



UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

December 12, 2013

The Honorable Penny Pritzker
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Secretary Pritzker,

On behalf of the United States Travel and Tourism Advisory Board (Board), we respectfully submit the Infrastructure and Sustainability Subcommittee's recommendations regarding advancements in implementing President Obama's National Travel and Tourism Strategy (Strategy). We believe the set of policies, actions, and recommendations set forth by the Task Force on Travel and Competitiveness and those contained in the Strategy are relevant, comprehensive, and attainable. Further, infrastructure enhancements are essential elements to achieving the goals set by the Strategy, and it is our intention to provide direction and substance to the Strategy within the scope of our Subcommittee discussions.

The Strategy emphasizes attracting 100 million international visitors by the end of 2021 and encourages Americans to travel within the United States and its territories. We are anxious to contribute to this goal however our work will require steadfast diligence and attention to multiple implications. While the creation of travel and tourism jobs coupled with the lure of visitor expenditures numbering \$250 billion dollars is a worthy goal for the United States, with the assistance of Brand USA, this remains a realistic goal. As we consider how increasing numbers of international and domestic travelers will be transported throughout our great country, we must consider improving America's transportation infrastructure, including our air traffic control system, crowded international airport terminals and runways, overtaxed rail system coupled with the need to sustain and maintain our interstate highways. Substantial investment is needed and new requirements for sustainable practices are necessary to enhance our nation's infrastructure.

The Tourism Policy Council is uniquely positioned to lead the cross-departmental effort necessary to achieve our recommendations and the goals of the National Tourism Strategy. Your

leadership position on the Tourism Policy Council is a key component to achieving success. We respectfully offer our recommendations as support and potential focus to your leadership.

The Board recognizes our recommendations extend beyond the purview of the Department of Commerce. However, it should be also be noted that many important contributions of the U.S. Travel and Tourism Advisory Board in recent years have included valuable contributions by the Departments of State, Homeland Security, and Transportation. While coordinating with various governmental agencies is a key component of the National Strategy, our recommendations will include cooperation within the Departments of Transportation and the Interior. Among the five key components identified in the Strategy, two are particularly relevant to infrastructure development: ***Enabling and Enhancing Travel and Tourism To and Within the United States*** and ***Providing World Class Customer Service and Visitor Experiences***. Our recommendations are in support of these two key components and, in summary, address these critical areas:

- Enhancements to (MAP-21).
- Infrastructure and business development support to federal public lands.
- Strategic investments in infrastructure nationwide.
- Sustainability concepts.

Enhancements to Moving Ahead for Progress in the 21st Century Act (MAP 21).

This critically important transportation act of 2012 represents the framework for the development and funding of our nation's transportation infrastructure during a two-year fiscal period and has important implications to the Strategy. ***Enabling and Enhancing Travel and Tourism to and within the United States***, suggests "Connect visitors to iconic and off-the-beaten-path destinations". It further explains the importance of programs that increase access and awareness, such as the Federal Surface Transportation Program, and the Federal Lands Highway Program. Yet, under MAP-21, the critical funding for many such programs important to travel and tourism is distributed to the individual States in support of their priority projects with little or no coordination toward any particular national outcome or goal and certainly without addressing benefits to the travel and tourism industry.

We recommend a two-step approach to optimize MAP-21 with regard to the Strategy.

The Board respectfully requests a formal letter outlining the benefits of travel and tourism be sent jointly by you and the Secretary of Transportation to each Governor outlining the National Tourism Strategy and its importance to our national economy with respect to MAP-21 infrastructure projects. State and local transportation planners might not be aware of the positive economic impact of travel and tourism, yet coupled with successful advancement of the National Tourism Strategy their projects will translate into additional tax receipts. Further, we

recommend, when appropriate, that the Department of Transportation encourage individual States to make travel and tourism-related infrastructure projects a priority.

