

WSTPC NATIONAL ISSUES BULLETIN

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An e-mail service for members of the Western States Tourism Policy Council by WSTPC Executive Director 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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NEW HIGHLIGHTS

A 2008 RETROSPECTIVE AS YEAR ENDS WITH WHIMPER
OUTLOOK FOR 2009: LIVING IN INTERESTING TIMES?

A 2008 Retrospective as Year Ends with Whimper

Most of the headlines were dominated by the wars in Iraq and Afghanistan, the long campaign for the presidency and the economic meltdown. Although these dramatic events continue to affect all of us, here we want to focus on those 2008 issues with the greatest impact on tourism and recreation in the West. It was a year of great hopes but finally, of mainly unfulfilled expectations and unfinished agenda.

Readers are referred to the remainder of this National Issues Bulletin for summaries of those issues we followed closely in 2008. Little has changed since the November issue of the NIB. At that time, hope was high that an expected post-election lame duck session of Congress would result in positive outcomes for several major issues, including the Travel Promotion Act, the National Parks Centennial Initiative and major investments in the transportation infrastructure. But, the lame duck came and went with hardly a whimper as Congress limped out of town just before Thanksgiving having achieved almost nothing. An even shorter lame duck in December saw the same non-outcomes.

Outlook for 2009: Living in Interesting Times

Everything will now have to start all over in January, 2009 with the new Obama Administration and the 111th Congress. Everything will have to be reintroduced and reconsidered. It is likely that the first legislation to reach President Obama's desk will be major economic stimulus legislation that may total more than \$850 million and may be enacted by early February. Current efforts are underway by the WSTPC and others to have the Travel Promotion Act and a large increase in funding for national parks projects included in the stimulus bill. The WSTPC and other tourism interests are also exploring the possibility of providing stimulus funding for tourism development projects by State and local tourism offices, many of which have experienced drastic budget cuts in recent months. The justification for such a step is that tourism is such a huge provider of jobs and a key contributor to State and local economic development. If they are not included in early stimulus legislation, it will almost certainly take months before legislation like the Centennial Initiative and the Travel Promotion Act will be acted on by the new Congress.

With regard to the new Administration, some early observations: On the basis of cabinet nominations, subject, of course, to Senate confirmation, the new cabinet will generally be moderate and middle of the road, and some early tax and spending initiatives may serve to stimulate business investment and jobs growth with a positive impact on the small businesses that dominate tourism and recreation. At least three departments – Commerce, Interior and Transportation – will apparently be headed by secretaries who understand and will be supportive of the needs of business generally and tourism and recreation in particular. Two of those secretaries, of course, will hail from the West – Governor Richardson of NM at Commerce and Senator Salazar of CO at Interior. Not only will these leaders be

more philosophically likely to pursue incremental rather than radical change, they will have to operate at least for the next year or two within parameters set by the national economic and fiscal situation . Of course, much will depend on who is named to the critical subcabinet posts that are unlikely to be filled until February or March.

Following is a slightly updated version of the last issue of the National Issues Bulletin, which covers the major tourism and recreation issues on the ARVC agenda in 2008.

Travel Promotion Act

Late September was an exciting time for travel and tourism in our nation's capital as hope was high that the Travel Promotion Act was about to be finally enacted by Congress. The TPA would establish a new national public-private organization that could invest as much as \$200 million annually in combined Federal and private matching funds in a program to attract more international visitors to the U.S. The legislation passed the House of Representatives but despite a willingness of Senate sponsors of the companion Senate bill to accept the House version as a substitute, thus averting the need for a joint House-Senate conference, it was not brought up for a vote on the Senate floor in the final days before the regular session adjourned. This was an intense time for Congress as economic rescue legislation dominated discussion and the schedule and it was very difficult to get attention for anything else. Other negative factors specific to the tourism legislation were an explicit veto threat from the Administration and continued resistance from a few Senators.

It was then hoped that the Travel Promotion Act would be included as part of the large economic stimulus package of at least \$150 billion in the Lame Duck Session of Congress in November when it was thought that the jobs creating potential of the TPA would be a good fit for that legislation. ARVC consistently supported the TPA and urged its passage during the Lame Duck.

S. 1661, *The Travel Promotion Act* was introduced June 19, 2007, by Senators Byron Dorgan (D-ND), Daniel Inouye (D-HI) and Ted Stevens (R-AK). The bill was approved by the full Commerce Committee on June 27, 2007, despite strong opposition from Senator Jim DeMint (R-SC) who maintains that international marketing is “not a legitimate Federal role.” A companion bill, H.R. 3232, was introduced July 31, 2007, in the House by Reps. William D. Delahunt (D-MA) and Roy Blunt (R-MO). The House bill was referred to the Energy and Commerce Committee, the Judiciary Committee and the Homeland Security Committee.

