

# WSTPC NATIONAL ISSUES BULLETIN

## MAY, 2007

*An e-mail service for members of the Western States Tourism Policy Council by WSTPC Washington, DC, Representative Aubrey King (301.464.8060), 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.*

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### *International Tourism to the U.S.*

**The Travel Promotion Act of 2007 is expected to be introduced in the next few weeks by Senator Byron Dorgan (D-ND), Chairman of the Commerce Committee's Tourism Subcommittee on Interstate Commerce, Trade and Tourism. This bill will establish a private corporation to promote and market the U.S. as an international travel destination. The corporation and its programs would be funded by public and private sector funds. The WSTPC has been working with Senate staff drafting the bill and has made several recommendations, including a prominent role for state tourism directors, strong representation for rural areas and small businesses, an enhanced role for the new Under Secretary of Commerce for Tourism Promotion and adequate research capabilities for the Office of Travel and Tourism Industries.**

A significant industry effort is underway to develop support for two broad goals, In September, 2006, the Department of Commerce's U.S. Travel and Tourism Advisory Board published *Restoring America's Travel Brand: A National Strategy to Compete for International Visitors*. In January, 2007, the new Discover America Partnership (formed in September, 2006, by the Travel Industry Association, the Travel Business Roundtable

and other industry corporations) published *A Blueprint to Discover America* to advocate modernizing and securing U.S. ports of entry for more recreational and business travel and a national marketing campaign to increase international visitation to the U.S. Some of the Partnership members are Roger Dow of TIA, Jay Rasulo of Disney, Joseph A. McNerney of the American Hotel and Lodging Association and Steve Porter, president of Inter-Continental Hotels. Geoff Freeman, executive director of the DAP, has also announced that former Homeland Security Secretary Tom Ridge has been retained to evaluate the entry process for a better balance between security and open doors. Secretary Ridge will not lobby for DAP but will help it devise “a tactical plan of which lobbying may be a part.”

Three 2007 Congressional hearings have considered these issues. On January 31<sup>st</sup> and March 20<sup>th</sup> the Senate Commerce, Transportation and Science Committee held hearings featuring industry leaders decrying the declining share of global tourism and urging action to improve the facilitation of international travel and the establishment of a marketing campaign to attract more visitors. WSTPC Secretary Rex Johnson testified at the 3/20 hearing. Tourism Subcommittee Chairman Byron Dorgan (D-ND) has pledged to draft legislation aimed at these problems.

Also on March 20<sup>th</sup>, a hearing of the House of Representatives Foreign Affairs Subcommittee on International Organizations and heard testimony from Charles Merlin and Geoff Freeman for TBR and DAP respectively affirming that travel and tourism is America’s greatest tool for combating its increasingly negative image around the world.

The Bush Administration is not expected to support any new tourism initiatives that would relax security requirements or require Federal budget support for new marketing initiatives. A particularly difficult issue that splits major portions of the industry is the identification of a stable, long term funding source for an international tourism marketing program.

### **Immigration Reform**

**President Bush and a bipartisan group of Senators have reached agreement on comprehensive immigration reform legislation. Facing stiff resistance and uncertain prospects at best, this bill will not be the final legislation passed on the subject by Congress but its approach probably represents the best broad prospect for immigration legislation in the 110<sup>th</sup> Congress. Although it appears to conform generally to the positions advocated in recent years by the WSTPC, the Western Governors Association, and the tourism and hospitality industries, no one claims it is a perfect solution for this vexing problem. For example, some in the hospitality and tourism industries do not believe it is a good approach to meeting future workforce needs.**

**Participating in a May 17<sup>th</sup> Capitol Hill media conference announcing the agreement were: Senators Ted Kennedy (D-MA0, Arlen Specter (R-PA), Ken**

Salazar (D-CO), John McCain (R-AZ), Dianne Feinstein (D-CA), Jon Kyl (R-AZ), Lindsay Graham (R-SC), Johnny Isakson (R-GA), Saxby Chambliss (R-GA) and Mel Martinez (R-FL). They were joined by DHS Secretary Michael Chertoff and Commerce Secretary Carlos Gutierrez.