Second, since MAP-21 is authorized through FY 2014, the Board also recommends the Secretary work with the Secretary of Transportation in developing the Administration's reauthorization proposal as MAP-21 expires. We urge the Administration to include language within the proposal that encourages individual States to give priority consideration to transportation projects that support the National Travel and Tourism Strategy in allocating their MAP-21 funds. Ultimately, we seek to harmonize divergent state transportation projects with the National Travel and Tourism Strategy while focusing substantial sums of funding toward necessary infrastructure improvements.

Infrastructure support to Public Lands and Elevating the Understanding of the Prominent Role of Public Lands in Travel and Tourism and the economy

Public Lands play a critical role in the National Travel and Tourism Strategy. The Strategy states: *The Federal government owns and manages some of America's most iconic symbols. From the Statue of Liberty to the Grand Canyon, America's public lands, waters, and destinations play an outsized role in supporting the travel and tourism economy. Recreation in national parks, wildlife refuges, forests, marine sanctuaries, and other federally managed lands and waters contributed more than \$62 billion and 612,000 jobs to the U.S. economy in 2010, the most recent year for which data is available. (page 7) And, when travelers visit a federally managed site – such as a national park, refuge, marine sanctuary, or forest – the U.S. government gains a unique opportunity to create an unforgettable experience . . . The challenge for our Federal agencies is to provide information and services to a wide variety of visitors from across the country and the world . . . Certain challenges at times threaten the ability of Federal agencies to deliver on this promise. A mismatch between visitor volume and service capacity can be difficult to navigate.*

Data collected by the U.S. Travel Association indicates America's National Parks generate an estimated \$30 billion in economic activity each year, but they have been chronically underfunded by as much as \$600 million per year, and budget sequestration further cuts investment. A dramatic example of the importance of our National Parks is illustrated by the public outcry and negative financial impact witnessed during the recent government shutdown for 16 days in October 2013. The loss of over \$500 million in admission fees and concession sales will not be recovered during FY 2013¹. Additionally 401 of our Nations Parks lost more than \$1.2 billion dollars in visitor spending by the more than 11 million lost visitors.²

The Board urges you to be a strong business voice and to request and initiate additional development and staffing levels necessary to support and sustain additional visitors to our Public

¹ Office of Management and Budget

² National Park Service

Lands. Small businesses surrounding these lands were negatively impacted during the Government shutdown, and must be considered with contingency plans in the future to prevent the closure of our precious National Park System. The closure of the Parks came at a time of annual trip- planning for commercial tour operators and the sum of the total damage is yet to be realized. Public lands initiatives are often viewed as conservation initiatives and primarily the purview of the Department of Interior (where the National Park Service, U.S. Fish and Wildlife Service, and the Bureau of Land Management reside) and the Department of Agriculture (where the U.S. Forest Service resides). However, infrastructure enhancements on Public Lands are *business development* opportunities. The promotional messaging of Brand USA will most certainly drive more visitors to National Parks and other Public Lands in the years ahead. Yet, adequate staffing, repair and maintenance, and needed projects seem to face recurring challenges. In addition, the National Park Service is preparing for its centennial celebration in 2016, and it would be well timed to introduce key infrastructure projects in time for the celebration.

We urge your voice in support for the reauthorization of the Federal Lands Recreation Enhancement Act (Title VIII, P.L. 108-447), also known as FLREA.

FLREA, enacted in 2004, represents the authorization for businesses to be permitted for operation on Federal lands. There are over 5,000 private-sector businesses currently authorized to conduct business activities on National Forest lands; because this data does not include authorized businesses who operate within the National Park Service, the U.S. Fish and Wildlife Service, the Bureau of Land Management, and other Federal Public Lands, the number is actually quite higher. While some very large businesses are involved, the majority of businesses are small and micro businesses, many of which contribute to the economies of and jobs for the rural communities located near Public Lands. This 10-year bill was recently extended through December 8, 2015 in legislation that ended the government shutdown. While the subcommittee welcomes this news, we request a permanent authorization solution be pursued.

In addition to authorizing businesses to operate on Public Lands, *FLREA* provides the agencies, including the National Park Service, with broad authority to collect fees for amenities, developed facilities, reservation services, specialized tours, and equipment provided directly by the agencies. It is a very important program for the travel and tourism industry because it allows for the reinvesting of fees to the site of collection specifically to build infrastructure, enhance visitor services, and reduce the backlog of maintenance needs for recreation facilities. In recent years, *FLREA* has generated more than \$300 million per year in fees which have been reinvested in programming and infrastructure development.