A significant industry effort has been underway for the past year and a half 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.

S. 1661 and H.R. 3232 would establish a private corporation to promote and market the U.S. as an international travel destination. The corporation and its programs would be financed by public and private sector funds. The Federal share would be funded by a new fee on visitors from visa waiver countries. The WSTPC worked closely with Senate staff drafting the bill and made several recommendations that were incorporated in the bill as introduced, 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 that would entail making an annual report to Congress on the facilitation of international travel to the U.S. and a stronger research role for the Office of Travel and Tourism Industries.

The Bush Administration remained opposed to any new tourism initiatives that would relax what it regards as essential security requirements or require Federal budget support for new marketing initiatives.

National Parks Centennial Initiative

It was also hoped by tourism and recreation interests that the lame duck would lift another key bill to enactment. Senate Majority Leader Harry Reid reportedly told Interior Secretary Dirk Kempthorne that this dramatic new investment in the national parks would be included in the Economic Stimulus Package that was the ostensible goal of the lame duck. This also did not come to pass. The WSTPC has strongly supported the Centennial Initiative since its 2007 introduction.

The National Park Centennial Initiative did not pass in the regular 110th Congress because of partisan differences and an inability to identify alternative revenue to “offset” the additional \$100 million per year cost of the Initiative. The need for an offset is more acute in the House, which has less latitude in identifying such offsets. In the past couple of weeks, the White House and the Office of Management and Budget have joined the Interior Department in a strong effort to urge Congress to move the Centennial Bill. First Lady Barbara Bush has told House Majority Leader Steny Hoyer that the Centennial Initiative is one her top personal priorities and she asked his help in scheduling a House vote on it. The WSTPC continues to work with the interindustry coalition led by the National Park Conservation Association in support of the Centennial Initiative.

H.R. 3094, the National Park Centennial Fund Act, introduced by Representatives Nick Rahall (D-WV) and Raul Grijalva (D-AZ), full committee and subcommittee chairs respectively, was marked up and approved by the House National Resources and Public Lands Committee on May 7, 2008. “Visitor enjoyment” is included in this final

legislation as a necessary factor for centennial projects promoting health and physical fitness, but it is hoped that this visitor enjoyment provision will be further strengthened in line with S. 2187 in the Senate before final enactment.

S. 2817, the National Park Centennial Fund Act, to authorize and implement the Centennial Initiative was introduced by Senators Ken Salazar (D-CO), Max Baucus (D-MT), Susan Collins (R-ME), Norman Coleman (R-MN) and Jon Tester (D-MT). It combines elements of the Administration proposal and the industry coalition to which the WSTPC belongs, especially recognizing “visitor enjoyment” as a major purpose of the Centennial Initiative. The bill expressly includes a “Visitor Enjoyment and Health Initiative” as a major part of the overall program.

The main hurdle facing Centennial Initiative legislation remains the difficulty of finding an “offset” for the \$1 billion in additional Federal funding that would be authorized.

On February 26th, the WSTPC sponsored a briefing session on the Centennial Initiative on Capitol Hill for the Congressional Travel and Tourism Caucus and the National Parks Caucus.

The 2007 Omnibus Appropriations Bill, P.L. 110-61, provides \$125 million in 2008 funding for the Centennial National Park Initiative/Challenge. In addition, in direct response to suggestions by the WSTPC and the National Alliance of Gateway Communities, the Omnibus contains the following language regarding Centennial cooperative agreements: "*SEC. 125. The Secretary of the Interior may enter into cooperative agreements with a State or a political subdivision (including any agency thereof), or any not-for-profit organization if the agreement will serve a mutual interest of the parties to the agreement in carrying out the programs administered by the Department of the Interior; and (2) all parties will contribute resources to the accomplishment of these objectives. At the discretion of the Secretary, such agreements shall not be subject to a competitive process.*" (Non-Federal contributions to such agreements may be "in-kind" or cash.)

SPECIAL NOTE: It must be realized that the Centennial provisions in this appropriations bill only apply to the 2008 Federal Fiscal Year. It remains essential for Congress to enact permanent authorizing legislation to establish an ongoing multi-year program. Authorizing legislation remains stalled, primarily because of an inability to identify nearly a billion dollars in budget offsets to fund the overall program.

As a member of an unprecedented coalition of industry and environmental organizations, the WSTPC has been instrumental in securing the coalition’s support for legislative language that would ensure that state tourism offices and gateway communities qualify as partners with the NPS in sponsoring centennial projects and other language ensuring that the enhancement of “visitor enjoyment” would be a prime objective of the Centennial Initiative.

