

# WSTPC NATIONAL ISSUES BULLETIN

March, 2006

*An e-mail service for members of the Western States Tourism Policy Council by WSTPC Washington, DC, Representative Aubrey King (202.251.6845), who can provide more details on any of the issues reported here. Comments or suggestions are always welcome. New information since the last National Issues Bulletin is in bold.*

## CONTENTS

<i>Immigration Reform</i>	<i>1</i>
<i>Gateways Bill</i>	<i>2</i>
<i>National Parks Management Policy</i>	<i>2</i>
<i>Natural Resources Spending in Senate 2007 Budget Resolution</i>	<i>3</i>
<i>Federal Lands in President's 2007 Budget Proposal</i>	<i>3</i>
<i>International Tourism Marketing</i>	<i>4</i>
<i>Facilitation of International Travel</i>	<i>5</i>
<i>Federal Highway Rescissions and Future Reauthorization</i>	<i>5</i>
<i>Recreation Fees</i>	<i>6</i>
<i>Federal Land Sales</i>	<i>6</i>
<i>Celebrating the Interstate and New Tourism-Transportation Partnerships</i>	<i>7</i>
<i>Taxes on Travel and Tourism</i>	<i>7</i>

## *Immigration Reform*

**The WSTPC in a March 27<sup>th</sup> letter from Chairman Carl Wilgus to the Senate Judiciary Committee and the leadership of the Senate explicitly endorsed and supported the bipartisan policy resolution on immigration reform adopted by the Western Governors' Association. The WGA position includes ten specific points, including support for comprehensive reform; opposition to blanket amnesty for all undocumented persons currently in the U.S.; full funding of personnel, technology and infrastructure for effective border security and enforcement; support for a national temporary guest worker program; and improvements in the facilitation of international visitation to the U.S.**

One of the most controversial issues before Congress in years is the question of immigration reform. H.R. 4437, the Border Protection, Antiterrorism and Illegal Immigration Control Act, was introduced by House Judiciary Committee Chairman James Sensenbrenner (R-WI) on December 6, 2005, and passed the House of Representatives just ten days later. This bill is strongly opposed by the U.S. Chamber of Commerce and other business interests, including many tourism and hospitality companies, because it would require reverification of all 140 million immigrant workers and would classify millions of undocumented aliens as "aggravated felons" and require that they return to their home countries before becoming eligible for legal worker status in the U.S. The Sensenbrenner bill would also impose harsh new criminal penalties and heavy fines on employers for even paperwork violations documenting new hires.

The Senate is expected to consider immigration reform in the next several weeks with the Senate Judiciary Committee planning to mark up legislation by the Easter recess (April 17-21). The leading bill appears to be the McCain-Kennedy Bill, S. 1033, the Secure America and Orderly Immigration Act, which is regarded as a more balanced, less punitive reform measure than the Sensenbrenner Bill. S. 1033 is not an “amnesty bill” but would instead increase employer sanctions for knowingly hiring illegal aliens, establish a new temporary worker program, and provide undocumented workers who are in the country and working at the time of the bill’s introduction a process to qualify for legal work status following security and background checks. The bill would also provide reimbursement to the states for certain health care expenses related to the treatment of undocumented immigrants. Senator Chuck Hagel (R-NE) and Senate Judiciary Chairman Arlen Specter (R-PA) also have introduced separate bills along the same lines as the McCain-Kennedy Bill. Senators John Cornyn (R-TX) and Jon Kyl (R-AZ) have introduced legislation closer to the Sensenbrenner Bill.

### **Gateways Bill**

**In the last month, the WSTPC has met directly with Senate National Parks Subcommittee Chairman Craig Thomas (R-WY) and top staff of the Senate Forests Subcommittee and Forests Subcommittee to urge positive consideration of the Gateways Bill.**

The Gateway Communities Cooperation Act (H.R. 585) is now before the Senate after passing the House of Representatives on December 6, 2005. Gateway communities serve as gateways for millions of visitors to the national parks, forests and other Federal lands. This legislation was inspired by two WSTPC Gateway Conferences in 1999 and 2002 and its passage has been a high WSTPC priority because it promises to improve relationships between gateways and the Federal land agencies.

Under the bill, communities would be certified as “gateways” by either local Federal land managers or by state tourism offices and the Federal agencies would be required to involve gateways as early as possible in the preparation of their critical multi-year plans and assist those communities to participate in the planning process in a meaningful manner.

### **National Parks Management Policy**

**On February 17, 2006, WSTPC Chairman Carl Wilgus submitted formal comments to the National Park Service regarding the NPS Draft Management Policies. The comments commended the NPS on revisiting its 2001 Management Policies but made several recommendations “intended to improve the final NPSMP to make the NPS more sensitive and more responsive to the needs and demands of this very special industry/business of tourism.” The comments recommended that the final NPSMP: (1) Recognize the positive potential of the travel and tourism industry; (2) Recognize a potential, invaluable role for State Tourism Offices; (3) Recognize the**

role of the NPS Tourism Office; and (4) Recognize the Importance of Gateway Communities.

