



**NATIONAL BUSINESS
TRAVEL ASSOCIATION**
Connecting the Business Travel World

To: Congress and the Obama Administration

From: National Business Travel Association (NBTA)

NBTA 2008 Business Travel Government Affairs Report Card and 2009 Recommendations

At the beginning of 2008, the National Business Travel Association (NBTA) released a list of its 2008 Government Affairs policy priorities. Throughout the year, NBTA worked to influence government activity on numerous issues relating to domestic and international travel. Through meetings with various Government officials and key staff, NBTA was successful in representing the voice of business travel industry worldwide at both the federal and state level. Additionally, NBTA regularly issued press releases, submitted testimony, and filed regulatory comments aimed at influencing policy on passenger facilitation and homeland security issues.

With 2008 in the books, and looking forward to a productive 2009 with the Obama Administration and the new Congress, NBTA issues the following grades based on the activity in the Congress and the Administration on NBTA's key issues and an aggressive policy agenda for 2009

GRADING SCALE

- A** NBTA's recommended action taken and the issue critical to business travel community largely resolved
- B** Significant progress made but more work remains on issue critical to business travel community
- C** Marginal progress made and significant work remains on issue critical to business travel community
- D** Little or no progress on issue harmful to the business travel community
- F** Activity has been harmful to the business travel community

B International Facilitation

The government continued to improve how it attracts and welcomes international visitors to help recover from post 9/11 declines but must show increased efforts to facilitate low-risk business travelers.

C- Domestic Facilitation

The economic slowdown relieved pressure on an antiquated domestic aviation system but Congress was unable to pass legislation to fund and deploy next generation aviation equipment.

D Economy and Taxes

Congress failed to address the growing trend of using travel taxes to fund other parts of government, was unable to enact comprehensive energy legislation, and enacted a financial services rescue bill that has thus far failed to jumpstart the economy.

★ Federal Aviation Administration (FAA) Funding

D-

NBTA Position: NBTA supports shifting the economic burden for paying for aviation infrastructure from passengers to aircraft under fair and equitable formulas reflecting the interests of consumers and the broad traveling public.

2008 NBTA Recommendation: Congress should enact FAA reform to speed deployment of NextGen and reduce delays caused by antiquated systems.

Activity:

- In June, the Senate failed to pass a long-term FAA reauthorization bill to negotiate with the House of Representatives on their 2007 House-passed bill. The bill would have allowed reform of FAA's current funding mechanisms. Instead, Congress enacted another extension of FAA's funding mechanisms in a continuing resolution in September, which expires on March 6, 2009.
- The absence of reform means there are no new funding streams to fund and speed deployment of the "NextGen" satellite-based air traffic control system that all stakeholders in the aviation system support. While NextGen deployment continued in some areas, it did not appear to be a major priority for the Administration until late 2008.

2009 NBTA Recommendations

- Congress should enact FAA reauthorization to reform the FAA, speed deployment of NextGen, and reduce delays caused by antiquated systems.
- Any economic stimulus package should include significant new money to upgrade the nation's aviation infrastructure.

★ International Registered Traveler

A-

NBTA Position: NBTA strongly supports International Registered Traveler (IRT) programs to speed thoroughly-vetted international travelers through immigration processing.

2008 NBTA Recommendation: Department of Homeland Security (DHS) should finalize the rule-making, begin enrollment, and launch operations at major U.S. airports.

Activity:

- Customs and Border Protection (CBP) launched Global Entry on June 6 at John F. Kennedy International Airport, George Bush Houston International Airport, and the Washington Dulles International Airport.
- In Fall 2008, Global Entry expanded to Los Angeles, Hartsfield-Jackson Atlanta, Chicago O'Hare, and Miami, with an additional 13 airports scheduled to implement the program in 2009.
- The FY09 Homeland Security Appropriations bill included \$10 million for marketing, mobile enrollment, and further expansion of the program.
- CBP utilized the mobile enrollment equipment for the first time at the NBTA Committee Summit on November 17, 2008.

2009 NBTA Recommendations

- CBP should continue expansion to the 13 additional airports and increase enrollment in the program through the use of the mobile enrollment units at trade shows and corporations.
- CBP and Transportation Security Administration (TSA) should develop unified enrollment and marketing mechanisms for trusted traveler programs.

★ Terrorist Watch List and Passenger Redress

C

NBTA Position: NBTA supports a comprehensive and accurate cleared list of individuals and a streamlined redress and appeals process for those mistakenly identified as a terror threat.

2008 NBTA Recommendation: Congress should pass the FAST Redress Act, and TSA should ensure timely implementation of the Secure Flight Program to ensure accurate airline passenger screening.

