BUILDING THE NEXT GENERATION OF TRAVEL INFRASTRUCTURE

Four Guiding Principles

U.S. TRAVEL ASSOCIATION

BACKGROUND

Travel connects America's families, communities and businesses. It also powers our economy, generating more than $2 trillion in economic output and supporting more than 15 million American jobs.

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.

Modern, efficient travel infrastructure facilitates economic growth and competitiveness, improves our quality of life and strengthens our national security. But outdated, inefficient and deteriorating travel infrastructure has the opposite effect, limiting commercial and personal mobility, restricting access to economic regions and opportunities, and stifling growth.

Over the past several decades, our nation's travel infrastructure has fallen into a state of disrepair. While countries around the globe modernize airports, expand and repair roadways, and improve passenger rail, the United States has neglected to adequately invest in its travel infrastructure. As a result, our national transportation network is unable to cope with current, much less future travel demand. While the rest of the world is speeding up, the United States is slowing down due to:

- **GROWING HIGHWAY CONGESTION:** Within the next five years, Labor Day-like traffic will plague U.S. highways on a daily basis. I-15 from Los Angeles to Las Vegas will reach this level of congestion by 2026. According to a U.S. Travel survey, 38 percent of travelers would avoid between one and five trips per year if congestion continues to grow at its current pace. If travelers avoided just one auto trip per year, the U.S. economy would lose $23 billion in spending that would directly support 208,000 American jobs.[1]
- **INADEQUATE AIRPORT INFRASTRUCTURE:** Within the next four years, our nation's top 30 airports will experience Thanksgiving-like passenger volumes on a weekly basis. Americans skipped more than 30 million air trips in 2016 due to airport hassles, costing our economy more than $24 billion. Given airport congestion's impact on passengers' travel decision-making process, our industry will severely suffer if improvements aren't made.
- **MAJOR MOBILITY GAPS:** Major unfished portions of the Interstate Highway System restrict travel between states and economic regions. For example, an unfinished portion of I-73 has left Myrtle Beach and other South Carolina communities without a major Interstate connection, leading to crippling seasonal congestion and hampering the region's ability to compete for visitors and safely evacuate during natural disasters. Moreover, the inefficiency or absence of alternative modes of transportation, such as passenger rail, leaves major mobility gaps in regions where the Interstate system has reached capacity.
- **LACK OF CONNECTIVITY:** Lack of modal connectivity, accessibility, and travel options between major transportation arteries (e.g. airports, highways, transit systems, state or local roads), as well as travel destinations, increases delays, congestion and travel hassles, and undermines the economic contributions of the travel and tourism industry.

INFRASTRUCTURE PRINCIPLES FOR RECONNECTING AMERICA

Congress and the Administration should rally behind an infrastructure proposal that injects new federal investment into our nation's travel infrastructure, and allocates those resources according to a set of strategic principles. These four strategic principles should guide federal policies and investments to reconnect America through travel:

1. **Prioritize investments that enhance commercial and personal mobility to and within the United States;**
2. **Ensure funding formulas account for highly trafficked destinations and commercial centers;**
3. **Strengthen federal investment and encourage innovative funding partnerships; and**
4. **Embrace new and transformative transportation technologies.**

[1] http://www.ustravel.org/news/press-releases/typical-day-us-highways-will-soon-look-labor-day

POLICY RECOMMENDATIONS

A core federal responsibility is to fund the development and maintenance of our nation's travel infrastructure, and to ensure the efficient movement of people and commerce throughout the United States. However, some current policies fail to prioritize travel mobility and enhance the economic contribution of commercial and personal travel. Congress can address the problems by supporting the following policy recommendations.

1 PRIORITIZE INVESTMENTS THAT ENHANCE COMMERCIAL AND PERSONAL MOBILITY TO AND WITHIN THE UNITED STATES

In 2015, the U.S. Department of Transportation (DOT) developed a National Freight Strategic Plan to improve the movement of goods to and within the U.S. Congress also established a competitive discretionary grant program as part of the Fixing America's Surface Transportation Act (FAST Act) to award funds to projects on the national freight network, or that helped achieve goals contained in the National Freight Strategy. However, no similar consideration was given for projects that improve national mobility for passengers.

In 2017, the U.S. DOT announced guidelines for awarding funds under its Infrastructure for Rebuilding America (INFRA) discretionary grant program, which included consideration for projects that improve freight movement, ease commuter traffic, and tackle other transportation challenges. DOT's guidance did not outline any specific considerations for projects that improve national travel mobility or enhance the economic contribution of travel.

