

WSTPC NATIONAL ISSUES BULLETIN

April, 2005

*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.***

<i>CONTENTS</i>	<i>PAGE</i>
<i>Reauthorization of the Federal Highway Program</i>	<i>1</i>
<i>Congressional Budgets</i>	<i>2</i>
<i>National Recreation Policy Act</i>	<i>3</i>
<i>Travel and Tourism in Homeland Security Policies</i>	<i>4</i>
<i>President's 2006 Budget</i>	<i>5</i>
<i>Air Ticket Tax Increase Proposed</i>	<i>6</i>
<i>Facilitation of International Travel</i>	<i>6</i>
<i>Gateways Bill</i>	<i>8</i>
<i>Recreation Fee Program</i>	<i>8</i>
<i>Tax Credits for National Parks Introduced</i>	<i>8</i>

Reauthorization of Federal Highway Program

As predicted by the WSTPC, it now appears nearly certain that Congress will extend the Federal highway program (TEA 21) a record seventh time when the current extension expires May 31st. The next extension will probably last at least until late July and perhaps until September. Reauthorization still seems likely before the 2006 Congressional election year, but formidable hurdles remain.

The House of Representatives has already passed a six-year \$284 billion reauthorization bill and

On March 10, 2005, by a vote of 417-9, the U.S. House of Representatives passed H.R. 3, The Transportation Efficiency Act – a Legacy for Users, known as TEA-LU, a six-year reauthorization of the Federal highway program. On March 17, 2005, the Senate Environment and Public Works Committee approved the highway portion of a counterpart bill, S. 732. The House Bill would spend \$284 billion over six years on both highway programs and mass transit, while the Senate EPW Committee sets aside \$191 billion for highways over five years. The Administration has indicated it will approve surface transportation funding at the \$284 billion level approved by the House *provided* that the amount of funding for demonstration projects is held down. *(It might be noted that at this time we are talking not about a six-year reauthorization but really no more than a 4-5 year reauthorization since its effective date will be retroactive to 10/1/03, when TEA-21 expired, and the reauthorization will actually end on 9/30/09. This means that the next reauthorization (TEA?) will begin in little more than two years.)*

Programs directly beneficial to tourism and recreation would receive substantial increases under both House and Senate bills. Following are the House and Senate amounts, plus the amounts authorized under TEA-21. Transportation Enhancements: Senate more than \$700 million; House more than \$600 million; TEA-21 \$590 million. Scenic Byways: Senate less than \$35 million pre year; House as much as \$60 million per year; TEA-21 \$26.5 million. Recreational Trails: Senate as much as \$54 million per year; House \$110 million; TEA-21 \$50 million. National Park Roads: Senate as much as \$285.8 million per year; House as much as \$225 million; TEA-21 \$165 million. Federal Lands Highways: Senate \$267.9 million per year; House as much as \$300 million; TEA-21 \$246 million.

In addition, a new category of Recreation Roads is proposed by the Administration at \$50 million per year, with 68 percent allocated to Forest Highways and the balance to BLM, Corps of Engineers and Bureau of Reclamation. The Senate bill authorizes \$44.7 million per year but the House bill does not include this program. This is a significant proposal since it would for the first time authorize Forest Highways to be funded from the Federal Highway Trust Fund.

For a final reauthorization bill to succeed, major challenges will still have to be overcome, with the major interrelated hurdles being (1) achieving the funding levels desired by Congress while ensuring that both donor states (who pay more into the highway trust fund than they receive Federal highway payments) and donee states (who receive more than they pay in) receive increased funding, and (2) restricting the sharp growth in demonstration projects, which have mushroomed from less than two dozen thirty years ago to more than 3,315 in TEA-LU, which authorizes \$11.1 billion for such projects over six years, as much as \$2.5 billion per year. Now consuming nearly 20% of highway expenditures, these demonstration projects reduce flexibility to meet other highway goals.

Congressional Budgets

The House and Senate have once again failed to reach agreement on a fiscal year 2006 Congressional budget by the April 15th statutory deadline. The outlook for public lands funding is not bright under any scenario, however.

Although the Congressional budgets are advisory only, both the House and Senate have approved resolutions that would reduce sharply spending for natural resources and environmental programs. A Senate Budget Resolution (S. Con Res 18) would reduce budget authority for such spending by \$2.6 billion, from \$32.5 billion in fiscal 2005 to \$29.9 billion in fiscal 2006. The House Budget Resolution (H. Con Res 95) would reduce it by \$2 billion to \$30.5 billion).

The final Congressional budget will give the full House and Senate Appropriations Committees a total cap and the committees will delegate caps to individual appropriations subcommittees. In the absence of a Final Congressional Budget Resolution, the House and Senate appropriations committees are proceeding to

make appropriations decisions using the caps provided by their respective budget resolutions.