Activity:

- With considerable support from NBTA, the U.S. House of Representatives passed the Fair, Accurate, Secure, and Timely (FAST) Redress Act, sponsored by Rep. Yvette Clarke (D-NY) in June 2008. The legislation would have created a dedicated Office of Redress and Appeals within DHS.
- Senators Amy Klobuchar (D-MN) and John Thune (R-SD) introduced the FAST Redress Act in the Senate; however, it failed to pass during 2008.
- TSA issued the final rule implementing the Secure Flight watch list matching program during 2009.

2009 NBTA Recommendations

- The Congress should pass legislation to ensure wrongly identified individuals have a clear and effective redress process.
- TSA should ensure that air carriers have sufficient time to modify IT systems to comply with Secure Flight and that the Government Accountability Office (GAO) has certified privacy protections in the program.

★ Traveler Taxes

D

NBTA Position: NBTA opposes local, municipal, and state governments using new hotel, airline, and rental car taxes as revenue sources for pet projects, such as sports stadiums, with no connection to the travel industry.

2008 NBTA Recommendation: Congress should pass H.R. 2453, and local and state governments should not unfairly target travel expenditures as means of funding unrelated local projects.

Activity:

- The End Discriminatory State Taxes for Automobile Renters Act of 2007 was introduced by Representatives Chris Cannon (R-UT) and Rick Boucher (D-VA) in 2007 but failed to gain traction in Congress in 2008.
- States continued to propose discriminatory car rental taxes but several were defeated.

2009 NBTA Recommendations

- Congress should pass legislation to prevent local and state governments from unfairly targeting rental car customers to increase revenue for unrelated projects.
- Congress or the FAA should end the practice of not refunding aviation ticket taxes on unused tickets.
- As part of an economic stimulus plan, Congress should consider a "travel tax holiday" to suspend travel taxes during the travel slowdown without drawing down transportation trust funds.

★ Airline Performance and Aviation Congestion

C

NBTA Position: NBTA supports efforts to reduce airspace congestion and ground delays.

2008 NBTA Recommendation: Congress and the Administration should resist legislative or regulatory micromanagement of airline service performance, but require enhanced reporting so consumers can accurately judge airline performance.

Activity:

- The Department of Transportation convened a National Task Force on ground delays comprised of consumer advocates, government officials, and airline and airport representatives. The group adopted recommendations in November of 2008 short of new mandates on carriers.
- The Senate's failed FAA reauthorization bill would have included a measured approach to proposed passenger rights legislation, similar to the 2007 House-passed bill.
- NBTA praised the Administration's renewed focus on reducing airspace congestion and ground delays, but expressed concern with some proposed "solutions" such as congestion pricing and reduced landing slots.

2009 NBTA Recommendations

- The FAA should drop its congestion pricing plan and focus on NextGen deployment.
- If Congress passes customer service legislation, it should focus on disclosure and not micromanage airline operations.
- Congress and the FAA should consider providing compensation for flights delayed by weather or mechanical problems in addition to existing criteria.

★ Visa Processing and the Visa Waiver Program

B

NBTA Position: NBTA supports the expansion of and negotiations with new Visa Waiver Program (VWP) entrants. NBTA continues to advocate for the Department of State (DOS) to improve the efficiency of the visa issuance process.

2008 NBTA Recommendation: The Bush Administration should promptly review potential new VWP countries, ensure the ESTA is designed in a way that does not impede last-minute business travel from VWP nations, and continue to invest in visa processing capabilities.

Activity:

- On November 17, citizens of the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Slovak Republic, and South Korea became eligible for visa free travel under the VWP. Malta was added in December of 2008, and the U.S. is pursuing an agreement to allow Greece to join the VWP in 2009.
- Enrollment for CBP's new mandatory online registration system for VWP travelers, the Electronic System for Travel Authorization (ESTA), began on August 1, 2008 and is now offered in 15 different languages. Over 99.5 percent have been approved. ESTA became a requirement for new VWP countries on November 17 and will be required for legacy VWP travelers on January 13, 2009.

2009 NBTA Recommendations

- The Obama Administration should promptly review potential new VWP countries, including those who are actively working to comply with DHS's VWP security measures.
- DHS should ensure that ESTA is implemented in a way that does not impede last-minute business travel from VWP countries, and the Department of State should continue to invest in visa processing capabilities.

★ Domestic U.S. Registered Traveler

C+

NBTA Position: NBTA strongly supports the domestic U.S. Registered Traveler (RT) program to create shorter lines and more predictable screening times for frequent business travelers.

