

WSTPC NATIONAL ISSUES BULLETIN

June, 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.

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Gateways Bill

WSTPC discussions continue with Congressional and agency staff to resolve questions about the authority and scope of the Gateways Bill. The formal response of the agencies to Congressional questions is expected to be finalized by mid-July and will hopefully lead to a committee mark-up in the Senate.

Background: On May 10th, the Senate Forests Subcommittee held the first ever Senate hearing on the Gateways Bill (H.R. 585 – The Gateway Communities Cooperation Act). This was a very important and positive step forward because it positions the bill for committee action. Bob Warren, chairman of the National Alliance of Gateway Communities, testified for the bill and no one really testified against it, although Steve Duerr, former executive director of the Jackson Hole Chamber of Commerce, raised some questions. Ranking Subcommittee Member Ron Wyden (D-OR) expressed support for the bill. Witnesses for the Department of the Interior and the Forest Service expressed support for H.R. 585 but indicated they intended to suggest several amendments. More troubling were several critical questions from Senator Craig Thomas (R-WY), which we have to address. In his testimony, Bob Warren indicated the bill is supported by the WSTPC, the National Association of Counties, the American Bus Association, the National Tour Association, the National Association of RV Parks & Campgrounds and the Travel Industry Association of America.)

On May 26th, we submitted answers to written questions regarding the bill from Subcommittee Chairman Larry Craig (R-ID).

H.R. 585 passed 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 other plans and policies and assist those communities to participate in the planning process in a meaningful manner.

National Parks Visitation Concerns

A follow-up hearing by the House Parks Subcommittee is tentatively scheduled for September 13th to review progress since an April 6th hearing on visitation in the national parks.

Background: At the April 6th hearing by the House National Parks Subcommittee on Visitation in the National Parks, WSTPC testimony was represented by Mike Cerletti, who told the Subcommittee that recent declines in national park visitation trends should be addressed by at least four strategic steps: (1) The NPS should continue to strive for greater balance between both sides of its dual mission, preserving and protecting the resource while providing public access and enjoyment; (2) The NPS should cooperate more fully with State Tourism Offices in comprehensive, integrated marketing and public relations programs; (3) The NPS should regard its recreation fee program innovatively as a crucial part of its marketing strategy; and (4) The NPS Office of Tourism should have a budget sufficient to accomplish its vital functions. Subcommittee Chairman Steve Pearce (R-NM) wants to increase national park visitation and was so pleased with the hearing and the ideas it generated that he announced that he will have a follow-up hearing on the same subject in September.

A Public-Private Task Force has been formed of the witnesses at the April 6th hearing and is meeting biweekly via conference call to develop a tangible action strategy to improve park visitation. Mike Cerletti and Aubrey King are both participating in these conference calls.

Immigration Reform

Prospects for final legislation agreeable to both the House and the Senate have grown dimmer since first the House Judiciary Committee and then the Senate Judiciary Committee announced this month that they will both hold field hearings

around the country to hear testimony about immigration reform. Since there have been several hearings already and substantial discussion of this issued, it is widely believed these hearings will be used to mobilize supporters of conflicting positions and to dramatize the position of the two houses of Congress.

Background: On May 25th, the U.S. Senate, by a vote of 62-36, passed S. 2611, the Comprehensive Immigration Reform Act of 2006, following a bipartisan effort led by Senators John McCain (R-AZ) and Ted Kennedy (D-MA). S. 2611 has the following primary features:

Border Enforcement: Authorizes 370 miles of triple layer fencing plus 500 miles of vehicle barriers along the U.S.-Mexico border. Also authorizes hiring an additional 1,000 Border Patrol agents this year, for a total of 3,000 more agents this year; an additional 14,000 agents will be hired by 2011, more than doubling the current force of 11,300 agents. Additional detention facilities will be constructed.

Employer Requirements: Within 18 months, employers and subcontractors would have to use an electronic system to verify new hires and increases maximum fines for hiring illegal workers to \$20,000 per worker, with jail time for repeat offenders.

