



National Advisory Committee on Travel and Tourism Infrastructure Meeting Report

Thursday, December 8

Call to Order

The inaugural NACTTI meeting was held at the U.S. Federal Aviation Administration (FAA) Headquarters in Washington, D.C. on December 8 and 9, 2016. Anthony Robinson, the DOT Coordinator, called the meeting to order at 1:00 PM. The Chair Rossi Ralenkotter and Vice Chair Mark Begich presided over the meeting. The meeting was open to the public.

Welcome and Kick-Off to the Inaugural NACTTI Meeting

Rossi Ralenkotter, President & CEO, Las Vegas Convention and Visitors Authority

Chairman Rossi Ralenkotter welcomed all of the committee members and had all attendees introduce themselves. His speech highlighted the importance of NACTTI as an opportunity for the tourism industry to have a seat at the table and provide input to DOT on the future of transportation.

Chairman Ralenkotter explained that tourism infrastructure is a vital part of our national economy, and is necessary for getting people both in and around the U.S.

Chairman Ralenkotter also indicated the need for improvements to the transportation system across the nation, particularly in the short term. He recognized the need for the committee to fast track any recommendations based on the most critical needs.

Chairman Ralenkotter then introduced Mr. Anthony Robinson, Special Advisor to the U.S. Department of Transportation.

Opening Remarks

Victor Mendez, Deputy Secretary of Transportation

Deputy Secretary of Transportation Victor Mendez expressed his appreciation to the committee members for their expertise and willingness to serve on the committee. He noted that members have different perspectives and experiences, but are all working towards the same goal of improving travel and tourism infrastructure.

Deputy Secretary Mendez also stated that prior to the Fixing America's Surface Transportation (FAST) Act (signed into law December 4, 2015), the U.S. had gone over 10 years without a long-term transportation bill. This act and committee are indicative of the national dialogue prioritizing infrastructure that has begun, particularly under the current administration. He noted that this assignment will not end after the three designated years, as it is important to keep thinking about and working on these issues for the good of our country.

Deputy Secretary Mendez then turned it over to Chair Ralenkotter and Vice Chair Begich.

Remarks from the Committee Chairs

Rossi Ralenkotter, President & CEO, Las Vegas Convention and Visitors Authority and Mark Begich, President & CEO, Northern Compass Group, LLC

Chairman Ralenkotter stressed the importance of focusing our attention on travel and tourism infrastructure. He used the example of Las Vegas, observing that although it is one of the leading tourism destinations in the world, no one is arriving there by train because the infrastructure does not exist. He also noted that Phoenix and Las Vegas, two major tourism destinations, do not have an interstate highway system connecting the two cities.

Chairman Ralenkotter and Vice Chairman Begich also noted the importance of interfacing with the U.S. Department of Commerce (DOC) and the U.S. Travel and Tourism Advisory Board (TTAB) in order to learn from their successes made through business decisions, not through law. They also stated that committee members who are also representatives of similar committees such as TTAB will be incredibly valuable for understanding the priorities of other such groups. Focusing on a variety of projects at a time will help get the country moving forward in one unified direction.

Chairman Ralenkotter and Vice Chairman Begich then introduced Paul Baumer of the U.S. Department of Transportation.

Keynote Remarks from U.S. Department of Transportation Staff

"Federal Funding and Financing for Surface Transportation Infrastructure"

Paul Baumer, Transportation Specialist, U.S. Department of Transportation

U.S. DOT Transportation Specialist Paul Baumer provided an overview of the FAST Act and the funding opportunities that came out of it. His summary included:

- The FAST Act authorized \$305 billion through FY2020
- 93% of this funding goes to states and cities; 7% to federal
- Of this 93%, 80% is dedicated to highways, and 20% to transit
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Mr. Baumer highlighted the Build America Bureau, established in the Act, which helps streamline the process for acquiring project funding through bonds, loans, and other funds.

The Build American Transportation Investment Center, established by Secretary Foxx, provides funding opportunities for rural places and other locations that do not typically work with the federal level.

Mr. Baumer also discussed the Transportation Investment Generating Economic Recovery (TIGER) discretionary grant program, which distributes \$500 million to projects around the country that address a variety of needs and benefits. However, he noted that the program receives \$10 billion in requests, and is therefore unable to meet the needs of most applicants.