The proposal will be considered as S. 1348. It includes a path to citizenship for illegal immigrants already in the country, a temporary worker program for future immigrants, stronger border control enforcement and better identification verification tools to help employers screen out illegal immigrants. Major features of the legislation include:

- All illegal immigrants who arrived before January 1, 2007, could stay and work after paying a \$5,000 fine, a \$1,500 processing fee, passing a criminal background check and showing a strong work record; heads of households would have to leave the U.S. and reenter legally.
- After eight years these illegal immigrants could apply for a green card.
- A new visa new visa category would be created for parents of U.S. citizens, allowing them to visit for up to 100 days per year.
- A temporary worker program would allow 400,000 immigrant workers to enter on two year visas, after which they would have to return home for a year before reapplying; these temporary worker visas could be renewed up to three times. (The hospitality industry is not happy with this provision because of concern that these two year visas requiring returns home for renewals would not help meet future workforce needs.)
- A new point system would add factors for green card eligibility to lessen the “chain migration” of family members; instead points would be granted to migrants with work experience in high-demand occupations.
- Before any of the foregoing provisions could take effect, the Federal government must deploy 18,000 new Border Patrol Agents, add four unmanned aerial vehicles, build 200 miles of vehicle barriers, 370 miles of fencing, 70 ground based radar and camera towers, provide funds for the detention of 27,500 illegal immigrants a day and complete new identification tools to help employers check job applicants.

This proposal was immediately criticized by liberals such as Senator Barack Obama (D-IL) and Senator Byron Dorgan (D-ND) who expressed concern over its impact on American jobs and wages, and from conservatives such as Representative Tom Tancredo (R-CO) who accuse it of being a giant amnesty program that will endanger U.S. security.

**Senate Majority Leader Harry Reid (D-NV) expressed reservations about the proposal, calling it a “starting point,” for legislation. He cautioned, however, that: “I don’t know if the immigration legislation is going to bear fruit and we’re going to be able to pass it.”**

A bipartisan proposal for comprehensive immigration reform that would allow millions of illegal immigrants to participate in a guest-worker program and possibly gain citizenship was earlier introduced in the House in March by Reps. Jeff Flake (R-AZ) and Luis V. Gutierrez (D-IL), the first immigration legislation to be submitted in the 110<sup>th</sup> Congress. This bill differs dramatically from the measure passed by the House in the 109<sup>th</sup> Congress, which relied almost solely on tough enforcement action to reduce illegal immigration. The bill would clamp down on illegal border crossings from Mexico, while allowing some illegal workers and their family members already in the U.S. to legally remain for up to six years if they pay a \$1,000 fine for breaking the law and continuously hold a job.

The WSTPC has supported comprehensive legislation that would provide a legal route for foreign workers to participate in the economy, many of whom provide a vital and stable workforce for the hospitality industry.

### **President’s National Parks Centennial Challenge**

**Senate Energy and Natural Resources Committee Chairman Jeff Bingaman (D-NM) on April 30<sup>th</sup> introduced S.1253 to authorize the Centennial Challenge. Bingaman was careful to emphasize that his committee would need much more information about the details of the Challenge before moving this legislation. The bill authorizes the public-private match for the Challenge as outlined by the President, providing every \$1 contributed by private interests would be matched by another \$1 million in automatic appropriations for the next ten years. Congress will not, however, give the Administration in the expenditure of these funds and insists on a detailed expenditure plan from the Administration. More detailed recommendations are promised by the Administration by May 31<sup>st</sup>.**

**The WSTPC has sent a letter to Secretary Kempthorne urging that the Centennial Initiative utilize state tourism offices in making ultimate investment decisions and that an explicit goal of the Initiative should be to reverse more than a decade and a half of declining visitation to the parks.**

The President’s \$2.4 billion National Park Service budget for Fiscal Year 2008 calls for the largest increase in park operations funding ever proposed and leveraged public-private investments that could generate as much as \$3 billion to help the Parks prepare for their 100<sup>th</sup> birthday in 2016. The proposed budget includes 3,000 new seasonal employees, continues increases for park maintenance and targets specific cultural and natural resource improvements. This initiative has started with the President’s recommendation of a \$230 million increase in fiscal 2008 over 2007 in park operations funding.