In official comments to Congress the WSTPC has supported the Centennial Initiative while urging that: (1) the initiative should more explicitly have as a goal to improve and enhance the visitor experience on the national parks and increase visitation on those lands; (2) the initiative should encourage more interagency collaboration and coordination with other Federal land agencies; (3) the initiative should encourage more intergovernmental collaboration and coordination with state tourism offices and gateway communities; and (4) the initiative should not rely on Federal funding from commercial permit and license fees or on fees paid to other Federal land agencies.

The May 2007 Interior Department report on the President's National Park Centennial Initiative (*The Future of America's National Parks: A Report to the President by the Secretary of the Interior Dirk Kempthorne*) follows the major recommendations made in an earlier WSTPC letter to Secretary Kempthorne by and at a meeting with NPS Deputy Director Dan Wenk. Although brief -- more a summary of goals, objectives and strategies -- four goals and examples pertaining to tourism are mentioned as the report commits the Initiative to:

Provide inspiring, safe and accessible places for people to enjoy – the standard to which all other park systems aspire.

Focus national, regional, and local tourism efforts to reach diverse audiences and young people and to attract visitors to lesser-known parks.

Increase visitation by 25 percent at lesser-known parks through a national tourism effort aimed at helping people to discover the breadth of parks and experiences.

Use the Alaska National Parks Marketing Partnership as a model to reach new audiences and promote off-season visitation.

The President's \$2.4 billion National Park Service budget for Fiscal Year 2008 called 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 100th birthday in 2016. The proposed budget included 3,000 new seasonal employees, continues increases for park maintenance and targets specific cultural and natural resource improvements. This initiative started with the President's recommendation of a \$230 million increase in fiscal 2008 over 2007 in park operations funding.

This was proposed 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.

First NPS Centennial Projects Announced

On April 24, 2008, Interior Secretary Kempthorne announced the initial wave of 110 projects to be funded under the NPS Centennial Initiative. These projects will involve 114 private sector partners in 38 states. Overall, \$53 million will be invested in these projects: \$24.6 in Federal funds and \$28.4 million in matching private sector funds. A joint marketing initiative in Alaska between the private sector Alaska Travel Industry Association and the national parks in Alaska was not approved as one of these initial centennial projects.

Federal Land Agency Budgets Have 2008 Budgets Extended into 2009; Forest Service Receives Fire Fighting Budget Help

As expected, the 110th Congress was unable to pass final 2009 appropriations by the beginning of the fiscal year on October 1, 2008 for the Federal land agencies and instead enacted P.L. 110-329, a "Continuing Resolution (CR), or temporary spending bill that extends fiscal year 2008 appropriations levels until March 6, 2009.

While national parks funding was reduced from the President's budget proposal, for the Forest Service, this meant some good news, some bad news and some better news regarding 2009 appropriations for the agency. The good news is that the draconian cuts proposed for the FS in 2009 in the Administration Budget early this year were never seriously considered by Congress. The bad news is that the FS budget increases approved by the House and Senate Appropriations Committees were not enacted since Congress failed to pass 2009 appropriations bills in view of threatened Presidential vetoes. The better news is that the Continuing Resolution passed by Congress before it adjourned that will continue to fund the FS and other agencies in 2009 at 2008 budget levels provides \$500 million to the FS to reimburse the agency for 2008 fire fighting and suppression expenses. This \$500 million will not count against regular FS appropriations and \$300 million of that amount has already been transferred to the agency. To pay for its unbudgeted 2008 firefighting expenses, the FS had previously curtailed nearly all discretionary expenses for the last two months of the fiscal year.

Following are the 2008 amounts provided in the CR for selected land agency programs particularly salient to tourism and recreation interests:

NPS Operations	\$1.971 b (less than the Adm request of \$2.132 b)
NPS Centennial Initiative	25 m (start-up or place-holder money)
National Forest System	1.506 b (more than the Adm request of \$1.349 b)
FS Recreation	252.6 m (more than the Adm request of \$237 m)
FS Trails	76.4 m (less than the Adm request of 50.4 m)
BLM Management	1.008 b (more than Adm request of \$987 m)
FWS Refuge Management	434 m (same as Adm request)

Recreation Fee Program Unchanged

The 110th Congress adjourned its regular session without making any changes in the Recreation Fee Program. Recreation Fees are nearly certain to receive more rigorous attention in the 111th Congress in 2009.

On June 18th the House Subcommittee on National Parks, Forests and Public Lands held an oversight hearing on implementation of the Federal Recreation Fee Program as authorized by the Federal Lands Recreation Enhancement Act of 2004 (FLREA). The House Hearing was dominated by critics of the program, such as the Western Slope No-Fee Coalition, who urged that FLREA be repealed. The program was strongly defended by Agriculture Under Secretary Mark Rey. Subcommittee Chairman Raul Grijalva (D-AZ) expressed concern over the program but did not indicate whether he would support repeal.