"Federal Funding for Aviation Infrastructure"

Chris Hillers, Aviation Policy Analyst, U.S. Department of Transportation

U.S. DOT Aviation Policy Analyst Chris Hillers provided an overview of the airport and airways trust fund, and the funding options available in the aviation industry such as the Airport Improvement Program. His summary included:

- \$3.35 billion was available last year to fund national airports
- Of this \$3.35 billion, \$1 billion went to runways and terminal taxiways each
- Distribution of funding is generally based on current national priorities and demand
- 75% of costs for standard large projects are generally covered by grants
- Funding generally goes towards safety, security, and capacity improvements

Discussion

Vice Chairman Mark Begich began by asking whether grants are prioritized based on current federal needs. Hillers responded by saying that in general, application criteria are continuously reassessed by senior leadership based on current national priorities. He stressed that there is a more holistic approach to grant awarding, which considers safety and regional goals. Deputy Secretary Mendez added to this, saying that true intermodal connectivity can only happen when the planning process includes the local level. He cited public-private partnerships (P3s) as an opportunity for this to occur on the financing side.

Committee member Ford Fuchigami, Hawaii Department of Transportation, commented that grant applications for different modes, e.g., airport runways and surrounding highways, should be coordinated and reviewed together to ensure funding for related multimodal projects.

Committee member Brad Dean, Myrtle Beach Area Chamber of Commerce, questioned how much funding would be needed to maintain the existing infrastructure. Baumer did not cite a specific number, but responded that the consensus is that the current investment level is inadequate.

Even in the cases where federal funds are able to cover 80-90% of a project, there is not always local funding available to close the gap, thus necessitating creative ways to complete such projects.

Committee member Todd Davison, Travel Oregon, asked for more clarification in the criteria for awarding grants, and how DOT determines who gets funding. Baumer responded that there is a new discretionary grant program that uses federal highway trust dollars for highways as well as intermodal projects, called Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE). FASTLANE dedicates \$4.5 billion over the next five years to highway and freight projects. He stated that of this total, only \$500 million can go towards port, freight rail, and intermodal projects; this requires that the majority of funding goes towards highways.

Committee member Joseph Lopano, Tampa International Airport, asked whether considerations for automated vehicles are part of funding determinations. Baumer responded that innovation is part of grant criteria, including all technology as well as automated vehicles. If projects related to automated vehicles can improve upon national priorities, then they are certainly valuable.

Committee member Cathy Ritter, Colorado Tourism Office, commented that the committee should look ahead to the future, as there are many small tourism issues that would be very easy to address to make a huge difference. Ritter also stated that the committee should look to alternative types of tourism that will soon have a big impact, such as bikeways, and the environmental and safety considerations there.

“Financing at Federal Highways Administration”

Jeffrey King, Alternate Emergency Coordinator, Office of Transportation Operations, Federal Highway Administration (FHWA)

U.S. DOT FHWA Alternate Emergency Coordinator Jeffrey King discussed the financial and technical assistance available for state and local governments. He introduced many initiatives, including:

- The Ladders of Opportunity initiative is intended to consider the impacts of federal projects on the local community
- The Every Day Counts initiative helps accelerate local highway projects when faced with limited budgets
- The Federal Lands Access Program supports local transportation infrastructure that accesses federal lands
- The Advanced Transportation and Congestion Management Technologies Deployment Initiative is geared at improving system efficiency by leveraging existing local and regional transportation technologies

King also described Beyond Traffic, the 30-year framework for DOT's future, discussing the projected growth in highway freight and port traffic that will affect surface transportation as well. He stated that freight and tourism are interconnected and are likely to experience a similar impact.

Discussion

Committee member Brad Dean asked whether visitation levels are factored into the allocation of funding. King responded that state DOTs factor in population primarily. He stressed the importance of applicants articulating their particular needs, such as seasonal crowds or geographical and historical considerations. In this way, annual congestion from tourism can be factored into allocation.

Committee member Sean Fitzgerald, Enterprise Holdings, Inc., questioned how funding decisions are made when demand is going to increase in areas where the capacity will not be able to meet this demand. King responded that funding allocations are a balancing act as projects require both funding for repairs and for increased capacity in order to meet unique needs across the nation.