Congress took steps to correct this imbalance as part of the FAST Act by establishing a National Advisory Committee on Travel and Tourism Infrastructure (NACTTI). The FAST Act directs the NACTTI to provide the Secretary of Transportation with policy recommendations to enhance the economic contribution of travel. The Act also directs the Secretary to develop a National Travel Infrastructure Strategy based on the NACTTI's recommendations.

Unfortunately, the U.S. DOT has not convened the NACTTI since 2016, putting it behind schedule in implementing the Act and jeopardizing the development of its national strategy. Further, there are no existing federal grant programs designed to achieve the goals of a National Travel Infrastructure Strategy.

POLICY RECOMMENDATION

Congress should ensure that discretionary grant programs provide specific consideration for and award funding to projects that:

- Achieve the goals of the National Travel Infrastructure Strategy required under the FAST Act;
- Bridge national passenger mobility gaps by completing unfinished portions of the Interstate system, expanding airport capacity or developing high-performance passenger rail;
- Improve multimodal connections between major transportation arteries that facilitate long-haul passenger travel (e.g. highways, airports, passenger rail, and rail/bus transit); and
- Enhance the economic contributions of the travel and tourism industry.

2 ENSURE FUNDING FORMULAS ACCOUNT FOR HIGHLY TRAFFICKED DESTINATIONS AND COMMERCIAL CENTERS

Historically, U.S. census population data has been a major factor in calculating the apportionment of federal-aid highway formula funds. However, vast areas of the country—from America's largest commercial centers to communities surrounding coastlines, National Parks, and tourist attractions—accommodate thousands of non-residential business and leisure travelers on a regular basis. These visitors, who often travel from outside the state, rely upon and place extraordinary demand on the local transportation networks—yet they are not accounted for in the distribution of federal-aid highway formula funding.

Funding formulas that fail to account for non-residential travel demand shortchange communities of all sizes—from America's largest cities to its most rural towns—and hamper their ability to provide to safe and efficient access commercial centers, destinations, and major attractions.

POLICY RECOMMENDATION

Infrastructure legislation should ensure funding formulas account for non-residential travel demand and ensure that these resources can be used to enhance mobility and access into and out of major commercial centers, destinations, and attractions.

3 STRENGTHEN FEDERAL INVESTMENT AND ENCOURAGE INNOVATIVE FUNDING PARTNERSHIPS

Federal infrastructure investments are largely funded through the collection of user-based charges, such as the federal tax on gasoline, which is the primary source of revenue for the Highway Trust Fund. The federal government also regulates certain state and local transportation user fees, such as the airport Passenger Facility Charge (PFC), which presently has a federally imposed limit of $4.50 per passenger.

For decades now, Congress has failed to adjust these user-based charges to account for factors such inflation, increased travel demand, and growing investment needs. As a result, federal transportation funding has declined and Congress has supplemented user-based investments with spending from the U.S. Treasury's general fund, which means that vital infrastructure funding is subject to the uncertainty of the annual appropriations process, and must compete with other discretionary spending priorities.

Failure to modernize federal user fees has contributed to chronic underinvestment in our nation's travel infrastructure.

POLICY RECOMMENDATION

Congress must modernize outdated user fees to ensure long-term, stable federal funding levels that keep pace with travel demand and investment needs.

- **AVIATION:** The travel industry has long supported user fee investments in airport infrastructure. Congress should adjust the federal cap on airport PFCs to help modernize U.S. airports.
- **SURFACE:** Similar to aviation, Congress must consider options for modernizing surface transportation user fees, such as the federal gas tax, vehicle miles traveled charges, or other user-based charges.
- **INNOVATIVE FUNDING PARTNERSHIPS:** Congress should expand the use and eligibility of federal low-interest loans and Private Activity Bonds, incentivize non-federal investment in travel infrastructure and establish other innovative financing mechanisms, such as a National Infrastructure Bank.

4 EMBRACE NEW AND TRANSFORMATIVE TRANSPORTATION TECHNOLOGIES

From the development of the Interstate Highway System to being the first in flight, the United States used to be the global leader in transportation and infrastructure innovation. Today, however, not one U.S. airport ranks among the top 25 in the world. A recent INRIX study found that five U.S. cities rank among the top 10 most congested cities in the world, and the U.S. ranks fifth in overall traffic congestion. Furthermore, the U.S. currently does not have any modern high-performance passenger rail lines, unlike most other developed nations.

It's time for the United States to once again "think big" when it comes to transportation. From autonomous vehicles, to smart cities, to high-performance passenger rail or new and innovative transportation technologies, federal policies should encourage the development of the most modern and efficient transportation network in the world.

POLICY RECOMMENDATION

Congress should ensure that any new and expanded investments in transportation infrastructure award a portion of discretionary funds to support the development of new and innovative modes of transportation and infrastructure, including passenger rail, autonomous vehicles, and other ground-breaking technologies.