ARVC 2009 ISSUE PAPER: INT'L TRAVEL FACILITATION

***BACKGROUND*:** The tourism industry has been concerned over the Western Hemisphere Travel Initiative (WHTI), which would require all travelers, including U.S. citizens, to and from the Americas, the Caribbean and Bermuda to have a passport or other accepted document that establishes identity and citizenship to enter or re-enter the U.S. Before the WHTI, driver's license and/or birth certificate was sufficient identification under the Western Hemisphere Exception (except for Mexico). Only 27 percent of U.S. citizens now have passports and only 40 percent of Canadian citizens. The passport requirement for all western hemisphere air travelers to and from the U.S. was implemented in January, 2007. The Department of State and DHS on March 26, 2008, announced the final rule for the land and sea portion of the 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. The U.S. Travel Association has expressed concern that the new WHTI rules are not accompanied by a credible plan to inform travelers of the changing requirements.

To implement the requirement mandated by the 9/11 Commission Act to identify outbound international travelers, the DHS is proposing that airlines scan and 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 scan 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." Several tests are underway to assess the relative merits of collecting fingerprint data at check-in or at the gates.

***ISSUE*:** (1) Balancing legitimate homeland security needs with the threat that tighter ID and inspection requirements might discourage international visitation to the U.S. (2) Ensuring timely expansion of the visa waiver program.

***IMPORT*:** Many RV parks and campgrounds host Canadian visitors, especially in northern border states during the summer and in the southern Sunbelt States during the winter. Other international visitors are increasingly likely to visit rural areas, national parks, etc.

***ARVC POSITION*:** ARVC supports tourism industry efforts to ensure that border crossing ID requirements are reasonably implemented, including traveler education and preparedness, and do not have a negative impact on tourism.

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ARVC 2009 ISSUE PAPER: HIGHWAY POLICIES

***BACKGROUND*:** The last three Federal highway bills, ISTEA in 1991, TEA-21 in 1997 and SAFETEA-LU in 2005, were landmarks for tourism and recreation as they raised overall highway funding to historic levels, established significant new programs such as *transportation enhancements*, which has funded billions of dollars in trails, historic preservation projects, scenic view protection and welcome centers; *national scenic byways*, which provide more beautiful and appealing reasons to travel the countryside; and modern *public land road and recreational trails*. The current highway bill expires in October, 2009, and a new bill must be enacted by then.

For 2009, total funding for the Federal highway program is honors the full commitment to capital investments in the highway infrastructure made SAFETEA-LU, which guaranteed $41.2 billon for highways in 2009. Federal motor fuel tax revenue is no longer sufficient to pay for surface transportation programs. In, September, 2008, Congress had to approve an additional $8 billion in funding to fill the gap in revenue from the Federal motor fuel tax.

The 12 member National Surface Transportation Policy and Revenue Study Commission Report in its 2008 Report to Congress recommended:

- a strong Federal role and support for a national transportation system.
- a significant increase in investment in investment to preserve our system and modernize it for the future.
- a possible increase of 25-40 cents per gallon in the motor fuel tax (18.3 cents per gallon) and greater reliance on highway tolls
- eliminating guaranteed financial set-asides for transportation enhancements, recreational trails and scenic byways as separate entities so they would all have to compete for money from the Environmental Stewardship Program.

In the 2009 American Recovery and Reinvestment Act, an additional $27.5 billion in stimulus funding was provided in formula grants to the states for highways and bridges. This leaves open, however, the level and sources of highway funding in the 2009 reauthorization legislation.

***ISSUES*:** Whether future funding levels will be adequate for a national system of safe and efficient highways and for programs directly beneficial to tourism and recreation. Among alternative funding proposals under consideration are (a) a substantial increase (doubling or tripling over 5-10 years) in the Federal motor fuel tax; (b) greater reliance on toll roads; and (c) "mileage based charges" whereby GPS systems are used to charge drivers for miles driven, including differing charges for different roads at different times.

***IMPORT*:** For RV parks and campgrounds, the essential importance of a safe and efficient highway system is self-evident. Along with programs directly benefiting tourism and recreation, traveler information issues, from signage to Intelligent Highway Systems affect campgrounds. At the same time, RV parks and campgrounds want the cost of driving to remain reasonable.