Committee member John Potter, Metropolitan Washington Airports Authority, commented that projects are often stalled due to limited available funds and differing priorities of those who oversee funding. He stressed the need to think about recommended priorities for the new administration within the next six months, so that these changes can be implemented now.

"Aviation Forecasting"

David Chien, Deputy Director, Economic Analysis and Forecasting, Federal Aviation Administration (FAA)

U.S. DOT FAA Deputy Director David Chien discussed the forecasted changes in the aviation industry. He stressed that airline travel is expected to increase significantly in the coming years, indicating the need to increase capacity to meet this demand. He highlighted the following statistics in his remarks:

- There is a 75% correlation between number of airline passengers and GDP
- The number of airline passengers has increased by 58% since 1990, at a rate of about 1.8% annually. This is anticipated to continue in the future.
- 1.2 billion passengers are forecasted by 2036
- The majority of passengers are domestic, but there has been a large increase in international passengers
- Revenue passenger miles has increased by 93% since 1990, indicating that passengers are traveling farther than they used to

- Latin America is the fastest growing international region for travel destinations, with an annual growth rate of 4.5%
- The number of foreign carriers coming to the U.S. is growing

Mr. Chien also cited risks to airline travel, including global recession, oil prices, and increased passenger capacity. He stated that without drastic improvements, congestion will increase at major U.S. airports.

Discussion

Committee member Sharon Pinkerton, Airlines for America, commented on the need for airspace management. Pinkerton stressed that our air traffic control system is limiting airspace capacity and this needs to be addressed within 4-6 months. Chien agreed, saying that drones and the way they take up airspace is a very important issue in need of regulation.

Committee member John Potter questioned whether capacity on the ground is considered as well as airspace. Chien responded that only a few airports in the nation will need to begin worrying about this as early as 2036. Committee member Jim Mathews, National Association of Railroad Passengers, commented that it is also important to focus on how people are getting to and around airports when considering capacity. Chien agreed, and commented that the NACTTI has an opportunity to impact this.

Committee member Ford Fuchigami commented that curfews are a big challenge for international travel as this requires that multiple international flights are scheduled to arrive at the same time. This causes delays at customs, which leads to gate holds. Fuchigami stated that inter-agency discussion is necessary in order to address capacity issues in the airspace, runways, gates, and beyond.

Remarks

Jenny Rosenberg, Assistant Secretary for Aviation and International Affairs, U.S. Department of Transportation

Assistant Secretary Jenny Rosenberg introduced herself and thanked all committee members for serving. She commented on the vast amount of work the current administration has done with aviation and expanding agreements, many of which have positively impacted the communities of the committee members.

Assistant Secretary Rosenberg also stressed the need to focus on communities of all sizes, as airports have a huge economic impact on the local area. She also stated that intermodalism helps U.S. communities all over have robust tourism industries.

Assistant Secretary Rosenberg then turned it over to the committee chairmen.

Discussion of Subcommittees

Chairman Ralenkotter and Vice Chairman Begich introduced five proposed subcommittee topics:

1. Research/Data/Performance
2. Funding and Finance
3. Federal, State, and Local Planning/Engagement
4. Innovation and Technology
5. Intermodalism and National Connectivity

Committee members were then given an opportunity to comment on the proposed subcommittees and any topics they wanted to be addressed.

Committee member Camille Ferguson, American Indian Alaska Native Tourism Association, commented that tribal groups are becoming an important part of the tourism industry, with 180% growth in international tourism since 2007. Ferguson stressed the need to focus particularly on rural areas, Indian land, national parks, and other federal land to help stimulate tourism growth in these communities.

Committee members expressed concern with not including tourists in population counts even though they are always a regular part of the community. This population should be factored into budgets for public safety, transportation, and many others. Some indicated that funding formulas need to be more flexible, and should be chosen on a local level based on what is best for the community.

Committee members also noted the importance of focusing on multimodalism, as industries such as bike tourism can provide large returns on investment for a very small price. Traffic from all different modes also affects the visitor experience. Modes can tie together a visitor's trip to lead to an enhanced experience. The future is getting people off of the highways towards using other modes to get to their destinations.

Committee member Anne Taber Klenke, Lake Charles/Southwest Louisiana Convention & Visitors Bureau, commented that the destination is no longer just the tourist experience anymore. The route you take is equally as important if not more. True tourism is now people moving off of the interstate and towards the backroads or other routes.

