INVESTING IN THE FUTURE OF TRAVEL MOBILITY

Four Guiding Principles

U.S. TRAVEL ASSOCIATION

BACKGROUND

Travel connects America's families, communities and businesses. It also powers our economy, generating more than $2.5 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 But outdated, inefficient and deteriorating travel infrastructure has the opposite effect, limiting commercial and personal mobility, restricting access to economic regions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 three years, Labor Day-like traffic will plague U.S. highways on a daily basis. Traffic congestion caused Americans to avoid 47.5 million road trips in 2018, which cost the economy nearly $30 billion in travel spending—enough to directly support 248,000 American jobs. Every additional hour of traffic added to a trip reduces travel demand by an average of 18% or more.[1]
- **INADEQUATE AIRPORT INFRASTRUCTURE:** In 2020, our nation's top 30 airports are expected to 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.
- **NATIONAL MOBILITY GAPS:** Capacity constraints and unfinished 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.
- **BARRIERS TO INNOVATION:** Despite the promise of new and innovative transportation technologies, such as high-speed passenger rail, the hyperloop and autonomous vehicles, current federal aid programs and regulatory structures focus on legacy highway, rail and transit systems. This restricts private, state and local investment in innovative transportation solutions that could dramatically improve travel mobility throughout the United States.
- **LACK OF CONNECTIVITY:** A lack of modal connectivity, accessibility and transportation options restricts access to both rural and urban destinations and limits the economic contributions of the travel and tourism industry.

PRINCIPLES FOR INVESTING IN THE FUTURE OF TRAVEL MOBILITY

Congress can improve national mobility and enhance the economic contribution of travel by pursuing policies in the following areas.

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**
4. **Embrace new and transformative transportation technologies**

[1] https://www.ustravel.org/sites/default/files/media_root/document/Congestion_Survey.pdf

POLICY RECOMMENDATIONS

A core federal responsibility is to fund the development and maintenance of our nation's travel infrastructure and 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 INVEST IN MAJOR PROJECTS THAT ENHANCE NATIONAL AND REGIONAL TRAVEL MOBILITY

Federal policy and discretionary grant programs often fail to consider or prioritize investments in projects that would improve travel mobility between states, economic regions and major destinations.

For example, 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. However, no similar national strategic plan has been developed for improving passenger mobility to and within the U.S.

Similarly, Congress established the Infrastructure for Rebuilding America (INFRA) discretionary grant program to help achieve the goals of this strategic plan and fund projects on the National Freight Network. While recent DOT guidelines for awarding INFRA grants included consideration for projects that improve freight movement, ease commuter traffic and tackle other transportation challenges, there was no consideration provided for projects that would enhance national or regional travel mobility.

Congress took steps to correct this imbalance by directing the Secretary of Transportation to develop a National Travel Infrastructure Strategy. However, there are still no federal programs designed to achieve the goals of a National Travel Infrastructure Strategy or fund major projects that enhance regional or national travel mobility.

POLICY RECOMMENDATION

Congress can address major mobility gaps and improve travel mobility by:

- **Authorizing a program for projects of regional and national significance:** The program should award discretionary grants for large, complex, multimodal or multi-state projects that cannot be supported by current formula programs. Such a program should include:
    - Selection criteria that prioritizes funding for projects that enhance mobility along major rural and urban corridors, ensure the resiliency of travel infrastructure, improve access to major travel destinations or achieve the goals of the National Travel and Tourism Infrastructure Strategic Plan;
    - Eligibility for multi-state corridor planning, development, construction and management that ensures the efficient movement of people and freight between major economic regions.

2 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 innovation. Yet today, 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. As our global competitors invest in high-speed passenger rail, modern airports and transit systems, and seek to rapidly deploy innovative transportation technologies, our nation is struggling to adequately maintain its legacy systems.

However, American innovation has once again positioned us to become a global leader in travel mobility. Technologies like the hyperloop, autonomous vehicles, boring projects and high-speed rail can reconnect our nation and make travel more efficient, seamless and sustainable than ever before.

It's time for the United States to once again "think big" when it comes to transportation. Federal policies must provide clear regulatory frameworks and foundational investments that can integrate new and transformative technologies into our national transportation network.

POLICY RECOMMENDATION

Congress can usher in the future of travel mobility by:

- **Establishing tailored and clear regulatory frameworks** for testing, approving and deploying innovative transportation technologies. These frameworks should account for the unique attributes of any new technology while relying on best practices.

- **Making foundational investments in transformative technologies** by awarding a portion of discretionary funds to projects that integrate new technologies into the national network, including high-speed passenger rail, the hyperloop, boring projects and autonomous vehicles.

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 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 safe and efficient access to commercial centers, destinations and major attractions.

POLICY RECOMMENDATION

Infrastructure legislation should establish a National Travel Mobility Program that apportions funding to states based on non-residential travel demand and provides mode-neutral eligibility for projects that improve travel mobility and access to major commercial centers, destinations and attractions.