U.S. TRAVEL ASSOCIATION INFRASTRUCTURE PLATFORM

Our nation's transportation infrastructure—made up of roads, airports, highways, bridges, rail and more—enables people to travel and conduct commerce around the country and across the globe. This national network is also the U.S. travel industry's most important asset. However, over the past several decades our nation's travel infrastructure has fallen into a state of disrepair.

Travel to and within the United States cannot grow without increased and sustainable investment in *all* modes of travel infrastructure.

1 STRENGTHEN INVESTMENT AND ENCOURAGE INNOVATIVE PARTNERSHIPS

PROBLEM: Inadequate federal investment

- America's airports have nearly $130 billion in infrastructure needs through 2023 to accommodate tremendous growth in passenger volumes, rehabilitate and expand facilities, enhance the passenger experience and spur much-needed airline competition.
- The Highway Trust Fund (HTF) faces a shortfall of $138 billion over the next decade just to continue today's insufficient levels of investment. Without additional revenues, the HTF will be insolvent by FY22

SOLUTION: Provide increased and sustainable investments in all modes of travel infrastructure through user-based revenue streams

Aviation Infrastructure

- **Adjust the federal cap on the passenger facility charge (PFC) user fee** to a level consistent with inflation since it was last raised in 2000.
- **Index the federal PFC cap to inflation** to assure that these fees provide long-term, sustainable sources of revenue.

Surface Infrastructure

- **Increase federal user-fees,** dedicated to the HTF, to finance surface transportation improvements needed to maintain and modernize our nation's travel infrastructure network. **Congress should consider all user fee options, including (but not limited to):**
  - Federal gas tax
  - Federal taxes on heavy vehicles
  - A vehicle sales tax based on fuel economy or emissions
  - Registration Fees
  - Federal bonds, loans, and tax credits back by user fees
  - A value-added gas tax, with a progressive rebate for certain consumers
- **Gradually phase out the federal gas tax** and transition to a more sustainable and modern user-fee model.

Innovative Financing

- **Issue tax-exempt bonds** (similar to Move America Bonds or Build America Bonds) that provide state and local governments and private-sector purchasers with tax credits to attract non-federal investment in public infrastructure.
- **Establish a National Infrastructure Bank** (initially capitalized by a federal investment) that would offer long-term, low-interest loans to finance projects that are larger than $100 million, achieve goals of regional or national importance, provide a clear public benefit and are backed by an identified revenue stream that repays the loan.
- **Continue to support and expand the use of federal credit assistance programs – such as TIFIA and RRIF** – to support large infrastructure projects and leverage additional private resources. Where appropriate, streamline the application process to ensure that project sponsors can more easily access this critical credit support.
- **Eliminate the Alternative Minimum Tax penalty for airport projects.**

2 PRIORITIZE FEDERAL INVESTMENTS IN PROJECTS THAT ENHANCE NATIONAL AND REGIONAL MOBILITY

⊗ PROBLEM: Congestion, missing links and aging facilities along key travel corridors

- **Long-haul and multimodal investments are not prioritized:** Approximately 80 percent of federal surface transportation funds are siloed by mode and provided directly to states and local agencies to address challenges within their own borders. However, long-haul travel takes place in the opposite way, utilizing multiple modes (e.g. airports, highways, and transit) that span between economic regions and across state lines.

- **Major mobility gaps in the travel network:** The siloed and localized approach to existing programs, along with scarcity of funding, contributes to mobility gaps that restrict travel between states and economic regions. These mobility gaps include unfinished portions of the Interstate, significantly congested highways, poorly maintained access roads to national parks and federal lands or inadequate transit connectors and passenger rail.

✓ SOLUTION: Address national mobility gaps by prioritizing federal discretionary grants for projects of national and regional significance

Authorize a Projects and Corridors of National Significance Program that provides critical assistance to major projects that cannot be supported by current formula programs. Such a program should included the following elements