The Senate Energy and Natural Resources Committee planned April 15th hearing on S. 2438, the Fee Repeal and Expanded Access Act (FREAA) was postponed and never rescheduled. Congress was reluctant to eliminate nearly \$90 million in fee revenue for the land agencies.

Senators Max Baucus (R-MT), Mike Crapo (R-ID) and Tester on December 10, 2007, introduced FREAA, which would, as the title suggests, virtually eliminate recreation fees for all Federal land agencies except for the National Park Service entrance fees. No companion bill was introduced in the House.

Funding for National Park Service Tourism Office

ARVC continued to urge adequate funding for the National Park Service Office of Tourism at the highest levels of the Department of Interior, including the Assistant Secretary for Fish and Wildlife and Parks, the NPS Deputy Director and with key Congressional staff.

It remains a difficult challenge, however, to convince the NPS to fund adequately the Tourism Office. Regional leaders have been resistant to the notion of a stronger national tourism office and appear to prefer handling tourism issues and programs through the regions.

New National Park Service Tourism Plan Approved

The National Park Service leadership has approved the promising national tourism strategic plan championed by ARVC. Highlights of the plan include:

- (a) proactive engagement of the tourism industry and local gateway communities at

all NPS organizational levels in building sustainable cooperative marketing partnerships to define the message, extend the reach of the park awareness and leverage the park's interpretation, education, conservation and responsible use messages;

(b) better understanding of consumer awareness, expectations and motivations for travel to parks through research and analysis;

(c) use of marketing tools to address visitor distribution strategically;

(d) cultivation of visitor centricity in training of a new generation of park leaders;

(e) use of the tourism strategic plan as a blueprint for the implementation of agency objectives, such as bringing children and families into the parks and increasing awareness and visitation to lesser known parks.

Now the challenge becomes securing adequate resources for the NPS Tourism Office to properly implement the plan and to make sure that the plan's commitment to work closely with the tourism industry and with gateway communities is realized.

Snowmobiling in Yellowstone: Possible Ramifications

On September 15th, Judge Emmett Sullivan of the U.S. District Court for the District of Columbia issued his opinion in *Greater Yellowstone Coalition, National Parks Conservation Association v. Kempthorne*. The decision not only rejects the proposed National Park Service winter use plan for the 2008-2009 season, but raises severe questions about the future role of many recreation activities, especially motorized recreation activities, in the national parks. A strict reading of this opinion severely challenges the right of the NPS to value the "enjoyment" of the people as traditionally interpreted in appraising the legitimacy of recreation activities. Even minimal adverse impact on wildlife and park resources would apparently be sufficient to block human activities. It may also have the effect of encouraging greater reliance on gateway communities and private businesses outside the parks to provide visitor services. An attempt in Congress before it adjourned in early October to set aside the Sullivan opinion was unsuccessful.

But the legal battle is not over as the snowmobile industry is appealing Judge Sullivan's ruling and another, conflicting opinion was issued on November 7 by Judge Clarence Brimmer in the U.S. District Court for Wyoming. The NPS has announced it will comply with Judge Brimmer's order to enforce a daily cap of 720 snowmobiles in Yellowstone. as allowed in the 2004-2005-2006-2007 winters by the agency

On December 3, the environmental plaintiffs filed appeals in both Judge Sullivan's and Judge Brimmer's courts, while acknowledging that as a practical matter there would be no further changes this winter and that the 720 daily cap would have to stand for the present.

The NPS has also indicated that actual snowmobile entries into the Park would be considerably less than 720 since during the past two winters, an average of only 296 snowmobiles a day actually entered (with minimal adverse environmental impact). The NPS also indicated it would continue to work on a long term plan.

Facilitation of International Travel: Inspecting and Processing

The fiscal year 2009 Homeland Security Appropriations Act included several measures that should enhance security while expediting and improving the travel experience for international visitors. Enacted provisions include:

- (1) \$10 million for DHS registered traveler programs to provide expedited clearance for pre-cleared visitors;
- (2) \$8.75 million for 173 new Customs and Border Protection officers for airports and \$28.3 million for 561 new CBP officers at land borders;
- (3) \$500,000 for additional staff to manage expansion of the Visa Waiver Program.

The State Department will soon begin issuing plastic “passport cards,” which will be acceptable identification for land and sea travel between the U.S., Canada, Mexico and the Caribbean. While relatively expensive (\$75 for adults) they will be more convenient to use than regular passports. They will not be valid identification for international air travel or overseas sea travel.