Guest Worker Program: A path to citizenship or legal permanent residency is provided for an estimated eight million undocumented persons who can prove they have been in the country for five years or more before the legislation is enacted. They would be granted a renewable work visa, after paying at least \$3,250 in fines and fees, paying any back taxes and passing a national security and criminal background check. After five years, they could apply for citizenship, provided they remain employed and demonstrate a knowledge of English and U.S. civics. For undocumented workers in the country two to five years, they would have to report to a U.S. port of entry to be fingerprinted and processed, and, if they pass the preceding requirements for temporary workers, they would be given priority over future immigrants entering as temporary workers. Illegal immigrants with felony or triple misdemeanor convictions would be deported regardless of how long they have been in the U.S.

A special guest worker program for an estimated 1.5 million immigrant farm workers would be created and they could also earn permanent legal residency. The number of H1-B visas for skilled workers would be increased from 65,000 to 115,000 annually, beginning in 2007. Immigrants with certain advanced degrees would not be subject to the caps, which could rise by 20 percent depending on labor market demands. 200,000 new temporary guest worker visas would be allowed each year.

S. 2611 is similar to the position supported by the WSTPC. In a March 27th letter from Chairman Carl Wilgus to the Senate Judiciary Committee and the leadership of the Senate, the WSTPC 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.

S. 2611 is very different from H.R. 4437, the Border Protection, Antiterrorism and Illegal Immigration Control Act, which 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. H.R. 4437 does not allow a guest worker program and concentrates on tighter border enforcement and heavier penalties for employers of illegal immigrants (fines to \$40,000 per violation and felony convictions) and for anyone assisting or encouraging illegal immigration. The House 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.

National Parks Management Policy

Secretary of the Interior Kempthorne has announced a new draft version of the National Park Service Management Policies (NPSMP). This new draft replaces the draft NPSMP that was proposed last year to replace the 2001 NPS Management Policies.

The new draft NPSMP reaffirms the primacy of preservation and conservation over access and public use and enjoyment of the parks whenever conflicts arise over possible use. In announcing the new NPSMP, Secretary Kempthorne said, "When there is a conflict between conserving resources unimpaired for future generations and the use of those resources, conservation will be predominant. That is the heart of these policies and the lifeblood of our nation's commitments to care for these special places and provide for their enjoyment."

Strong concern about the new draft NPSMP is being expressed primarily by motorized recreation groups, such as snowmobile, off-highway vehicle, motorcycle and personal watercraft enthusiasts.

Following are several broad conclusions we have reached based on a reading of the 246 page NPSMP.

- (1) There is no mistaking the restored emphasis on preservation and conservation. This appears to make it easier for the NPS to restrict or proscribe certain recreation uses of the parks and to withstand legal challenges to those actions.**
- (2) Decisions about recreation use will continue to be made at the local park level, based on unique local variables and it is difficult to predict what will happen**

regarding a particular use at any particular location. The NPSMP establishes a general framework and guidelines for local park plans and decisions. The NPS in a June 22nd conference call with recreation interests emphasized that the new NPSMP would not affect any existing uses of the parks and would not affect ongoing regulatory issues such as snowmobiling in Yellowstone National Park.

(3) The new draft NPSMP may result in more recreation demand on the national forests, BLM lands and other Federal properties, which have always accepted a wider range of recreation uses than the national parks. This may mean more controversies for those agencies similar to the OHV issue in the national forests.

(4) The new NPSMP is certainly not anti-visitor, but it does suggest that strict standards will be applied in judging the suitability of programs and activities. A very major way to mitigate the consequences of programs and activities is for the NPS to have sufficient budget and staff to accommodate appropriate visitor use. This means not only sufficient resources in the field, but sufficient resources for the NPS Office of Tourism to assist the parks in anticipating and managing visitor demand.

(5) By suggesting that new or expanded recreation uses and, perhaps, other visitor services, will be evaluated by strict environmental standards, the new NPSMP offers more opportunity and justification for businesses in gateway communities to invest in expanded or new projects and programs to serve visitors to the national parks.