This is described as the first financial infusion for the President's National Parks Centennial Challenge. It pledges \$100 million in discretionary funds for parks each year of this ten-year period and another \$100 million a year to match equivalent donations for signature projects and programs. Combined with as much as \$100 billion in private donations, it could mean \$3 billion for the parks over the next ten years.

The National Parks Conservation Association and other environmental and conservation organizations have strongly endorsed the Challenge but Democratic leaders of the House and Senate Resource Committees have expressed discomfort with such reliance on private sector fundraising to support the parks.

### **Recreation Fee Program**

**The National Park Service has begun significantly raising entrance fees to the 147 national park system units that now charge such fees (out of 390 units in the overall system). Already being implemented, the new fee schedule will increase entrance fees for both vehicles and for individuals entering these park units. For the "crown jewel" parks, individual entrance fees could go to \$12 from the current \$10 and for vehicles, the new fee could be \$25 instead of the current \$20. For other parks, such as Arches, Lassen and Everglades, the fees could double, going from \$5 to \$10 for individuals and from \$10 to \$20 for vehicles.**

**The NPS has deliberately not made a national announcement about these increases, on the grounds that the original plan called for community participation to see if the fee increases are reasonable and because park superintendents can petition NPS Director Mary Bomar for lower fees.**

**At the same time, a furor has developed on Capitol Hill and among private sector groups over the amount of the \$80 annual passport announced December 6, 2006, for entrances to the lands managed by the five Federal agencies included in the 2004 Federal Lands Recreation Enhancement Act (NPS, FS, BLM, BOR and F&WS). For the national parks, the previous annual pass was \$50.**

**These fee controversies are occurring at the same time as concern is growing over declining visitation to the Federal lands. For the national park units, visitation decreased about five percent from 1999 to 2006, from 287 million to 273 million.**

**Congressional hearings are likely this summer about these declining visitation numbers and they are certain to include questions about the fee program and the impact of fee increases on that decline.**

### **President's 2008 Budget for Public Lands**

Although generous to the National Park Service, the President's proposed fiscal 2008 budget is much less so to the other Federal Land agencies. Worst hit would be the Forest Service Recreation and Wilderness Program, which would be cut nearly 13 percent from 2007. Following are the recommended spending levels for next year (beginning 10/1/07). **Comparable final 2007 figures as passed by Congress are in parentheses.**

*NPS Operations:* \$1.969 billion (\$1.758 billion)

*NPS Operations Maintenance:* \$698.5 million (\$593.1 million)

*NPS Construction:* \$201.6 million (\$313.9 million)

*NPS Recreation and Preservation:* \$48.9 million (\$54.2 million)

*National Heritage Area Grants:* \$10 million (\$13.3 million)

*Federal Side of Land Water Conservation Fund:* \$64.1 million (\$120.1 million)

*State Side of LWC:* \$0 million (\$30 million) (In addition, the lame duck session of the 109<sup>th</sup> Congress approved legislation on December 8, 2006, that will lock in about \$150 million over the next 15 years for the state side from new off-shore oil and gas royalties.)