2008 NBTA Recommendation: Double the enrollment in RT programs and expand to additional hub airports, while increasing support for the program in the Congress and executive branch.

Activity:

- TSA reformulated the domestic RT program so that RT members only undergo the same terrorist watch list screening as other passengers. NBTA opposed this change on the grounds that individuals passing a robust security threat assessment and confirming their identity should receive benefits at the security checkpoint.
- The number of airports offering RT increased to 21, including Atlanta, Boston, Denver, Washington Reagan and Washington Dulles. During 2008, enrollment has nearly tripled to more than 230,000. Delta Airlines and Verified Identity Pass announced a partnership that will bring RT to several Delta hubs.
- While TSA's "Black Diamond" self-select lane program has expanded to 44 airports since its launch in February, TSA continues to demonstrate tepid support for RT and has not approved equipment by RT vendors to streamline the screening process.

2009 NBTA Recommendations

- Building on increased support from Congress and the executive branch, TSA should resume and expand the security threat assessments for RT members to allow for security checkpoint benefits.
- TSA and CBP should integrate RT with international trusted traveler programs.
- Major U.S. airports without RT programs should implement RT to extend travel consistency to RT participants.

★ Model Ports of Entry

D

NBTA Position: NBTA strongly supports the CBP Model Ports program to improve the entry experience for returning U.S. citizens and foreign guests.

2008 NBTA Recommendation: Aggressive implementation of the Model Ports of Entry Program by CBP.

Activity:

- CBP has not publicized how it is spending the \$40M provided in FY09 to implement the Model Ports program.
- Promised improvements to airport signage and video welcome screens have been delayed.
- CBP and TSA have made little progress on integrating passenger and baggage screening for international visitors connecting to domestic flights.

2009 NBTA Recommendation:

- DHS and CBP need to reprioritize this program to bring our international airports into the 21st Century and break down agency stovepipes to facilitate international passengers.

★ Western Hemisphere Travel Initiative (WHTI)

NBTA Position: NBTA supports a WHTI implementation schedule that is efficient for business travelers, while also effectively enhancing the security of our nation.

2008 NBTA Recommendations: DHS should be flexible in the enforcement of interim rules, and deploy travel-friendly Passport cards and Enhanced Driver's Licenses (EDL) in advance of WHTI's 2009 land and sea deadline. The DOS should ensure that applications for U.S. Passports and U.S. Passport Cards are handled within reasonable time frames.

Activity:

- WHTI implementation at U.S. land and sea borders continues in advance of the June 30, 2009 deadline for U.S. and Canadian citizens to present a WHTI-compliant document to enter the U.S. In order to educate the public about the new document requirements, DHS unveiled a \$12 million advertising campaign which includes online, print, and television advertisements.
- CBP has begun to deploy radio frequency identification (RFID) infrastructure at the top 39 U.S. land ports of entry to read new travel documents.
- The DOS began issuing new U.S. Passport Cards in July of 2008 and approximately 600,000 Cards have been issued.
- EDLs will also be considered WHTI compliant documentation. In addition to Washington and New York which are issuing cards, Vermont, Arizona, and Michigan have agreed to issue EDLs in 2009.

2009 NBTA Recommendations

- DHS should continue public relations efforts in advance of the June 2009 deadline and provide enforcement flexibility for a period of time after June.
- GAO should certify that the RFID equipment and travel documents are improving travel facilitation times.

★ Energy and Climate Change

NBTA Position: NBTA supports comprehensive energy legislation to increase energy supplies, conservation and tax incentives, while cracking down on energy speculators. NBTA also favors climate change legislation that relies on market forces to control carbon emissions and does not single out transportation for unnecessary tax or regulatory burdens.

2009 NBTA Recommendations

- Congress should take advantage of the drop in energy prices to enact balanced legislation that promotes all sources of energy, provides tax incentives for production and conservation, and limits speculation in energy markets.
- The U.S. should move cautiously on any climate change legislation and utilize marketplace mechanisms as much as possible, while opposing punitive travel taxes meant to discourage travel.
- Congress should specify that any funds collected in future Cap and Trade legislation should be used to pay for transportation infrastructure improvements.

★ Transportation Infrastructure

NBTA Position: NBTA supports additional federal investments in high-speed rail, intermodal connections, and compensation for security costs.

2009 NBTA Recommendations

- Congress should provide additional funding for AMTRAK and private sector high-speed rail networks, which can take pressure off crowded aviation routes.
- A larger share of transportation funding should go to connecting modes of transport effectively.
- Airlines, cruise lines and other transportation providers are increasingly being asked to pay for security programs utilizing private sector infrastructure — costs which should be reimbursed by the federal government.

Issue
Added
for 2009

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