Committee member James Dubea, Canaveral Port Authority, commented that regulatory bodies such as the Transportation Security Administration (TSA) are a huge barrier when trying ensure tourists are able to participate in the industry. Regulation is an important area to focus on.

Friday, December 9

Call to Order and Roll Call

Day two of the inaugural NACTTI meeting was also held at the U.S. Federal Aviation Administration (FAA) Headquarters in Washington, D.C., on December 9, 2016. Chairman Rossi Ralenkotter and Vice Chairman Mark Begich called the meeting to order at 9:00 AM. The meeting was open to the public.

Review of Prior Day's Events

Rossi Ralenkotter, President & CEO, Las Vegas Convention and Visitors Authority

Chairman Rossi Ralenkotter kicked off day two with a review of the previous day. He again stressed the need to push forward immediate changes related to infrastructure projects. He stated that NACTTI is more of a working group than a discussion group, so it is important for the committee to identify any information needed to move forward.

Chairman Ralenkotter then asked committee member Todd Davidson, Travel Oregon, to provide an update on the U.S. Travel and Tourism Advisory Board (TTAB). Davidson stated that TTAB is continuing its focus on easing entry into the U.S. for tourists. Last year, the group focused on a U.S.-China tourism partnership and is kicking off a U.S.-India tourism partnership in February 2017. Committee member Brad Dean, Myrtle Beach Area Chamber of Commerce, chimed in with more information about TTAB. Dean stated that infrastructure has also been a key part of the group's discussions so far, so it will be good to have both TTAB and NACTTI working together with two separate agencies towards a similar goal.

Chairman Ralenkotter then turned it over to Mr. Anthony Robinson, Special Advisor to the U.S. Department of Transportation.

Overview of the FAST Act

Anthony Robinson, Special Advisor, U.S. Department of Transportation

U.S. DOT Special Advisor Anthony Robinson provided committee members with an overview of the FAST Act in order to help them better understand the purpose of the committee in advising the Department of Transportation. All members were provided with a copy of the "Role of Committee" from the Act.

Mr. Robinson then turned it back over to Chairman Ralenkotter and Vice Chairman Begich.

Subcommittee Discussion and Formation

Chairman Rossi Ralenkotter and Vice Chairman Mark Begich gave committee members an opportunity to discuss the five proposed subcommittee topics, select the subcommittee in which they would like to participate, and determine particular areas on which they should focus.

Research/Data/Performance

Committee members noted the importance of understanding the types of data available to the committee through U.S. DOT and other private companies. Combining these data can help inform the committee of particular areas across the nation that are in need of additional funding and resources in order to accommodate anticipated growth.

Committee member Cathy Ritter, Colorado Tourism Office, suggested the use of “tourism corridors” as a metric to identify high priority areas to focus on.

Committee member Valarie Long, Service Employees International Union, suggested considering employee safety as a measure of performance, particularly for “first responder” employees.

Committee member Jim Sayer, Adventure Cycling Association, noted that adventure travel and active travel are growing segments of the tourism industry. Tourism today is changing shape and location, so it is important to consider the broader definition of tourism when thinking about infrastructure criteria, performance, and measurements.

Committee member Brad Dean, Myrtle Beach Chamber of Commerce, suggested looking into best practices for research. He wondered whether there are NGOs and state tourism agencies that are doing a good job of incorporating metrics off of which we can model our work.

Committee members also commented on the need for more accurate measurements of visitor information in order to better understand their needs and habits. This also extends to visitors who decided not to take a trip when given the opportunity. Understanding why individuals choose to stay home rather than take a trip is very valuable.

Funding and Finance

Committee members commented on the importance of expediting infrastructure investments in order to accelerate growth and catch up to where the U.S. should have been decades ago. Members also noted that funding allocation as well as taxation methods are decades old and need to be updated to reflect the current state of travel.

Committee members also commented on the need to identify barriers to funding, through both the grant process and allocation to various modes.

Federal, State, and Local Planning/Engagement

Committee members suggested approaching infrastructure projects at a regional level in a way that engages all members of the public and not just those from major tourism centers. Since the vast majority of available funding is formulaic and at the local level, it is important to align priorities to determine the best use of funds.