*Fish & Wildlife Service Refuge Operations:* \$398.4 million (\$480.4 million)

*BLM Recreation:* \$65.3 million (\$65.8 million)

*Forest Service Recreation and Wilderness:* \$231.4 million (\$265.2 million)

*Forest Service Trails* \$66.4 million (\$74.9 million)

(It should be noted that both Congressional authorizers and appropriators have expressed strong criticism of the Administration's proposed reductions in Forest Service spending, especially the recreation programs. The proposed Administration budget would have impacts beyond spending cuts for recreation. It would also cause a reduction in the recreation site capacity operational standard of more than 10 million visitor days, from 82.5 million in fiscal 2006/2007 to 70.7 million in 2008. And it would reduce the number of equivalent employees in the recreation program from 2,498 in fiscal 2007 to 2,198 in 2008.) **The final Congressional Budget Resolution is certain to have higher spending levels than the Administration is proposing (See following story).**

### **Congress Moving Towards 2008 Public Lands Budget Increases**

In contrast to the 2008 budget proposals of the President, the House of Representatives and the Senate are moving towards approval of budget resolutions that would allow almost a five percent increase in funding for natural resources and environmental programs for fiscal 2008. The Senate on March 23<sup>rd</sup> approved a budget resolution for 2008 with an increase for Natural Resources and the Environment of \$1.56 billion, from \$31.3 billion in fiscal 2007 to \$32.9 billion for 2008. The House Budget Committee on March 21<sup>st</sup> approved a 2008 budget resolution with a slightly lower increase to \$32.8 billion.

Although the Congressional budget consists only of spending guidelines for the appropriations committees and does not specify spending levels by program or agency, it does set fairly firm spending ceilings for the committees to follow.

**Following Senate and House approval of a 2008 Congressional Budget by the end of May, the respective appropriations committees will begin voting on the 2008 appropriations. The House Appropriations Committee is expected to complete its work by mid-summer and the Senate before the August Congressional recess, with the goal of enacting a final appropriations bill by the end of September.**

### **Facilitation of International Travel: WHTI**

**DHS press spokesman Russ Knocke on May 14<sup>th</sup> reemphasized that DHS will “absolutely” begin to enforce the passport ID requirement for all Canadian land border crossings in January, 2008. Knocke told the Associated Press: “We have a firm deadline and we’re absolutely committed to moving forward with implementation of western hemisphere travel requirements at our northern border.” Knocke added that: “You can either be for security or against security.” This was apparently in response to strong criticism of DHS’s capability to enforce the WHTI as planned by Senator Charles Schumer (D-NY). In other meetings with Congressional staff, the DHS has not been quite so dogmatic, suggesting that January “implementation” could be something less than requiring passport identifications and might be satisfied by phasing out oral declarations and tighter inspection of ID documents.**

The Department of Homeland Security continues to assert that all Western Hemisphere land and sea travelers to and from the U.S. must have passport identification by January, 2008. DHS points out that Congressional extension of this deadline only allowed the department to delay enforcement of this identification requirement until June 1, 2009, but does not mandate that the department must wait that long to begin implementation.

H.R. 1061, the Protecting American Commerce and Travel Act of 2007, introduced on February 14, 2007, by House Rules Committee Chairman Louise Slaughter (D-NY) with

33 cosponsors, would soften the WHTI land border ID requirement by allowing drivers licenses for identification and exempting U.S. and Canadian children under the age of 16. The bill would also require DHS and State to implement a public information campaign regarding WHTI. (These agencies are already doing this but a Congressional mandate would still be useful.) (Since H.R. 1061 was introduced, the DHS announced it would exempt youth 15 and under from the identification requirement and those aged 16, 17 and 18 would not be required to document identification if they are accompanied by an adult.)

Since H.R. 1061 was introduced, the DHS announced it would exempt youth 15 and under from the identification requirement and those aged 16, 17 and 18 would not be required to document identification if accompanied by an adult. To advance this objective, DHS and the State of Washington on March 23<sup>rd</sup> signed a Memorandum of Understanding to launch a pilot program that will enhance the security of state driver's licenses and "potentially serve as an acceptable alternative document for crossing the United States' land and sea borders." DHS describes this pilot program as "one possible compliance alternative to WHTI requirements."