STATUS AND OUTLOOK: Congress is now working on the 2009 highway bill.

***ARVC POSITION*:** ARVC supports a Federal Highway Program that will provide safe and efficient highways, with an expansion of programs beneficial to tourism and recreation with sufficient funding levels. ARVC also supports consideration of the needs of tourism and recreation in the planning and development of the national and state/local highway systems. As a charter member of the National Tourism Coalition for Highways, ARVC works with other industry organizations to achieve those goals.

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ARVC 2009 ISSUE PAPER: NPS NATIONAL TOURISM OFFICE

BACKGROUND: For more than two decades, the National Park Service has had a National Tourism Office, with the general responsibility of providing liaison services with the national tourism industry and providing national park service leadership and national parks staff with information and advice about serving park visitors – both individuals and groups – while protecting cultural, historical and natural resources at NPS sites.

The current NPS Director of Tourism has been in that position for nearly four years and was previously a state tourism director for more than a decade. He has worked with regional NPS tourism and visitor service staff to develop a NPS National Tourism Strategic Plan that outlines tangible actions to **engage community partners**, such as gateways, business and professional organizations and academia; **improve communications and marketing capacity** with tourism industry partners; **create innovative visitor enhancement strategies** in the parks and in gateway communities; ensure quality visitor experiences; and **ensure professional excellence of park professional staff** in dealing with gateway communities and tourism partners. This Strategic Plan was adopted by the NPS leadership in November, 2008.

The capability of the Tourism Office to carry out its mission, however, is severely limited by an insufficient budget, consisting of little more than the compensation of the Director of Tourism, with minimal staff support and travel funds. A budget of one million dollars would allow two support staff, more travel to industry and agency events and generally better enable the Tourism Office to accomplish its mission.

ISSUE: Whether to fund the NPS Tourism Office at a sufficient level to enable it to carry out its mission and implement its national tourism strategy.

IMPORT: A strong, adequately funded NPS Tourism Office would enable the NPS to work more effectively with tourism industry partners and gateway communities. As a closer partner with tourism businesses and gateways, the NPS would likely be more sensitive to economic needs of local businesses including the threat of unfair competition.

STATUS AND OUTLOOK: Neither the President's budget nor Congressional appropriations bills have recently paid much attention to the NPS Tourism Office and its budget needs. Neither the 2009, nor the 2010 budgets proposed by the agency provide any meaningful increase in Tourism Office funding that might enable it to operated more effectively.

ARVC POSITION: ARVC supports adequate funding – to at least one million dollars total – for the National Tourism Office of the National Park Service.

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ARVC 2009 ISSUE PAPER:INT'L TOURISM MARKETING

***BACKGROUND*:** Since the 1995 demise of the U.S. Travel and Tourism Administration, the United States has been the only western industrialized nation without a national tourism agency to market the country as an international tourism destination and the U.S. share of the global tourism market has slowly but steadily declined, meaning lost revenue and lost jobs to the U.S., made even worse by the fact that international visitors typically stay longer and spend more on their vacation trips than do Americans. A significant industry effort has been underway for the past three years 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.

S. 1661, *The Travel Promotion Act of 2007*, introduced June 19, 2007, by Senators Dorgan (D-ND), Inouye (D-HI) and Stevens (R-AK), was approved by the full Commerce Committee on June 27, 2007. A companion bill, H.R. 3232, was introduced July 31, 2007, in the House by Reps. Delahunt (D-MA) and Blunt (R-MO). Both bills would have established a private corporation to promote and market the U.S. as an international travel destination, with the corporation and its programs financed by public and private sector funds. The Federal share would be funded by a new fee on visitors from visa waiver countries. ARVC worked closely with Senate staff drafting S. 1661 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. H. R. 3232 passed the House in late September but S. 1661 was not voted on by the full Senate. Efforts were made to have the legislation included in the 2009 American Recovery and Reinvestment Act but they were unsuccessful.

***ISSUES*:** Whether the Federal government should support an international tourism marketing program and/or campaign, with adequate funding? What should the elements of that program be?