Background: 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

House Republicans have been unable to reach agreement on a fiscal year 2007 Congressional budget (H.Con Res 376) because of deep divisions between moderate and conservative Republicans.

The Senate 2007 budget resolution for fiscal year 2007 (S. Con Res 83) as passed by the Senate on March 16th sharply reduces natural resources spending (the budgets of all the Federal land agencies except the Army Corps of Engineers) by 16 percent. Although this cut appears staggering, it must be noted that the 2006 budget was bloated by emergency and other supplemental spending in its FY 2006 comparable totals. Nonetheless, at a

minimum, natural resources spending would be cut at least one point in absolute terms from 2006 to 2007.

Budget resolutions are essentially advisory only and set a total discretionary domestic Federal spending cap, leaving it up to the respective appropriations subcommittees to establish spending amounts for agencies and programs.

2007 Budget Outlook for Federal Land Agencies

On May 18th, the House approved H.R. 5386, the 2007 fiscal year appropriations bill for the Department of the Interior and Related Agencies, including the Forest Service. Although funding for state outdoor grant programs through the Land Water Conservation Fund would be eliminated, other agency programs generally fared better than under President Bush's proposed budget for the 2007 fiscal year. Following is a brief summary overview showing the amounts called for in the President's budget for 2007, compared with the amounts approved by the House, with the amount appropriated by Congress for 2006 in parentheses:

NPS Operations: President -- \$1.74 million; House -- \$1.754 billion (2006: \$1.72 million)

NPS Operations Maintenance: President -- \$601.8 million; House -- \$599.8 million (\$593.1 million)

NPS Construction: President -- \$229.3 million; House -- \$229.9 million (\$313.9 million)

NPS Recreation and Preservation: President -- \$33.3 million; House -- \$47.2 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: President -- \$7.3 million; House -- \$13.9 million (\$13.9 million)

Federal Side of Land Water Conservation Fund: President -- \$91 million; House -- \$58.8 million (\$115 million)

State Side of LWC: President -- \$-0-; House -- \$-0- (\$30 million)

Fish & Wildlife Service Management: President -- \$996 million; House \$1.017 billion (\$1.001 billion)

BLM Recreation: President -- \$63.8 million; House -- \$67 million (\$65.8 million)

Corps of Engineers: President -- \$4.733 billion; House -- \$4.984 billion (\$4.532 billion) (increase mainly due to Hurricane Katrina recovery expenses)

Forest Service Recreation and Wilderness: President -- \$250.88 million; House -- \$262 million (\$265.2 million)

Forest Service Trails (includes OHV implementation): President -- \$60.341 million; House -- \$73.4 million (\$74.882 million)

Forest Service Roads: President -- \$182.787 million; House -- \$ (\$222.181 million)

The Senate Appropriations Committee will now consider the 2007 public lands budgets, probably making its decisions by September to set the stage for reconciling the differences between the two bodies before the 2007 fiscal year begins October 1st.

Senate Tourism Hearing

On June 22nd the Senate Commerce, Science and Transportation Subcommittee on Trade, Tourism and Economic Development, chaired by Senator Gordon H. Smith (R-OR), held a hearing on *The State of the U.S. Tourism Industry*. Two panels of witnesses testified. The first panel consisted of four government officials from the Departments of State and Homeland Security and the Centers for Disease Control and Prevention. The second panel was comprised of four tourism industry representatives: Todd Davidson, CEO of Travel Oregon, Chairman of the National Council of State Tourism Directors and Past Chairman of the WSTPC, Jay Rasulo, Chairman of Walt Disney Parks and Resorts and National Chairman of the Travel Industry Association, Jonathan Tisch, Chairman and CEO of Loews Hotels and Chairman of the Travel Business Roundtable, and Virginia Pressler, Senior Vice President of Strategic Business Development for Hawaii Pacific Health.