Meanwhile, a growing number of states bordering Canada and Mexico are issuing or considering enhanced driver’s licenses that would meet DHS identification requirements. Washington State in February was the first state to have such a new license and New York and Vermont are expected to follow soon in the next few months. It has been proposed in Arizona and Michigan is also considering it. To qualify as an “enhanced license,” proof of U.S. citizenship, in addition to other identification requirements would have to be established.

Public accounts indicate that the new proof of citizenship requirements have not had a significantly negative impact on Canadian visitation, possibly because the U.S. has implemented only a relatively “soft “ enforcement policy of issuing warnings to those without such proof but not turning anyone away yet. DHS continues to plan on requiring passport identification in June, 2009.

The Departments of State and Homeland Security on March 26th announced the final rule for the land and sea portion of the Western Hemisphere Travel Initiative (WHTI), requiring travelers to present a passport or other approved secure documents proving citizenship and identity for all land and sea travel into the U.S., effective June 1, 2009. Air passengers are already required to present a WHTI-secure document for travel into

the U.S. The Travel Industry Association and the Travel Business Roundtable expressed concern that the new WHTI rules are not accompanied by a credible plan to inform travelers of the changing requirements.

Effective January 31, 2008, the Department of Homeland Security began enforcing a requirement that everyone when arriving at land and sea ports of entry must present proof of citizenship. As of that date, travelers over the age of 15 must show either passports or birth or naturalization certificates to prove citizenship and government-issued photo IDs such as a driver's license to prove identify. Early reports did not indicate significant congestion or delays at land or sea ports of entry although the DHS initially implemented a "soft" enforcement regimen with oral warnings given those without the required documents.

P.L. 110-61 included an amendment by Rep. Louise Slaughter (D-NY) that delays until June, 2009, implementation of the Western Hemisphere Travel Initiative passport identification requirement for land and sea arrivals. (NOTE: The new 1/31 proof of citizenship requirement does not violate the letter of this law because passports are not mandatory if other proof of citizenship is produced.) The Omnibus Appropriations Bill also included language withholding funds from the Department of Homeland Security to implement a passport ID requirement until the DHS reports on its feasibility to Congress.

Continuing the implementation of the Western Hemisphere Travel Initiative (WHTI), since September 30, 2007, the State Department and the Department of Homeland Security has been enforcing a requirement that U.S. citizens must have passport identification to fly to Canada, Mexico, Bermuda and other Western Hemisphere countries. Both departments. On January 31, 2008, similar identification will be required at all land and sea ports of entry into the U.S. At that time, U.S. and foreign citizens will need to present either a WHTI-compliant document or a government-issued photo ID, such as a driver's license, plus proof of citizenship, such as a birth certificate. There will be alternative procedures for children under the age of 15, who will only have to present certified copies of their birth certificates. A certified birth certificate will also suffice for children, ages 16-18, traveling under adult supervision with educational, sports, social, cultural or religious groups.

DHS and the State of Washington are implementing 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."

Facilitation of International Travel: Seven New Countries Brought Into Visa Waiver Program

Continuing implementation of the 9/11 Commission Act of 2007, President Bush announced on October 17th that the Visa Waiver Program would be expanded by an

additional seven countries: the Republic of Korea (South Korea), the Czech Republic, Hungary, Estonia, Latvia, Lithuania and Slovakia.

The DHS Customs and Border Protection Office (CBP) has announced 18 new international airports that will be part of the Model Ports Program, joining Houston's George Bush International Airport and Washington Dulles International Airport. TIA and TBR used this as an opportunity to urge those airports to adopt industry recommendations to facilitate the handling of international arrivals.

The State Department has signed visa waiver MOU agreements with Slovakia, Hungary and Lithuania that place those three countries on track for visa-free travel to the U.S. and designation as VWP members later this year.

It should be noted that under the 9/11 Commission Act, as enacted last year, the U.S. must have a program by June 30, 2009, biometrically identifying and registering all outbound travelers from the U.S. before new countries can be added to the VWP. That program is now mired in controversy over whether the U.S. government or the airlines should administer it. (see following story)

P.L. 110-61 provided \$40 million for DHS's newly authorized "model ports" program; 200 new U.S. Customs and Border Protection officers; establishment of an international registered traveler program and funds for development of a fully automated electronic travel authorization system

On August 3, 2007, President Bush signed into H.R. 1/S. 4 (The 9/11 Commission Act) as P.L. 110-053. The large and complex bill included several provisions especially supported by the travel and tourism industry:

- (1) Beginning July 1, 2009, it allows the Secretary of State to waive the previous requirement that a country could not qualify for the visa waiver program if its visa rejection rate for U.S. travel exceeded 3%. The new rejection rate could be as high as 10% provided certain other requirements are met, provided certain security requirements are met by the country in question and that country is cooperating with the U.S. anti-terrorism program. This means that within the next 24 months, leisure travelers from such major tourism markets as Korea, Brazil and Russia could qualify for the visa waiver program.
- (2) The new law also creates "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.