***IMPORT*:** For many RV parks and campgrounds, especially those near national parks, which attract nearly 25 percent of all international visitors, international visitors are significant.

***STATUS & OUTLOOK*:** The Travel Promotion Act is expected to be reintroduced in the next few weeks in the 111th Congress. The industry is optimistic about the outlook, especially since President Obama as senator was a cosponsor of S. 1661 in the last Congress.

***ARVC POSITION*:** ARVC supports Federal support for a public-private international tourism marketing campaign and further urges that this campaign also promote tourism in rural America.

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ARVC 2009 ISSUE PAPER: 2009/2010 FED LAND AGENCY BUDGETS

BACKGROUND: After nearly a six months delay, Congress finally passed on March 10th and President Obama signed on March 11th an omnibus spending bill for Fiscal Year 2009 that includes nine appropriations bills, including funding for all the Federal land agencies. The Federal land agencies, especially the National Park Service, received increases over 2008 funding and considerably higher than proposed in the Bush Administration 2009 budget. Following are the final 2009 spending levels as provided for selected land agency programs particularly salient to tourism and recreation interests. 2008 appropriations are in parentheses.

NPS Operations	$1.895 B ($1.745 B
NPS Centennial Initiative	-0- ($25 M)
National Forest System	$1.603B ($1.506 B)
Forest Service Recreation	$277.6 M ($262.6 M)
Forest Service Trails	$81M ($76.4M)
BLM Rec Management	$63.7M($67M)
FWS Refuge Management	$462.9M($434.1M)

The Obama Administration on February 26th released an outline of its 2010 budget proposals that call for major increases for Federal land agencies. Details are scheduled to be released in late April but some of the projected increases include:

Park Service Operations would be increased $100 million over 2009 funding.

Park Service Centennial Challenge would get a $25 million advance over 2009.

National Forest protection would be increased $50 million over 2009.

A new emergency fire fighting fund of $357 million would be established with $282 million for the Forest Service and $75 million for the Interior Department

In addition to these proposed budget amounts, the American Recovery and Reinvestment Act of 2009 allocated nearly $2 billion in stimulus funding (primarily infrastructure projects) to the Federal land agencies: $920 million to the National Park Service, $900 million to the Forest Service, $25 million to the BLM.

Finally, the separate 2010 Senate and House budget resolutions, which serve as guides for the appropriations committees , have each approved $37.4 billion in natural resource funding, up from $33.8 billion in 2009. These amounts include the land agency budgets with the detailed program amounts to be determined by the appropriation process.

ISSUES: Whether the Federal land agencies will have budgets adequate to maintain their appeal to millions of visitors.

IMPORT: Many visitors to the national parks, forests and other Federal lands are often customers of commercial RV parks and campgrounds. Private businesses in gateway communities, including many RV parks and campgrounds are concerned, however, whenever Federal land agencies provide visitor services and facilities that compete unfairly with the private sector.

STATUS AND OUTLOOK: *Following expected passage of the final 2010 Budget Resolution by both Houses of Congress, the respective appropriations committees will decide what the actual 2010 agency appropriations will be.*

ARVC POSITION: ARVC supports funding for the Federal land agencies sufficient to protect and conserve the resource and provide adequate visitor services, provided the agencies do not construct or expand visitor services and facilities that compete unfairly with the private sector.

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ARVC 2009 ISSUE PAPER: FEDERAL ESTATE TAX

BACKGROUND: Controversy has surrounded the Federal estate tax since its inception nearly a century ago.

Supporters of this tax argue that it prevents concentration of unearned, inherited wealth, encourages ambition and initiative by heirs and, not so coincidentally, provides revenue to the government.

Opponents of the tax argue that it discourages entrepreneurial drive by individuals when they realize they are limited in what they can distribute to their heirs and that it penalizes small family-owned businesses who are taxed at the same estate tax rates on the death of owners and who may even have to liquidate to generate cash to pay estate taxes.

In 2001, as part of the Bush Tax Reform Bill, Congress agreed to phase out the estate tax over the next ten years, so that it would disappear completely in 2010. To meet budget goals, however, that legislation called for the estate tax to be reinstated in 2011 to its pre-2001 rates of 55% on all estates worth more than $2 million per couple unless Congress took further action.