Just before it adjourned prior to the 2007 fall elections, the 109<sup>th</sup> Congress passed and the President subsequently signed a nineteen-month extension of the major deadlines for implementation of the Western Hemisphere Travel Initiative. Under the former deadlines, travelers from Canada, Mexico, the Caribbean and Central and South America would have been required to have passports for identification purposes. Previously, air and sea arrivals were required to have passports by January, 2007, and arrivals by land were required to have passports by January, 2008. The new statutory deadline for land travelers is now be June 1, 2009, but as noted, DHS can enforce an earlier deadline, which, so far, it promises to do.

### **Facilitation of International Travel: Visa Waiver Program and Ports of Entry Processing**

On March 13<sup>th</sup> the Senate passed the 9/11 Commission Bill of 2007 (S.4), designed to implement many of the commission's recommendations. The bill also included several provisions that promise to make the U.S. a more welcoming nation to international visitors. The bill would create "model ports" at the top 20 international inbound airports in the U.S. to focus on improving efficiencies when processing international travelers as they enter the country and authorizing the DHS Customs and Border Protection Service to hire 200 more officers at those airports. In addition, S. 4 would strengthen and expand the visa waiver program, including requiring DHS to fully implement the exit portion of US-VISIT at America's airports.

On November 28, 2006, while visiting in Latvia and Estonia, President Bush said that he would try to persuade Congress to add countries to the visa waiver program. Homeland Security Secretary Chertoff later said that in addition to being expanded, the program should be changed to increase security. For example, participating countries might be asked to provide information quickly on lost or stolen passports. No specific countries

have been mentioned, but Latvia and Estonia look like good bets. No word, however, about the much larger markets of Brazil, Korea, China or Russia.

The State Department announced on October 26, 2006, that 24 of the 27 Visa Waiver Program (VWP) countries have met the requirement for issuing e-Passports, which means all newly issued passports must contain a contactless chip with the passport holder's biographic information and a biometric identifier, such as a digital photograph of the holder. The three VWP countries that do not satisfy the e-Passport requirement are Andorra, Brunei and Liechtenstein. Travelers from these countries will need to obtain a visa to enter the United States if they hold a passport issued on or after October 26, 2006, until they begin to issue e-Passports.

### **National Tourism Strategy**

The U.S. Department of Commerce is preparing a draft national tourism strategy, with a target completion date of early summer.

The WSTPC on March 16<sup>th</sup> submitted comments regarding this draft strategy, urging that, in addition to the importance of international travel to the U.S., issues pertaining to Federal lands, rural tourism and transportation policies should be included in any national tourism policy.

### **Federal Highways 2007/2008 Budget Outlook**

The February 15<sup>th</sup> enactment of P.L. 110-5, the 2007 Appropriations Act, ensured that all increases in spending for surface transportation programs anticipated by SAFETEA-LU in 2005 would be provided. SAFETEA-LU supporters had feared that, because appropriators intended to freeze fiscal 2007 spending at fiscal 2006 rates, all surface transportation programs would also be frozen. But House Appropriations Committee Chairman David Obey (D-WI) and Senate Appropriations Committee Chairman Robert Byrd (D-WV) inserted an extra \$3.95 billion to pay for SAFETEA-LU increases.

The House Transportation Committee on March 1<sup>st</sup> endorsed full funding for surface transportation programs in fiscal 2008. The committee called for full funding as authorized by SAFETEA-LU. Committee Chairman Jim Oberstar (D-MN) complained that the Bush Administration budget would short SAFETEA-LU by \$631 million because the Administration proposes to cancel a provision of SAFETEA-LU called the Revenue Aligned Budget Authority (RABA), which authorizes an automatic increase in SAFETEA-LU spending when Highway Trust Fund revenue estimates increase.

All together, the Administration recommends \$39.585 million for highway programs under SAFETEA-LU for fiscal 2008 -- \$623.2 million more than for fiscal 2007 but \$631 million less than mandated by RABA.