**Natural Resources Spending in Senate 2007 Budget Resolution**

The Senate 2007 budget resolution for fiscal year 2007 (S. Con Res 83) as passed by the Senate on March 16<sup>th</sup> sharply reduces natural resources spending by 16 percent. Although this cut appears staggering, it must be noted that it includes emergency and other supplemental spending in its FY 2006 comparable totals. Nonetheless, at a minimum, natural resources spending would be cut one percentage point from 2006 to 2007. It should be borne in mind, however, that the budget resolution is essentially advisory only and sets a total discretionary domestic Federal spending cap. It will then be up to the respective appropriations subcommittees to establish spending amounts for agencies and programs.

The House Budget Committee is expected to approve its 2007 budget resolution by the end of March and it must then be voted on by the full House before being reconciled with the Senate measure.

**Federal Lands in President's 2007 Budget Proposal**

President Bush's proposed budget for the 2007 fiscal year is a mixed bag for the Federal land agencies, with sharp reductions projected for the Forest Service in recreation related programs while the National Park Service fares moderately well, with the NPS Operations and Operations Maintenance actually given respectable increases. The State side of the Land Water Conservation Fund is zero funded. Following is a brief summary overview showing the amounts called for in the President's budget for 2007, with the amount appropriated by Congress for 2006 in parentheses:

*NPS Operations* \$1.74 million (\$1.72 million)

*NPS Operations Maintenance* \$601.8 million (\$593.1 million)

*NPS Construction* \$229.3 million (\$313.9 million)

*NPS Recreation and Preservation* \$33.3 million (\$54.2 million) (Reduction resulted mainly from transfer of heritage areas program with \$13.9 million to the Historic Preservation Fund and elimination of earmarks.)

*National Heritage Area Grants* \$7.3 million (\$13.9 million)

*Federal Side of Land Water Conservation Fund* \$91 million (\$125 million)

*State Side of LWCF* \$-0- (\$30 million)

*National Wildlife Refuge Operations* \$381.7 million (\$382.5 million)

*BLM Recreation* \$63.8 million (\$65.8 million)

*Corps of Engineers Operations and Maintenance* \$2.258 billion (\$1.989 billion) (increase mainly due to Hurricane Katrina recovery expenses)

*Corps of Engineers Construction* \$1.555 billion (\$2.372 billion) (because of use of special Congressional appropriation for Katrina recovery)

*Forest Service Recreation and Wilderness* \$250.88 million (\$265.2 million)

*Forest Service Trails* (includes OHV implementation) \$60.341 million (\$74.882 million)

*Forest Service Roads* \$182.787 million (\$222.181 million)

Two caveats must be borne in mind: First, Congress usually increases the President's budget requests for the Federal lands. Last year, for example, the final appropriation for Forest Recreation and Wilderness was \$8.1 million more than the President had requested. President Bush's budget cuts have already stimulated much opposition in the media and on Capitol Hill, although most of that has been directed at the cuts in Medicare, Medicaid and other "entitlement" programs. On the other hand, it should be noted that because personnel costs will increase about three and a half percent in 07, the real decreases in program funds are greater than the preceding figures suggest.

### **International Tourism Marketing**

President Bush's budget contains no funding for the U.S. Travel and Tourism Promotion Advisory Board because "No funding is requested for this program as travel promotion activities can be handled through a variety of non-federal sources."

This, however, will not affect the ongoing activities of the Commerce Department and the Advisory Board, which is fully funded through the end of 2007, by previous Congressional appropriations. The \$6 million tourism marketing campaign in the U.K., created by the Advisory Board in 2003, has been joined this year by a similar campaign for Japan, with funds directly appropriated as a line item by Congress.

Many in the travel and tourism industry, however, would like a significantly greater level of Federal support for international tourism marketing and in 2007 an industry effort is expected to try to develop a plan and strategy to achieve that goal.

### **Facilitation of International Travel**

**In a March 16<sup>th</sup> joint letter, Travel Business Roundtable Chairman Jonathan Tisch and TIA President Roger Dow complained to Secretary of State Rice and Secretary of Homeland Security Chertoff that the Federal government was making little substantive progress in implementing its pledge to develop by the end of 2006 a land border identification card that will satisfy the requirements of the Western Hemisphere Travel Initiative. The TBR-TIA letter requested a plan of action showing how the government intended to meet several specific implementation goals, including how the departments would work with the travel and tourism industry to ensure that the WHTI 2006 deadline would not disrupt cross-border land, sea and air travel.**

On January 17, 2006, the State Department Secretary Rice and Homeland Security Secretary Chertoff announced a new “Joint Vision” to “improve border security while still welcoming visitors to the United States.” The program includes several elements especially applicable to travel and tourism, including development of “model airports,” along the lines of pilot projects at Houston and Dulles, which will have customized video messages and improved screening and assistance for foreign travelers; expanded use of digital videoconferencing for visa applications; formation of a travel industry advisory board; increased use of digitalized e-passports; development of a secure, less expensive passport card for U.S. land borders by late 2006; creation of a global enrollment network to consolidate travel document application information obtained by either DHS or State; refinement and improvement of the US-VISIT entry-exit system; and improved screening of international travelers through the Terrorist Screening Center and the Human Smuggling and Trafficking Center.