Vice Chairman Mark Begich, Northern Compass Group, LLC, commented that aspects of tourism infrastructure are all under the purview of different jurisdictions (such as signals, signs, roads, and sidewalks). This makes it difficult to complete projects in a timely manner.

Innovation and Technology

Committee member Cathy Ritter urged the committee to consider signage as an important way of engaging with and informing visitors. U.S. highways need to be more consumer focused rather than business focused, in order to communicate information to visitors about key tourism destinations nearby.

Committee member Sean Fitzgerald, Enterprise Holdings, Inc., commented on the need to consider automated vehicles, ridesharing, and vanpooling as an important aspect of the tourism industry. The ways in which individuals are consuming information and the way they are getting around is changing, so it is important for the committee to encourage implementation of this technology. Committee member Joseph Lopano, Tampa International Airport, agreed, stating that more money should be allocated to the unique infrastructure needs of automated vehicles.

Committee members discussed digital connectivity and mobility as a way of both communicating with and gathering data on visitors. They suggested partnering with the private sector, such as individuals in Silicon Valley, in order to take advantage of resources already available and think about tourism in a new way. Committee member Brad Dean also suggested looking internationally for examples of world class standards.

Committee members also mentioned examples of innovative ways organizations are using technology to meet changing transportation demands. Committee member Rosemarie Andolino, MAG USA, mentioned 1871 (Chicago's Technology and Entrepreneurship Center) and Plug and Play (an innovation platform based in Silicon Valley) as examples of organizations fueling innovation.

Intermodalism and National Connectivity

Committee members discussed the need to think about all modes that make up the tourism industry as one system that works as a unit. They cited the experience visitors have in other parts of the world of a single ticket that incorporates multiple modes into one seamless experience. It is important to consider all modes when allocating resources in order to encourage connectivity throughout the entire system.

Committee members also pointed out the need to tailor funding and project decisions to a local level, as different communities have varying needs. Committee member Jim Mathews, National Association of Railroad Passengers, also urged the committee to provide multiple transportation options for travelers, as every individual has different needs.

Committee member Buddy Dyer, City of Orlando, recommended that the committee identify suggestions for what changes should happen within the next six months versus guidance for where the country should be moving in the next decade or two.

After discussing all five subcommittee topics, the committee came to a consensus to combine the Innovation and Technology and Intermodalism and National Connectivity groups to better align with the committee's goals.

Chairman Ralenkotter and Vice Chairman Begich assigned committee members to their designated subcommittees and announced the Chairs and Vice Chairs for each of the four groups.

The Chairman and Vice Chairman then provided each subcommittee with discussion questions, and each group broke out for individual discussion.

Subcommittee Breakout Sessions

Research/Data/Performance

Subcommittee members discussed the wide range of data needed to inform travel and tourism decisions. It is important to incorporate a broader view to understand visitor characteristics and travel patterns. The data needed include information related to both economic impact and transportation characteristics, both domestic and international.

Subcommittee members also discussed the need for universal benchmarks and standardized measurements across the industry. This will ensure that data from different modes and locations can be easily compared.

Innovation and Technology/Intermodalism and National Connectivity

The Innovation and Connectivity Subcommittee discussed the need to understand best practices around the world, particularly in relationship to sustainability, health, and wellness for a better visitor experience. They also commented on a desire for more information on the status of existing technological innovations, such as NextGen.

The subcommittee identified the following challenges:

- Need to understand where gaps in service currently exist for travelers
- Requirements for communicating with travelers are outdated, such as signage
- In the long term, need a bigger picture of what needs to be done to enhance connectivity

Closing Remarks

Chairman Rossi Ralenkotter and Vice Chairman Mark Begich

In closing, the Chairmen once again commented on the important role NACTTI will play in shaping the future of tourism-related infrastructure. Despite the seasonal character of travel and tourism, this committee is in a unique position to have a short- and long-term impact on infrastructure year-round.

Chairman Ralenkotter stated that once the President-elect is sworn in and the new Secretary of Transportation is in place, he and Vice Chairman Begich would like to send a letter to inform them of the committee's role and to set up a meeting to ensure the committee is a key player in the new administration.

The committee agreed to reconvene in early spring with subcommittees meeting before that time. The Chairmen adjourned the meeting at approximately 2:00 PM.