National Recreation Policy Act

The WSTPC continues to work with the American Recreation Coalition and other recreation industry organizations to draft and advocate a National Recreation Policy Act. This would establish for the first time a national commitment to development of a recreation policy for the country. The bill itself would make no substantive changes in recreation policies or programs, but it could result in a sea change in the emphasis given to recreation on the Federal lands. It would accomplish three major goals:

- (a) It would “declare a national policy regarding the management and use of lands and waters administered by Federal agencies to provide the American public with abundant, high-quality and diverse recreational opportunities to enhance (1) public health and welfare, (2) appreciation of natural resources and the environment, and (3) economic benefits associated with outdoor recreation for gateway, rural and other communities;”
- (b) It would direct the Secretary of the Interior to lead an interagency effort to prepare within 12 months “a national recreation strategy that identifies statutory and regulatory impediments to providing and facilitating a diversity of recreational opportunities on Federally-managed lands and waters, and appropriate means to increase the quantity and quality of recreation opportunities available to the public;” and
- (c) It would establish an ongoing Federal Recreation Inter-Agency Coordinating Council, with state and local government officials and others from the industry as advisors, to improve coordination of recreation programs and policies and implement the national recreation strategy.

On February 9th, the WSTPC joined other industry organizations in explaining this significant legislation to key staff on Capitol Hill. Resistance is expected from environmental organizations that will object to the emphasis this legislation gives recreation and perhaps from some Federal land agencies that do not see recreation as a major part of their mission.

The draft bill is supported by at least 24 recreation trade associations although some have expressed concern that it would favor some modes of recreation over others. Most environmental and conservation organizations have not endorsed it. The Department of the Interior apparently has reservations about the need for national legislation and would prefer solving any problems through administrative actions.

Travel and Tourism in Homeland Security Policies

An April 19, 2005, meeting at the Department of Homeland Security produced encouraging results that promise improved interaction between DHS and the travel and tourism industry. Participating in this meeting were the WSTPC, the Southeast Tourism Society, the American Bus Association, the National Tour Association, and the American Society of Travel Agents, who have formed a coalition to follow-up on implementation of the Porter Amendment passed by Congress last year. The 4/19 meeting produced several noteworthy results and commitments. It was agreed that the two priority areas of homeland security concern for the coalition are (1) facilitation of international travel, especially issues presented by the US VISIT Program, the approaching biometric passport deadline for visa waiver countries and the approaching requirement for passports by all travelers across the Canadian and Mexican borders (including U.S. citizens); and (2) security for special events like large meetings and conventions, entertainment and sports venues.

Both sides made commitments. Mr. Fonts pledged to put the travel and tourism industry in direct contact with Elaine Dezorski, Acting DHS Assistant Secretary for Policy and with Justin Oberman, DHS Assistant Administrator for National Risk Assessment at the Transportation Security Administration. TaraLyn Riordan is to be our ongoing contact.

Mr. Fonts explicitly promised he would "be an advocate" for travel and tourism in the DHS and to work closely with the industry going forward.

The Coalition pledged in response to Mr. Fonts' request, to provide data about the importance of Canadian and Mexican travel to the industry. This will be especially helpful in analyzing the impact of the requirement by 2008 that all cross-border travelers have passports for ID purposes.

With other industry organizations, the WSTPC has been actively working with the Department of Homeland Security to ensure efficient and expeditious implementation of the new statutory directive from the 108th Congress that the Special Assistant to the Secretary for the Private Sector, who reports directly to the Secretary of Homeland Security, must take responsibility for coordinating and consulting on issues related to the travel and tourism industries with the DHS Directorate of Border and Transportation Security, the DHS Office of State and Local Government Coordination and Preparedness and the Department of Commerce Assistant Secretary for Trade Development. This statutory directive was proposed by Representative Jon Porter (R-NV) and the WSTPC was one of the half dozen major tourism organizations that successfully lobbied for its passage.

Following a December 20, 2004, meeting with DHS Special Assistant Alphonso Martinez-Fonts, Jr., the WSTPC, along with the Southeast Tourism Society, the National Tour Association, the American Bus Association and the American Society of Travel Agents, all of whom had also worked to get this provision enacted, jointly drafted and submitted a white paper outlining a proposed working relationship between DHS and this

Tourism Industry Coalition. The White Paper stated that the Coalition is particularly interested in issues regarding nationwide or regional security alerts, passports and substitutes thereof, transportation security (such as Secure Flight), facilitation of international travel (visas, USVISIT, biometric identification, etc.) crowd management issues (especially at national park sites and theme parks), and all other aspects of DHS policies and practices that could impact travel demand and cost of services. Without specifying the exact mechanics of future interaction with DHS, the Coalition expresses particular interest in opportunities to give input on issues prior to their “hardening” into proposed or final policies and practices. The Coalition then promises that the industry can more readily become supporters and advocates for those policies and practices and help educate and prepare the public.