Now Congress must again decide whether to change the estate tax or let it return to pre-2001 levels. President Obama has proposed holding the future estate tax to its current 2009 level of 45% on estates greater than $7 million (estates of lesser value would be exempt). The Senate in its 2010 budget resolution has accepted a proposal from Senators Lincoln (D-AR) and Kyl (R-AZ) to lower the future tax to 35% on estates greater than $10 million. The 2010 budget bill passed by the House of Representatives does not have a provision regarding the estate tax.

ISSUES: Whether to restore the estate tax to pre-2001 levels or reduce it to new levels as provided in the proposals by President Obama and in the Lincoln-Kyl proposal.

IMPORT: The RV park and campground industry is dominated by small businesses, many of them "Mom and Pop" operations, with many classically "land rich" but "cash poor," RV parks and campgrounds are likely to be affected to an unusual degree by changes in the Federal estate tax.

STATUS AND OUTLOOK: There will be a House-Senate conference committee in the next few weeks to reconcile the different Senate and House 2010 budget bills and the question of the estate tax will be considered then. Regardless of the action or lack of action by the conference committee, it is likely that the estate tax will be raised again during Congressional consideration of expected tax reform legislation.

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ARVC 2009 ISSUE PAPER: CENTENNIAL PARKS INITIATIVE

BACKGROUND: The Centennial National Parks Initiative first proposed in 2007, would produce $3 billion in Federal-private sector funding for the national parks to improve the parks in time for the 2016 celebration of the centennial of the national parks. 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 recommendations made by ARVC and others that the Initiative address declining parks visitation. The overall goal is 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.*

In the 110th Congress, H. R. 3094, the National Park Centennial Fund Act passed the House comparable legislation in the Senate, S. 2817, did not pass. It should be noted, however, that Senator Ken Salazar (D-CO), who is now Secretary of the Interior, was a cosponsor of S. 2817. S. 2817 was favored by tourism and recreation interests because it explicitly recognized "visitor enjoyment" as a major purpose of the Centennial Initiative. Centennial legislation was ultimately unsuccessful in the 110th Congress in 2008 primarily because of a failure to identify a budgetary "offset" for the required one billion dollar additional funding.

ISSUE: Enactment of Congressional legislation authorizing the Centennial Initiative.

IMPORT: National park improvements could boost park visitation and increase traffic for commercial RV parks and campgrounds but might support unfair competition.

STATUS AND OUTLOOK: President Obama's 2010 budget proposes a $25 million advance for the Centennial Initiative. Centennial legislation is expected to be reintroduced in the 111th Congress in the next few weeks. It must still identify a budget "offset" for the new one billion funding. Further complicating the outlook is the fact that the National Park Service was given $920 million in new funds by the recent American Recovery and Reinvestment Act.

ARVC POSITION: ARVC supports the Centennial Initiative that will increase parks visitation while opposing centennial funding for projects that support unfair competition.

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ARVC 2009 ISSUE PAPER: FS FIRE FIGHTING BUDGET

BACKGROUND: For more than a decade, the cost of fighting wildfires on all 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 were nearly 50 percent. The inflation-adjusted average for wildlife fire suppression over the past five years by both the Forest Service and the Interior Department land agencies is $1.3 billion, which is nearly three times the FY 2001 level of $472 million. Over the past several years, this budgetary pressure has attracted the attention of Congress and several western senators from both parties.

In the 110th Congress, 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. Although it passed the House, H.R. 5541 did not pass the Senate.

ISSUE: Whether to enact legislation to relieve the burden of fire fighting costs from the operating budget of the Forest Service.

IMPORT: Budget relief would leave more funds for the Forest Service to spend on other programs, including visitor services and facilities.

STATUS AND OUTLOOK: H.R. 1404, introduced by Representatives Rahall, Simpson (R-WY) and Walden (R-OR), the successor in the 111th Congress to H.R. 55451, passed the House on March 26, 2009. The Senate version is S. 561, introduced by Senators Bingaman (D-NM) and Murkowski (R-AK)and is awaiting action in that body.