Congressional Opposition to DHS Fingerprint Identification Plan

Top Congressional committee chairmen and leaders are siding with the airline industry and proposing to prevent the Bush Administration from implementing its proposal to require airlines to fingerprint international visitors to the U.S. before they return home. The airlines claim such requirement would cost them \$12 billion over ten years – an enormous financial burden when most of them are again confronting bankruptcy because of soaring fuel costs.

The WSTPC has joined TIA and eight other national and regional tourism organizations in submitting June 23rd comments to the DHS regarding its proposal for the Collection of Alien Biometric Data Upon Exit from the United States at Air and Sea Ports of Departure. Along with other recommendations, the comments stress that the collection of exit data from international travelers is an inherently governmental responsibility and should not be delegated to airlines or other private sector entities. The comments also recommend that the air exit system be convenient and easily understood by travelers, that a well-funded outreach campaign be developed to enhance traveler compliance and convenience and that significant compliance costs be paid by the Federal government.

To implement the requirement mandated by the 9/11 Commission Act to identify outbound international travelers, the DHS is proposing that airlines collect fingerprints from all those passengers. The airlines and other travel industry organizations have opposed this and suggested that the government should take the responsibility for fingerprint collection. The DHS says that if these fingerprint procedures are not in place by June 30, 2009, “the department may not be able to extend VWP privileges to new countries.”

Federal Highways Final 2008 Appropriations

Before adjourning for the election, the House had added \$12.8 billion in highway projects while the Senate had added \$8 billion. This would be on top of the \$41.2 billion for all highway programs already approved for fiscal 2009.

PL 110-61, the Omnibus Appropriations Bill, set total funding for the Federal highway program at \$41.2 billion, which would honor the full commitment to capital investments in the highway infrastructure made by Congress in the 2005 SAFETEA-LU reauthorization legislation. Unfortunately, the bill falls short of fully funding public transportation by \$134 million.

The Omnibus Appropriations Bill does not include a provision approved by a House-Senate Conference Committee that would have given some protection to transportation enhancements from State budget cuts. Under the earlier conference committee provision, States required to make future transportation spending rescissions would have had to impose rescissions on all programs equally, which would have prevented States from

taking a disproportionate rescission from the transportation enhancements program, as some have recently done.

ARVC, through the National Tourism Coalition for Highways, has consistently urged full Federal funding as authorized by SAFETEA-LU for the highway program.

Highway Trust Fund Shortfall Averted

An imminent shortfall in the Highway Trust Fund was resolved at least in the short run by the last minute enactment of an \$8 billion transfer into the Federal Highway Trust Fund. Following urgent appeals by the National Tourism Coalition for Highways, AASHTO, the Highway Users Alliance and others, both House and Senate passed and President reversed course (a presidential veto had been threatened) and signed the transfer into law just before the Trust Fund would have run dry on October 1, 2008. This short term funding crisis dramatizes, however, the very difficult highway funding issues that will have to be resolved in the 2009 Federal Highway Reauthorization.

The Senate Appropriations Committee on July 9th moved to alleviate the projected shortfall in funding for the Federal Highway Trust Fund. The Transportation Appropriations Bill (S. 3261), as approved by the Senate committee, includes an \$8 billion transfer from general revenue that ensures full funding of \$41.2 billion for the highway program as provided in SAFETEA-LU. The measure must still be approved by the full Senate and by the House of Representatives. While final passage is not guaranteed, it is expected to occur in late September just before adjournment of the 110th Congress.

Although this short term “fix” should close the highway funding gap for the 2009 fiscal year, coinciding with the end of SAFETEA-LU, which authorizes the current Federal highway program, it highlights the critical importance of the next highway reauthorization bill. As it considers the next reauthorization bill, Congress will be severely challenged to ensure that the program responds to the deteriorating transportation infrastructure and other national transportation needs, with sufficient funding.

Concern over a looming gap between Federal Highway Trust Fund expenditures and revenue have been intensified because of the decline in motor fuel tax revenue due to the decline in miles driven caused by rising gas prices.

An effort to meet the looming trust fund shortfall with an amendment to the Federal Aviation Administration Reauthorization Bill were blocked in May when the Senate was unable to overcome a filibuster on that bill led by Senator Ted Stevens (R-AK), who objected to including highway measures in an aviation bill.