Additionally, *FLREA* provides for the authority for the America the Beautiful annual pass program which allows the ticketholder access to more than 2,000 federally managed sites with one fee. This program facilitates and encourages travel throughout rural areas and throughout the country and is extremely popular with both domestic and international visitors.

The subcommittee urges you to enthusiastically support a long-term reauthorization of FLREA in support of the National Travel and Tourism Strategy.

Many renowned National Parks are currently operating at full capacity and are unable to accommodate additional overnight and/or day visitors. There is also a related quality issue. When visitor demand is high in or near a National Park, few incentives exist for businesses operating in and adjacent to these Parks to maintain the facilities or operate them with an emphasis on best industry practices. Due to the limited permitting process, there simply isn't competition to drive innovation with the highest of standards. As Brand USA works to lure millions of visitors and as government begins to achieve the goals of the Strategy, a capacity and infrastructure crisis will be realized.

The Board recognizes the protected ecosystem of our Public Lands as a valuable asset and driver for domestic and international tourism. We encourage a dialogue with the Secretaries of the Interior and Agriculture to create a new business model, one where additional permits are available for the construction of new hotel and lodging sites, where attention to sustainable practices are built into the permit requirements and the general public realize the joy of enhanced accommodations without compromising National Park values. Further, we believe there are outstanding opportunities to provide incentives to utilize sustainable building and operational practices in the process of developing new infrastructure assets for National Parks and other Public Lands where expansion of facilities are appropriate. Additional concession fees for the Park System, opportunities for small medium and large American companies, sustainable building and business practices along with improved amenities for the traveling public may all be realized with attention to this idea, ultimately supporting growth and improved visitor experiences, commanded by the Strategy.

Strategic Investments in Infrastructure

In its infrastructure and sustainability recommendation earlier this year, the Board emphasized the importance of speedy investment and implementation of the Next Generation Air Traffic Control System (NextGen). Advancing NextGen remains a top priority of our subcommittee work because we recognize our nation's ability to achieve the objective of attracting 100 million international visitors by 2021 is hampered by our infrastructure in the air and on the ground. In addition to modernizing Air Traffic Control technology and procedures through NextGen, investment in airport infrastructure such as gates, runways, and airport access projects will be necessary to meet the current and future demand of those traveling by air. We must review long-term funding options that exist today, examine ways to strengthen the existing funding sources, and explore innovative investment tools that will complement existing airport funding sources. A strategy is needed in order to create sustainable funding to invest in airport infrastructure. We remain committed to working with the Administration to emphasize the importance of aviation infrastructure investments – modernizing Air Traffic Control technology and investing in airport projects which enhance efficiency and increase throughput – not only to

accommodate new international travelers but also to minimize the delays and associated environmental and noise impacts, as well as lost productivity that US travelers experience too often today. Finding solutions to these challenges require reliable funding and access to innovative investment tools. The next reauthorization of the *FAA Modernization and Reform Act* will provide an opportunity to enact the changes needed to aviation system and airport financing that will offer travelers a more efficient and enjoyable experience. At the same time, we can ensure that our aviation and airport network is structurally and technologically ready to compete in the global tourism market – as well as meet the Strategy’s policy goals.

In addition to aviation, the subcommittee has also focused attention on America’s surface infrastructure as a relevant issue for travel and tourism. The Travel and Tourism Industry intensely depends upon the well being of our nation’s interstate highways, bridges and access roads leading to Public Lands. It will be extremely challenging to support the domestic travels of 100 million international visitors by 2021, as directed by the Strategy without reinvesting a portion of the \$250 billion in visitor expenditures to repair and expand our roadways and bridges. The American Society of Civil Engineers (ASCE) gave America’s infrastructure a cumulative grade of D, a result of “delayed maintenance and chronic underfunding.” For example, ASCE’s most recent quadrennial report card for America’s infrastructure found that more than a quarter of the nation’s bridges are either “structurally deficient or functionally obsolete.” This same organization also cites the FAA’s assessment of airport congestions and delays, which reached almost \$22 billion in 2012. Without a significant investment in airport infrastructure, these costs are anticipated to rise to \$34 billion in 2020 and \$63 billion by 2040. Such delays also contradict our efforts to reduce fuel use and associated emissions from the aviation sector.