ARVC POSITION: ARVC supports the FLAME Act.

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ARVC 2009 ISSUE PAPER: UNFAIR COMPETITION AT THE NATIONAL LEVEL

BACKGROUND: Many commercial RV parks and campgrounds are in direct competition with similar facilities owned and operated by government at all levels. At the national level, this competition typically comes from RV parks and campgrounds operated by public land agencies such as the National Park Service and the USDA Forest Service, which have inherent advantages due to their public recognition, location and low fees because of costs subsidized by agency budgets. The 1998 FAIR Act, which was supported by ARVC and other business organizations, was intended to eliminate Federal agency performance of "inherently nongovernmental activities," but it has been rendered largely ineffective by vigorous opposition from Federal employee unions.

ISSUE: Reduction and prevention of Federal unfair competition with commercial RV parks and campgrounds

IMPORT: Such unfair competition attracts customers away from commercial RV parks and campgrounds and thereby has a detrimental economic impact.

STATUS AND OUTLOOK: Although there is no legislation before Congress at present that would reduce unfair competition but ARVC is using other opportunities to advocate its opposition to unfair competition, including implementation of the American Recovery and Reinvestment Act, the National Parks Centennial Initiative, review of the Federal recreation fee program, the regular Federal lands appropriations bills and the Federal Highway Reauthorization Bill.

ARVC POSITION: ARVC recognizes the importance of the national parks, forests and other Federal lands in attracting millions of visitors, many of whom are customers of commercial RV parks and campgrounds. As a result, ARVC supports land agency programs that attract visitors but ARVC opposes land agency funding to support recreation facilities or services that compete unfairly with commercial businesses in gateway communities.

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ARVC 2009 ISSUE PAPER: FEDERAL LANDS RECREATION FEES

BACKGROUND: In 2008, Senators Max Baucus (R-MT), Mike Crapo (R-ID), Jon Tester (D-MT) and Ken Salazar (D-CO introduced S. 2438, the Fee Repeal and Expanded Access Act of 2008, which, as the title suggests, would have virtually eliminated recreation fees for all Federal land agencies except the National Park Service. A hearing on S. 2438 was scheduled in April by the Senate Energy and Natural Resources Committee but that hearing was cancelled and never rescheduled. No companion bill was introduced in the House.

S. 2438 grew out of persistent, continuing criticism and opposition to the 2004 Federal Lands Recreation Enhancement Act, which made the ten year old Recreation Fee Demonstration Program permanent for ten years, giving the Federal land agencies authority to charge new fees for access and use of recreation facilities and allowed the agencies to retain this fee revenue and required that 80% of it be used at the local lands unit where it is collected. Critics have focused on poor implementation of the new fee program, especially by the Forest Service, and have argued that citizens should not have to pay fees for use of public lands they own and pay for with their taxes. The Forest Service in 2007 collected more than $70 million from its retained recreation fees and the BLM and the Fish and Wildlife Service collected another $20 million. If that fee authority was revoked, regular appropriations would have to make up the lost revenue.

ISSUE: (1) Continuation of the recreation fee program, and (2) Changes in the program to mollify critics.

IMPORT: Federal land improvements funded by recreation fee revenue should increase visitation to those lands and thus increase traffic for private businesses, especially in gateway communities.

STATUS AND OUTLOOK: Although S. 2438 was not given much consideration by the 110th Congress, Senator Baucus has promised to reintroduce it in the 111th Congress. Although Congress will be reluctant to eliminate nearly $90 million in fee revenue for the land agencies, the outlook is uncertain and some Congressional changes in the fee program are being discussed by Congressional staff.

ARVC POSITION: ARVC reaffirms its support of the recreation fee program for the Federal lands as authorized by the 2004 Federal Lands Recreation Enhancement Act (FLREA) and would oppose legislation that would repeal that fee authority for all agencies except the National Park Service. ARVC, however, would support reform of FLREA to make the fee program more efficient and effective and to protect the competitive interests of commercial RV parks and campgrounds and other businesses by assuring that fee revenue is not used to support or expand unfair competition with tourism businesses in gateway communities.

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