value of a modernized system and to provide the influencers in each community the tools to communicate the need for continued investment.

One important message that should be communicated at these briefings is that NextGen implementation can't happen all at once. There is no giant NextGen switch to be flipped – but a series of systems to be implemented. Even as the larger components of NextGen are being developed, there are incremental steps that can be taken today. Some of the technology on which NextGen will rely is available and already in many commercial aircraft. The best example is a very accurate form of satellite-aided, performance based navigation (PBN). When implemented, these PBN procedures have significant benefits in the terminal area around airports – improving safety and efficiency while reducing the environmental impact of aviation operations. The FAA should prioritize PBN procedures that can produce immediate benefits for the flying public by utilizing existing equipage. Because NextGen is a system of systems, in which a number of overlapping technologies are each being enhanced to provide benefits in specific regions and across the airspace, enhancements in one region will benefit the system as a whole.

This figure demonstrates the beneficial impact of PBN procedures at Atlanta Hartsfield International Airport, increasing efficiency and reducing delays[9]:



Unfortunately, even though many commercial aircraft have the PBN technology installed, it cannot be used until specific procedures are developed by the FAA for individual runway approaches at airports. Congress has directed that FAA expedite deployment of PBN procedures and focus its efforts on the

[9] Infographic from FAA NextGen Office

top 35 busiest airports in the United States.[10] We commend the FAA for diligently working to meet this mandate and recommend that the Department of Commerce support it in any way possible.

With more than 735 million domestic travelers on US airlines in 2012, and FAA projections of increases to nearly 1.15 billion in 2033[11], we must consider the state of our infrastructure on the ground as well as in the air. NextGen improvements are critical to achieving efficiency and safety advancements to meet tomorrow's needs and should be complemented by appropriate investment in our nation's airports infrastructure.

The Role of Airport Infrastructure

Development of airport infrastructure is a key complementary component to the NextGen investments already underway. Proper capacity on the ground is necessary to achieve the full benefits of NextGen. As stated earlier, airport congestion and delays add substantial financial and environmental burdens to our national aviation system. As focus grows on the FAA's implementation of NextGen, it is crucial that awareness of the need to increase investment in airport infrastructure likewise increases. We propose that the public educational campaign suggested above include emphasis on necessary airport improvements.

Beyond playing a critical role in system-wide efficiency enhancements, airport infrastructure also plays an important role in the global competitiveness of our travel and tourism industries. Airports are often the first and the last impressions for travelers and their experience in our cities, states, and our country are affected by their time spent in our airports.

As our nation faces budget pressures that may prevent adequate funding to address the entirety of the infrastructure needs demonstrated above, the FAA should focus its attention – as we and others have urged in the context of NextGen – on the airports and regions which serve the greatest number of travelers in order to achieve the greatest impact in a short period of time. It is important that the federal government not only recognizes the economic benefits of tourism, but also provides the resources - through federal programs and policies - to help us effectively be a magnet for visitors, domestic and international.

The United States has been the world leader in aviation since the Wright Brothers first flight in Kitty Hawk, North Carolina. Yet today, we are challenged by other nations who are focusing unprecedented resources on the development of aviation infrastructure. Other nations are investing in their airport infrastructure and winning awards for their work.[12] China has indicated it plans to build 70 new airports in the next few years in addition to expanding many current facilities.[13]

Aviation infrastructure – NextGen and at airports – is too important to our nation's continued economic prosperity and competitiveness to ignore. We encourage the Administration and Congress

[10] Section 213 of the FAA Reauthorization and Reform Act of 2011.
[11] Fact Sheet – FAA Forecast for Fiscal Years 2013-2033, http://www.faa.gov/news/fact_sheets/news_story.cfm?newsId=14374
[12] http://www.worldairportawards.com
[13] Civil Aviation Administration of China (CAAC) Chief Li Jiaxiang speech at IATA Annual General Meeting June 2012

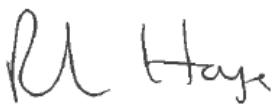
to explore both short and long term programs that provide sustainable and stable funding solutions for these projects.

As the voice of American business and a key partner of the travel and tourism industry, we believe the Department of Commerce is uniquely positioned to join with industry in educating both the travel and tourism and general business communities about the importance of investment in our nation's aviation infrastructure – both in the air and on the ground. We look forward to working with you in order to accomplish that mission.

Sincerely,

Todd Davidson
Chair

Sam Gilliland
Vice-Chair



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