We encourage you to lead the Tourism Policy Council to explore new methodology for resolving our infrastructure challenges. Ideas spawned from the groups like the Brookings Institution such as a National Infrastructure Bank, proposals offered in their report on the importance of global gateway airports, or other creative public/private partnership investment approaches which may leverage private funds for public projects may be one of the productive answers.³ The Subcommittee urges you to engage in advancing the cause of infrastructure development as a critical component to travel and tourism, to the advancement of the National Travel and Tourism Strategy, and as a critical component to job creation and future economic growth for our country.

Travel and Tourism encourages the advancement of Sustainability

The Board remains focused on promoting sustainability in travel. According to the United Nations World Tourism Organization, “sustainable tourism takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors,

³ “*Setting Priorities, Meeting Needs: The Case for a National Infrastructure Bank*”, December 13, 2012

the industry, the environment and host communities.”⁴ Such definition emphasizes an integrated approach to tourism development in a way that improves the lives of residents, preserves the natural environment and cultural assets in destinations, and improves the enjoyment of visitors and attitude of residents toward tourism. While we fully support and are working toward the Strategy’s goals for increasing international visitors, we must consider sustainability in addition to tourist numbers and their spending.

While tourism is an economic activity largely carried out by the private sector in the U.S., the Federal and State governments have a critical role to play in making policies and master plans for tourism development as part of national, state and local economic objectives. These objectives aim at, in most cases, earning foreign exchange, creating employment, and attracting private investments. Sustainable tourism development, on the other hand, involves these objectives and almost all other aspects of life, in a way that the tourism sector is viewed as an integrated whole with an impact not only on the economy by ensuring more equitable and more widespread distribution of income, but also on society and the environment. Given the relevance of tourism as an engine of economic growth in the U.S., placing greater emphasis on tourism impacts on the environment and the quality of life of local communities will contribute to environmentally and socially responsible growth and sustainable development.

Promotion of sustainable travel and greater incorporation of sustainability into our nation’s travel and tourism goals should be a top priority for the next US Travel and Tourism Advisory Board. While our Subcommittee has only just begun its work in this area, based on lessons learned from sustainable tourism initiatives worldwide, we suggest the next Board consider by three main principles to guide tourism development in the United States:

- i. Ensure viable, long-term economic growth, providing socio-economic benefits to all stakeholders that are fairly distributed, including employment and income-earning opportunities and social services to host communities, and contributing to rural development, capacity building and sustainable development of tourism destinations
- ii. Protect environmental assets that constitute a key element in sustainable tourism development, maintaining essential ecological processes and helping to conserve natural heritage and protect, restore biodiversity and mitigate the impacts of climate change on vulnerable ecosystems and communities.
- iii. Respect the sense of place of host communities, conserve their built and living cultural heritage and traditional values, contribute to inter-cultural understanding, while advancing tourism to showcase natural assets to foster broader environmental awareness by travelers.

⁴ United Nations World Tourism Organization (<http://sdt.unwto.org/en/content/about-us-5>)

As we build toward the future and work toward achieving the Strategy, those working in travel and tourism need to embrace sustainable solutions and integrate sustainability into every facet of our work. We need to be perceived as being “part of the solution” rather than “part of the problem.” The Board intends to work in future years to challenge you and the whole of government to work toward sustainable solutions through prudent policy and constructive public/private partnerships, and the development of infrastructure that minimizes environmental impacts by travelers and tourists

We thank you for the opportunity to serve as members of the U.S. Travel and Tourism Board and look forward to continuing our work together.

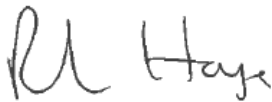
Respectfully Submitted,



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