Congressional action to offset a potential \$3.2 billion shortfall in the Federal Highway Trust Fund has been led by Senator Max Baucus, D-MT, chairman of the Senate Finance

Committee and the Environment and Public Works Subcommittee on Transportation and Infrastructure, and Senator Charles Grassley, R-IA, ranking minority member of the Finance Committee.

The President's original budget estimate projected a fiscal year 2009 shortfall of at least \$3 billion in the Federal Highway Trust Fund, which, because of the nature of highway project obligations, will mean a program reduction of \$12 billion by October 1, 2008. To correct this deficit, the Administration is proposing to borrow up to \$3.3 billion from the Mass Transit Account in the Trust Fund. These estimates were later raised to show a 2009 shortfall closer to \$8 billion.

For nearly a year, highway financing experts have warned Congress that motor fuel taxes to pay for surface transportation programs will soon not meet demand. In August, 2007, the Treasury Department predicted that allocations as projected by SAFETEA-LU would outstrip gas taxes deposited into the Highway Trust Fund by \$4.3 billion by the start of fiscal year 2009.

Bush Administration Proposes Highway Reauthorization Policy

DOT Secretary Mary Peters on July 29 released the Administration proposal for the next highway reauthorization. Reflecting the widespread concern that the 18.4 cents per gallon Federal motor fuel tax that has traditionally funding the highway program will be inadequate in the future, the proposal would essentially deny funding from the Federal Highway Trust Fund to virtually all "non-highway" programs. All programs related to recreation and tourism would have their direct funding eliminated. Scenic byways and recreational trails would have to compete for funding under broader program categories. Transportation enhancements would be eliminated. Funding for Federal land roads would be continued but that category of funding would include national park roads and park transit projects, forest roads, public land roads, refuge roads and Indian roads, as well as Department of Defense and Corps of Engineer roads, which would have to compete for (probably) less money.

The Administration proposal would the Federal motor fuel tax to provide most Federal highway funding while also utilizing more toll roads, fees for vehicle miles driven, congestion pricing and partnerships.

Although truly a "lame duck" proposal (there's that term again) that was immediately rejected by House Transportation and Infrastructure Chairman Jim Oberstar (D-MN), Secretary Peters has expressed a legitimate point of view held by many observers and shows clearly the political challenge facing those who want to continue many "non-highway" programs with Federal highway money.

National Surface Transportation Policy and Revenue Study Commission

The National Surface Transportation Policy and Revenue Study Commission released its Report to Congress on January 15, 2008, following a year of hearings and study and was immediately the subject of two hearings by the Senate Committee on Environment and Public Works. The major recommendations of the Commission:

- There must be a strong Federal role and support for a national transportation system.
- There must be a significant increase in investment in investment to preserve our system and modernize it for the future.
- The user fee concept, i.e. the motor fuel tax, is an essential element in providing the necessary revenue support, with 25-40 cents per gallon increase in the Federal motor fuel tax (now 14.5 cents) recommended.
- Transportation enhancements should be subjected to a new Environmental Stewardship Program that would receive seven percent of surface transportation program money. (It is likely that this would result in a substantial cut in transportation enhancement money – a major source of funding for hundreds of tourism projects.)
- The Federal Lands Highway Program should be continued with 100 percent Federal money.
- There would no longer be guaranteed financial set-asides for recreational trails and scenic byways as dozens of individual programs would be eliminated as separate entities and would have to compete for money from the Environmental Stewardship Program and/or other sources.

The National Tourism Coalition for Highways, founded by the WSTPC and other tourism organizations, earlier submitted a statement to the Commission regarding the importance of tourism and the impact of highway policy, stressing the scale of the tourism industry and the critical importance of safe and efficient highways to the industry and the direct benefits of programs such as transportation enhancements, national scenic byways, recreational trails, and traveler information systems.

The Commission was established by SAFETEA-LU to prepare recommendations for the next highway reauthorization legislation in 2009. The twelve member commission was chaired by DOT Secretary Mary Peters but had no tourism industry representatives. Nine of the twelve signed the final report with Secretary Peters dissenting especially from the recommendation for higher motor fuel taxes.

Amtrak Funding Doubled

Congress and the President enacted legislation that doubled 2009 funding for Amtrak, the national rail passenger corporation to approximately \$13 billion.

New Approach to Funding Emergency Forest Firefighting

After passing the House, the FLAME Act was not taken up by the Senate due to budget concerns before the regular session of the 110th Congress was adjourned.