The travel and tourism industry, particularly TIA and the Travel Business Roundtable, hailed these new initiatives as promising. Two key tests will be how well they can be implemented to overcome concerns over the identification requirements of the Western Hemisphere Travel Initiative and the October 26, 2006 deadline for biometric passports from visa waiver countries.

### **Federal Highway Rescissions and Future Reauthorization**

As a result of Hurricane Katrina reconstruction costs, Congress imposed nearly a \$4 billion cut in the 2005 SAFETEA-LU Federal highway program for fiscal year 2006. Three separate rescission bills were passed at the end of 2005 that total between \$3.6 billion and \$4 billion. One was an across-the-board one percent rescission for all Federal programs, which meant just over \$400 million for the \$40.7 billion highway program. A second rescission of \$1.143 billion applies to “formula” programs, including transportation enhancements and recreational trails, but not to nonformula programs such as scenic byways, Federal land roads and earmarked projects. A third rescission of \$2 billion also applies to formula programs but not to nonformula programs. These reductions are not otherwise specified but are left up to the states to determine. This may

mean that programs like transportation enhancements, which have never been popular with many state departments of transportation may be exposed to substantial reductions without strong political support.

In the meantime, two 2-year study commissions were authorized by SAFETEA-LU: one on financing options for the future Federal highway program and another for policy options. No money has been authorized or appropriated for either commission, however, so the first task after appointment of the commission members will be to secure funding. Once that happens, these commissions will receive considerable attention as possibly setting the agenda for the 2009 reauthorization legislation.

In the meantime, because of concern over the future of the national scenic byways program, the American Recreation Coalition is organizing support for its continuation and expansion in the 2009 reauthorization.

### **Recreation Fees**

Congress is expected to intensify its oversight of the Federal land agencies implementation of the Federal Recreation Enhancements Act in 2006. The Senate Public Lands and Forests Subcommittee and the Subcommittee on National Parks are expected to hold one or more hearings on the program.

On February 6, 2006, the WSTPC submitted comments regarding the Statement of Proposed Work to implement the America the Beautiful Pass, urging that state tourism offices be explicitly involved in the development of this pass, now expected to be issued for the first time in late 2006 or early 2007.

### **Federal Land Sales**

Multiple possibilities have arisen for new legislation authorizing the sale of national forest and BLM lands. One is the possibility that House Energy and Mineral Resources Subcommittee Chairman Jim Gibbons (R-NV) may revive his 2005 effort to allow sale of public lands with a history of mineral deposits. Another is President Bush's proposal to sell hundreds of thousands of acres of national forest service properties to fund a reauthorized, increased Craig-Wyden Program that provides Federal payments to rural schools to offset a decline in PILT payments. In addition, the Administration has proposed selling \$180 million worth of land managed by the Bureau of Land Management, with 70 percent of the resulting revenue going to the U.S. Treasury.

Both proposals have generated bipartisan opposition in Congress and unvarnished opposition from environmental organizations.

**The Senate 2007 Budget Resolution (S. Con Res 83) does not renounce the Administration proposals to sell Forest Service and BLM properties and thereby**

**leaves open the possibility of Congressional approval, although the Senate Energy and Resources Committee reported to the Budget Committee that a majority of the Energy Committee would not support such legislation and Committee Democrats were united in their opposition.**

### **Celebrating the Interstate and New Tourism-Transportation Partnerships**

In 2006, the interstate highway system will be fifty years old. This 47,000-mile network is arguably the most significant public investment in the history of the nation, if not the world, and it has never cost the Federal treasury a dime since it has been entirely financed through the Federal motor fuel tax. Certainly the tourism industry in America today has been dramatically shaped and boosted by the interstate system.

The WSTPC and the National Tourism and Recreation Coalition for Surface Transportation are joining with the American Association of State Highway and Transportation Officials (AASHTO) to plan an appropriate national celebration of the fiftieth anniversary of the interstate system in 2006. One project being considered would be a reenactment of the 1919 military convoy across America led by then Colonel Dwight D. Eisenhower, which left a lasting impression on the young colonel of the need for a modern national highway system that eventually resulted in President Eisenhower signing into law the 1956 legislation creating what became known as the Dwight Eisenhower National Defense Highway System. The travel and tourism industry and transportation interests are being urged to work together on this celebration in every state.

At the same time, the WSTPC is working with the Transportation Research Board, AASHTO and other tourism and transportation organizations to develop a substantive strategy to promote better relationships between tourism offices and state transportation departments in every state and to broaden support for future Federal highway policies.

### **Taxes on Travel and Tourism**

For the first time since the mid-1990s, there is a resurgence of interest in the travel and tourism industry about the negative impact of taxes at all levels of government on the industry. With an assortment of fees and assessments on travelers on top of the customary business income, sales and property taxes, travel and tourism is arguably the most heavily taxed industry in the country. The National Conference of State Legislatures is considering a study of travel and tourism taxes and the Travel Industry Association of America may do a study of the same topic.