President’s Budget

As expected, the President’s Proposed Budget for the 2006 fiscal year is very tight. Overall, the President’s Budget would eliminate or reduce 150 programs and hold non-homeland security discretionary spending flat for the next five years – the deepest domestic reductions proposed since the Reagan era – as part of a declared effort to cut the Federal deficit in half by 2009.

Following are selected highlights from the proposed budget regarding public lands and transportation programs especially important to tourism and recreation:

Public Lands: On the bottom line, the administration budget recommends a net decrease for the Interior Department and Forest Service of \$500 million, from \$20.2 billion in FY 2005 to \$19.7 billion in FY 2006. No grant money is recommended for the state side of the *Land and Water Conservation Fund (LWCF)*, which had a final 2005 appropriation of \$89.7 million and the *Urban Park and Recreation* program would again also receive no Federal funding, as in 2005. The Federal side of LWCF would be cut \$9 million.

With the foregoing as background, Federal lands budgets do not fare badly in the 2006 administration proposal. *National Park Service Operations* are proposed to increase a substantial \$50.5 billion, from \$1.684 billion in 2005 to \$1.734 billion in 2006. *NPS Operations Maintenance* would increase from \$582.7 million to \$595.6 million. *NPS Construction* would increase from \$302.2 million to \$324.4 million. *NPS Recreation and Preservation/Heritage Areas* would be sharply cut from \$61 million in FY 2005 to \$36.8 million, but this cut in funding for heritage areas has become an annual charade where Congress has always restored heritage area money. The proposed budgets for outdoor programs on the other Federal lands are essentially flat. The *National Forest System* is cut \$30 million, from \$1.40 billion to \$1.37 billion, with *Forest Service Trails* cut \$12 million from \$75.7 million to \$63.8 million, while *Forest Service Recreation Management* would stay essentially the same at \$257.3 million. *National Wildlife Operations* would be increased \$13 million, from \$381 million to \$394 million. *BLM Recreation* would have a small jump of \$4 million, from \$60.6 million to \$64.6 million. *Corps of*

Engineers Operation and Maintenance would increase \$20 million, from \$1.959 billion to \$1.979 billion.

Transportation: FY 2006 highway spending in the President's budget would be flat, rising only one percent over FY 2006, while action is awaited (hopefully) on passage of reauthorization legislation overdue since October 1, 2003 (see reauthorization story below). Airport construction would be cut \$472 million from \$3.5 billion to \$3.03 billion. Funding for Amtrak would be eliminated. The budget proposes to eliminate Amtrak subsidies. No funds are requested for subsidy grants to Amtrak for FY 2006 (the railroad has been receiving about \$1.2 billion per year). Instead, \$360 million is provided to the Surface Transportation Board to assume Amtrak's responsibilities for operating some commuter rail systems under contract.

The House Appropriations Subcommittees have now begun the process of reviewing the President's proposed budget and deciding how and where to change it. The Senate Appropriations Subcommittees will take action following the House.

Air Ticket Tax Increase Proposed

The proposed Federal budget would more than double the per-flight ticket tax to \$5.50 from the present \$2.50, with an \$8 cap on one-way trips and a \$16 cap on round-trip charges. This fee is dedicated to paying the cost of homeland security related to air travel and the Administration says it is designed so that those who use air travel the most pay the most for security but the Air Transport Association says it is unclear whether the additional money would improve airport security because the budget does not increase spending for the Transportation Security Administration.

Facilitation of International Travel

By October 1, 2005, all visa waiver countries must issue passports with biometric identification. The original statutory deadline was October 1, 2004, but last year the WSTPC and other industry organizations were successful in convincing Congress to extend the deadline twelve months. It now appears highly unlikely that many visa waiver countries will be able to comply with the new deadline (as the industry expected last year when it argued for a two year extension). Most of the major countries, such as the U.K. Japan and Germany, are not expected to be able to meet the current deadline. Although the visa waive countries are trying to comply, technical obstacles are proving difficult hurdles. The WSTPC has joined other industry organizations in working to obtain another extension. This will be a formidable task because of expected stiff resistance in Congress. Meetings have been held with key staff of the Senate Judiciary Committee staff and will begin in the next few weeks with House Judiciary Committee staff.