- **Multi-state planning and operations:** Authorize a new program to provide grants for multi-state organizations that promote cross-jurisdictional cooperation in project planning and activities that improve operations along critical travel corridors. Grants would be eligible to fund:
  - Multi-state coordination for planning, development and construction of major corridor projects
  - Interagency coordination and response to traffic incidents, construction schedules and reoccurring congestion along key corridors
  - Development of corridor-wide, multimodal traveler information systems that provide accurate and timely information regarding accidents, congestion and construction activity
- **Discretionary Grants for Projects of National Significance (PNS):** Provide discretionary funding for major multimodal surface transportation projects that cannot otherwise be supported through existing formula programs and generate economic benefits that accrue beyond local areas and states. Elements of the program should include:
  - Selection criteria that prioritizes funding for projects along critical corridors that support significant volumes of long-haul passenger travel, ensure the resiliency of travel infrastructure, improve access to major travel destinations and attractions and enhance the economic contributions of business, leisure and international travel
  - Set-asides for projects that were planned and developed through multistate corridor coalitions or achieve the goals of the National Travel Infrastructure Strategy

3 ACCOUNT FOR VISITATION IN THE DISTRIBUTION OF FORMULA FUNDS AND EMBRACE NEW AND TRANSFORMATIVE TRANSPORTATION TECHNOLOGIES

⊗ PROBLEM: Federal funding formulas fail to account for visitation and travel mobility takes a back seat to freight mobility

- **There is a state apportionment program for moving freight, but not people:** The FAST Act established the National Highway Freight Program (NHFP), which is a $1.2 billion program to improve efficient movement of freight on the National Highway Freight Network (NHFN) and achieve the goals of the National Freight Strategic Plan. However, no similar program exists to provide states and local agencies with annual funding to improve travel mobility and enhance the economic contributions of travel.

- **Formula funding excludes visitation:** Federal-aid highway and transit formulas account for population, but not visitation, in the distribution of funds. This oversight disadvantages communities of all sizes, from rural destinations with large volumes of seasonal visitors to large metropolitan areas with consistent visitation, by not awarding additional funds to help states deal with increased demands on their transportation networks.

- **Lack of funding for multimodal connectors, passenger rail and innovative transportation technologies:** The bulk of federal funding (approximately 80%) is invested in highways and roads, putting passenger rail, public transportation and innovative transportation technologies at a disadvantage. Yet, these modes are critical to facilitating long-haul travel, and supporting mobility within destinations. Federal funding should be solution oriented and focused on outcomes, such as improving travel mobility and facilitating economic activity between states and economic regions and within destinations, rather than favoring and incentivizing specific modes of transportation.

SOLUTION: Establish a National Travel Mobility Program that provides annual funds to States and localities

U.S. Travel urges Congress to establish a National Travel Mobility Program (NTMP), funded at $1.2 billion per year, which is focused on **improving the efficient movement of people on the National Multimodal Travel Network (NMTN).** Funds would be distributed to states by formula for eligible highway, road, transit, passenger rail and transportation alternatives projects that enhance travel mobility and improve connectivity to destinations and attractions.

Program Elements:

- **Goals of the National Travel Mobility Program:**
  - Strengthen the contribution of the travel and tourism to the economic competitiveness of the United States
  - Invest in infrastructure and implement operational improvements along key corridors for travel and tourism
  - Reduce congestion and bottlenecks on the National Travel Infrastructure Network
  - Improve the year-around reliability of long-haul passenger travel
  - Improve the safety, security, efficiency and resiliency of long-haul passenger travel in rural and urban areas
  - Improve the state of good repair of the National Highway Network

- **Establish a National Multimodal Travel Network (NMTN):** Direct the Secretary of Transportation to identify critical corridors along the National Highway System (NHS), the National Highway System (NHS), passenger rail network, national park and federal lands access roads and multimodal connectors that facilitate the majority of long-haul passenger travel to and within the United States. The NMTN can be used to prioritize investments, guide federal policy development and encourage collaboration across all transportation modes.

- **Support long-term planning along the NMTN:** Provide planning funds to States and Metropolitan Planning Organizations (MPOs) to develop projects and strategies that ensure long-haul travel mobility and enhance the economic contribution of travel within their region. Recommend the establishment of State Travel Advisory Committees.

- **Fund multimodal capital and operational improvements:** States and MPO's would use funds that contribute to the efficient movement of people on the NMTN and are identified by states or MPO's as critical to enhancing travel mobility and tourism. While highway projects would be eligible, each state may also allocate its NTMP funds for capital projects that support public or private passenger rail, transit and intermodal facilities, or for the construction of new and innovative transportation technologies, including the Hyperloop.

- **Formula:** Using data certified by U.S. DOT, the National Travel Mobility Program would apportion annual funds to states based on each state's share of out-of-state and in-state visitors that arrive to a destination by passenger vehicle, motorcoach or passenger rail.