On July 9th, the House of Representatives approved H.R. 5541, the FLAME Act, guaranteeing about \$500 million per year to fund Federal agencies' emergency fire fighting costs. The FLAME Act provides money to cover the average cost of fighting major fires in the preceding five years, which would be about \$500 million. This money would not come from regular agency appropriations and Congress would still have to appropriate as needed to pay for other non-catastrophic fire fighting costs. On July 11th, Senators Harry Reid (D-NV) and Barbara Boxer (D-CA) introduced S. 3256, a counterpart to the H.R. 5541.

Separately, Senate Appropriations Interior Subcommittee Chairman Diane Feinstein has asked the full Appropriations Committee to approve \$910 million in emergency fire fighting money for fiscal year 2008, which would not count against regular agency appropriations.

House Natural Resources Committee Chairman Nick Rahall (D-WV), National Parks and Public Lands Subcommittee Chairman Raul Grijalva (D-NM) and Appropriations Interior Subcommittee Norman Dicks introduced H.R. 5541, the FLAME Act, which would authorize the Flame Fund (the Federal Land Assistance, Management and Enhancement Fund) in the U.S. Treasury – an appropriated supplemental fund for catastrophic emergency wildland fire suppression activities on Department of the Interior and National Forest System lands. Following an April 10th hearing, the House Natural Resources Committee on April 17th approved the FLAME Act and it is now awaiting consideration on the House floor, where passage is likely. Although there is no Senate legislation yet on this issue, there has been considerable interest in the issue by several western senators and there appears to be a reasonable prospect of final enactment this year.

A February 1st letter by WGA Chair and Wyoming Governor Dave Freudenthal) and the National Association of State Foresters urged Congress to enact a budget set-aside for fire fighting so it will not be such a drain on other agency spending.

For more than a decade, the cost of fighting wildfires on Federal lands has been a growing burden on the operating budget of the Forest Service. In 1995, fire fighting costs were about 15 percent of the operating budget, while in 2008 those costs are projected to be nearly 45 percent. This budgetary pressure has now attracted the attention

of Congress and several western senators from both parties. Senators Bingaman (D-NM), Baucus (D-MT) and Craig (R-ID) are also trying to devise an alternative budgetary approach through creation of a separate emergency fund or some other approach.

Two New National Study Groups Underway

Two national private sector study groups formed over the summer may have an impact on tourism and recreation issues pertaining to the Federal Lands. The first group is the Outdoor Resources Review Group (ORRG), which started up in July and was comprised of 18 well known figures from major national organizations – a group one observer has characterized as the “recreation establishment.” Co-chaired by Henry Diamond, partner in the legal firm of Beveridge & Diamond and formerly chief of staff on the Rockefeller Outdoor Study Commission, Patrick Noonan, Chairman Emeritus of the Conservation Fund, the ORRG self-declared mission is to develop recommendations in eleven months for the future of outdoor recreation in America. ORRG was launched as strictly a private sector endeavor after earlier attempts to get Congressional or Presidential authorization were unsuccessful, although Senators Jeff Bingaman (D-NM) and Lamar Alexander (R-TN) are honorary co-chairs. The eleven month work schedule may be expedited to produce at least some major recommendations by November for consideration by the new President’s natural resources transition team. The ORRG may also wind up recommending that a more official Federal Study Commission be established to take a more comprehensive look at outdoor recreation challenges.

The second study group is the thirty member National Parks Second Century Commission launched in August and co-chaired by former Senate Majority Leader Howard Baker (R-TN) and former Chairman of the Senate Energy Committee J. Bennett Johnston (D-LA). With full support pledged by the National Park Service, and financed by one million dollars in funding from the National Parks Conservation Association, the NPSCC mission is to recommend by next May policies for the second century of the NPS beginning in 2016. The two groups were apparently formed independently and have no direct connections.

Congress Asks GAO to Study Moving Forest Service to Interior

On July 31st, ARVC was part of a conference call between 7-8 recreation industry representatives and staffers from the General Accountability Office (GAO), who are conducting the Congressionally requested study of issues pertaining to the possible move of the Forest Service to the Department of Interior. The consensus view of the recreation industry representatives was one of skepticism. Concern was expressed that the move might alter the traditional multiple use mission of the FS and diminish its commitment to providing outdoor recreation opportunities. The GAO is expected to complete its draft study by the end of 2008 and submit it to Congress with public release expected in the early spring of 2009.

House Appropriations Interior Subcommittee Chairman Norman Dicks (D-WA) has asked the GAO to study moving the Forest Service and the Environmental Protection Agency to the Department of the Interior to create a new Department of Natural Resources. Although often proposed in the past, this reorganization may now be viewed more favorably as a means to address the budget difficulties encountered by the Forest Service in recent years and the drain of fire fighting costs on that agency's operating budget. Timbering, mining and grazing interests are likely to be skeptical towards merging the Forest Service with other land agencies.