In a letter earlier this month from House Judiciary Committee Chairman James Sensenbrenner (R-WI) to Franco Frattini, European Union Commissioner for Justice and security, who had earlier written the chairman asking that the deadline be extended until at least August, 2006, Sensenbrenner warned that such an

extension was "unlikely" at a time of continued security fears in the U.S. and added that: "I strongly suggest that the European Commission plan without the expectation that there will be an extension of the deadline." In response, the European Commission in Brussels said that it was "concerned and disappointed" by the Sensenbrenner letter and a spokesman for Commissioner Frattini raised the specter of retaliation against U.S. travelers to Europe by stating that: "Reciprocity is a standard consideration when deciding whether or not to give visa exemption to a country."

The US VISIT program is apparently proceeding without serious complications although so far, land travelers from Canada and Mexico are largely exempted and the program has yet to be implemented to any significant degree for travelers departing the U.S.

The Transportation Security Administration has announced that in August, 2005, it will begin implementing its Secure Flight Program with two unnamed airlines. Secure Flight will involve checking air travelers against a government master list to identify security threats.

Following a March 14th hearing by the Senate Judiciary Committee where there was sharp criticism of post-9/11 government steps to prevent terrorists from entering the U.S., the degree of continuing concern over border security and other international was shown by the *New York Times* lead editorial on March 21, 2005, which referred to the Senate hearing and cited five areas in need of attention: (1) putting more guards, fences and security apparatus on the Mexican and Canadian borders; (2) accelerating work on the U.S. VISIT system to track people whose visas have expired; (3) providing better computerized information to front-line immigration officials about stolen and lost passports; (4) requiring shorter lengths of stay for visa holders, such as recognizing that six months are longer than is needed for the typical tourist trip; and (5) tightening state driver's license and other ID requirements. The *Times* editorial concluded: "Getting terrorists into the United States is a vital step in most of the worst terrorist scenarios. We now know that Al Qaeda has travel facilitators, who are experts at exploiting the weak points in our border security. The federal government needs to act quickly and forcefully to make their jobs harder, and the nation safer."

On another international travel issue, concern is growing over the potential impact on U.S.-Canadian and U.S.-Mexican travel of a new statutory requirement that all travelers, including U.S. citizens, must begin in 2008 to provide passport identification. On April 14, 2005, President Bush expressed concern over the prospect that this new requirement may "disrupt the honest flow of traffic" and said he had told the Departments of State and Homeland Security to see if more flexibility could be exercised. DHS officials on 4/19 told the new Travel and Tourism Coalition that the White House was not aware that the new passport requirement was a Congressional mandate.

Gateways Bill

Representative George Radanovich (R-CA) reintroduced the Gateway Communities Cooperation Act in the first business week of the 109th Congress. After falling just short of the Senate finish line in the closing hours of the last two Congresses, a strong effort will be made to gain House passage early in the 109th Congress to allow maximum time for Senate consideration. The WSTPC is meeting with key Senate staff to urge support for this legislation.

Recreation Fee Program

The WSTPC is now working with the Federal land agencies as they are developing guidelines for implementation of the ten-year new recreation fee authority passed by Congress in 2004. Several interagency working groups have been formed to develop implementation guidelines for the new fee program. At a February 11 meeting at the Department of Interior with the interagency working group developing the newly authorized America the Beautiful Pass, the WSTPC urged the agencies to recognize the potential for this fee program to be more than just a source of revenue, but also a public information and marketing tool. The WSTPC also emphasized the importance of developing regional, intergovernmental passes and of working closely with state tourism offices and gateway communities in developing coordinated marketing campaigns combined with administration of the fee program. In a March 21, 2005, communication to Department of the Interior Director of External and Intergovernmental Affairs Kit Kimball, the WSTPC joined three other allied tourism and recreation organizations in urging that all interagency fee working groups meet with private and intergovernmental organizations to discuss the potential promise and ramifications of the new fee program.

The WSTPC has since discussed the ramifications for tourism and recreation of new fee guidelines with staff on the interagency working groups.

Tax Credits for National Parks Introduced

Legislation has been introduced in Congress to authorize taxpayers to contribute \$1 or more to a National Park Centennial Fund from tax overpayments or from an annual tax payment form. The Senate bill, S. 886, was introduced by Senator John McCain (R-AZ) and a House counterpart bill, H.R. 1124, has been introduced by Representatives Mark Souder (R-IN) and Brian Baird (D-WA). Although no estimate has yet been made about the amount of money expected to be raised from such a tax credit, a recent national poll indicated enough people would be willing to pay a tax of \$20 or more for maintenance and operations in the national parks to produce \$650 million. Congressional approval would be complex because, as tax legislation, these bills would have to be approved by the Senate Finance Committee and the House Ways & Means Committee, as well as the Senate Energy Committee and the House Resources Committee, and would also likely stimulate concerns from the appropriations committees because they would be excluded from any control over the amount raised.