The government panel first testified about their recognition of the importance of tourism as a major industry, their awareness of the benefits of international visitors traveling to the U.S. and their ongoing efforts to work with the industry to mitigate travel barriers and increase international visitors. The industry panel followed and emphasized the decline in the U.S. market share of global tourism over the past fifteen years (from nine percent global market share to six percent), the difficulties posed by travel barriers caused by strict homeland security requirements, especially including the Western Hemisphere Travel Initiative, the potential of tourism to improve the international image of the U.S. and the need for a national tourism marketing program to promote the U.S. as a global destination. In addition, in his testimony, Todd Davidson called attention to the needs of the transportation infrastructure in the U.S. and to the needs of the Federal lands, which serve as primary tourism attractions for millions of domestic and international visitors.

Subcommittee staff have indicated that Chairman Smith intends to introduce legislation later this session to address several concerns raised, especially the need for an international tourism marketing program for the U.S.

International Tourism Marketing

The Travel Industry Association Board of Directors at its April meeting approved a plan for a well-funded nationally coordinated campaign to market the U.S. as a prime global tourism destination. Entitled *The Power of US: A Blueprint for the Industry's Future*, this plan is the first tangible follow-up to a “call to action” to the industry by TIA Chairman and Disney Executive Jay Rasulo and TIA President Roger Dow in recent speeches, first in Rasulo’s January “State of the Industry Speech” in Washington and more recently at the World Travel and Tourism Council Summit Meeting in April and again at the 2006 International Pow Wow in May. This ambitious effort is intended to develop industry support for a campaign to establish a \$200 - \$300 million international tourism marketing program to restore the U.S. share of the global tourism market.

President Bush’s budget contains no funding for the U.S. Travel and Tourism Promotion Advisory Board because the Administration believes that “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.

Facilitation of International Travel

The Western Hemisphere Travel Initiative continues to be of great concern. On May 17th, the Senate voted to delay for 17 months (until June 1, 2009) the requirement that Americans re-entering the U.S. after cruises or short visits to Canada and Mexico show passports or other high-tech identification cards. This would not change the January 1, 2008, deadline for such identification documents for Canadians. (Short-term Mexican visitors must already have tamper-proof cards to enter the U.S.)

On April 18, 2006, the Bush Administration announced it still planned to require passports from all foreigners entering the U.S. under the deadlines required by the Western Hemisphere Travel Initiative (WHTI). Although a cheaper identification document, called a PASS card, may be allowed for U.S. citizens, it would not be available to Canadians or other frequent border crossers.

In a March 16th 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 Fiscal Outlook

At an April 3rd hearing by the House Committee on Transportation and Infrastructure, the U.S Treasury Department, the Congressional Budget Office and the General Accountability Office all said that their long-term analyses conclude that programs authorized by the 2005 SAFETEA-LU highway bill will eat up more gas tax revenue than will be available by either the end of fiscal year 2009 (Treasury) or the end of 2010 (CBO). The implications for tourism and recreation are ominous – the less gasoline tax money Congress has to work with, the smaller the allocations to such programs as transportation enhancements, scenic byways, recreational trails and Federal land roads.

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.

There is also serious concern over the future of scenic byways, transportation enhancements and other tourism-friendly programs as a significant Federal study commission is about to examine what the future Federal highway role should be. That commission was established by SAFETEA-LU and does not have any tourism representation on it.

Recreation Fees

The Recreation Advisory Council (RAC) structure mandated by the 2004 Recreation Enhancement Act (REA) for the Forest Service and the BLM is expected to be announced in the next few weeks. It is expected that the RAC structure will generally provide single state RACs (as the WSTPC has long urged) and that existing BLM RACs will be utilized in several cases, although there will be a number of variations, with a few states having more than a single RAC and some areas, especially in the East, having multi-state RACs. The WSTPC was successful in getting the REA to mandate that State Tourism Offices be represented on State RACs.

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

In the House Interior Appropriations Bill (H.R. 5386), the House accepted without debate an appropriations committee refusal to endorse Bush Administration proposals to sell small excess tracts of public land managed by the Forest Service and BLM. According to Interior Appropriations Subcommittee Chairman Charles Taylor (R-NC), "This committee, and this member in particular, soundly rejects the administration's proposal to sell National Forest lands throughout this country, and we think this will not be happening."

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.