In a related development, DOT Secretary Mary Peters has again warned Congress that motor fuel taxes to pay for surface transportation programs will soon not meet demand. She said allocations as projected by SAFETEA-LU may outstrip gas taxes deposited into the Highway Trust Fund “before the end of fiscal year 2009.”

### **National Surface Transportation Policy and Revenue Study Commission**

The NSTPRSC was established by SAFETEA-LU to prepare recommendations for the next highway reauthorization legislation in 2009. The twelve member commission is chaired by DOT Secretary Mary Peters but has no tourism industry representatives. The National Tourism Coalition for Highways, founded by the WSTPC and other tourism organizations, is submitting a statement to the Commission regarding the importance of tourism and the impact of highway policy.

### **Funding for National Park Service Tourism Office**

It remains a difficult challenge to convince the NPS to fund adequately the Tourism Office. Career staff, especially in the regions, is very resistant – almost to the point of raising questions about their commitment to a meaningful tourism program and to tourism in the national parks in general.

If Lyle Laverty is confirmed as the new Interior Department Assistant Secretary for Fish, Wildlife and Parks, the outlook may be more encouraging for a greater departmental commitment for the NPS Tourism Office.

To achieve the goal of strengthening the Tourism Office, the WSTPC should consider organizing an industry coalition. This might include, for example, TIA, NTA and ABA.

### **Regional Meetings Held for Federal Lands Recreation Issues**

The American Recreation Coalition and the National Forest Foundation sponsored five forums around the country in March and a national forum in Washington, DC, April 30, 2007, to hear testimony about the status and future of recreation on the national forests.

The Forest Service encouraged and supported these forums and were listed as co-sponsors, along with the Bureau of Land Management, Tread Lightly, and the U.S. Fish and Wildlife Service.

According to the sponsors of these forums: *The day-long forums are designed to solicit recommendations and challenges regarding recreational activities on national forests and other public lands, and to collect suggestions for addressing these concerns. Presentations will be sought from diverse interests, including recreationists, tourism organizations, transportation and academic interests and others. Access issues will be one of the areas addressed -- looking at*

*issues ranging from the condition and trend in roads and trails on public lands to land ownership patterns that may inhibit access to public lands. But other key issues are also expected to be raised, including use of new technologies to enhance visitor experiences and manage recreation, as well as ways to link children to the outdoors.*

The five regional forums attracted about 800 participants and nearly 200 participated in the national forum on April 30<sup>th</sup>.

The WSTPC was a member of the task force planning the national forum and submitted comments to the national forum based on the findings and recommendations of the 2005 WSTPC Reno Forum on Recreation on the National Forests and BLM Lands.

A final report with recommendations from the regional and national forums will be presented to national policy-makers on May 22<sup>nd</sup> in Washington, DC.

### **Farm Bill Ramifications for Tourism**

Agriculture Under Secretary Mark Rey has called to our attention that the 2007 Farm Bill that will soon be before Congress may have the potential for a substantial positive impact on tourism.

Title II of the farm legislation proposed by the Bush Administration would authorize \$7.8 billion over ten years for Conservation Programs. These programs are intended to promote environmental quality and thwart urban/suburban sprawl by providing financial and technical assistance for conservation easements and agri-tourism projects and otherwise provide financial incentives to farmers who resist the fragmentation of farmlands.

### **Forest Service Recreation Site Facility Master Planning Process**

For the past 2-3 years, the Forest Service has been engaged in an appraisal of campgrounds and other recreation facilities throughout the national forests to determine which are satisfying public demand in a cost-productive manner and which are questionable investments of agency staff and financial resources. Some in Congress and elsewhere have severely criticized this process as one that will lead to a shutdown of recreation facilities without sufficient public or Congressional input. The agency has insisted that this master planning process is not a decision process, but rather is an analysis tool to assess the changing demand for recreation facilities on national forests and what options may exist to respond to these changes.

