

**TO: The U.S. Travel Association and Building America’s Future**

**FROM: Allan Rivlin, Hart Research Associates and Linda DiVall,  
American Viewpoint**

**DATE: May 21, 2014**

**RE: Key Findings from an Online Survey of U.S. Travel Members**

*The following memorandum highlights the findings of a survey conducted among 278 members of the U.S. Travel Association from April 10 to May 19, 2014. While online surveys are not sampled surveys, a comparable sampled survey of this size would have a statistical margin of error of ±5.88 percentage points.*

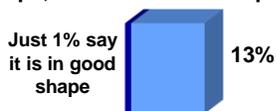
**America’s infrastructure is not improving at a pace to keep up with the needs of the travel and tourism industries.**

U.S. Travel members agree that a strong national infrastructure is critical for the travel industry,

**Three in four U.S. Travel members say that America’s infrastructure is in fair or poor shape and needs improvement.**

Assessment of America’s Infrastructure

In good shape, needs no improvement; in pretty good shape, but needs some improvement



In fair shape, needs quite a bit of improvement; in poor shape, needs a great deal of improvement



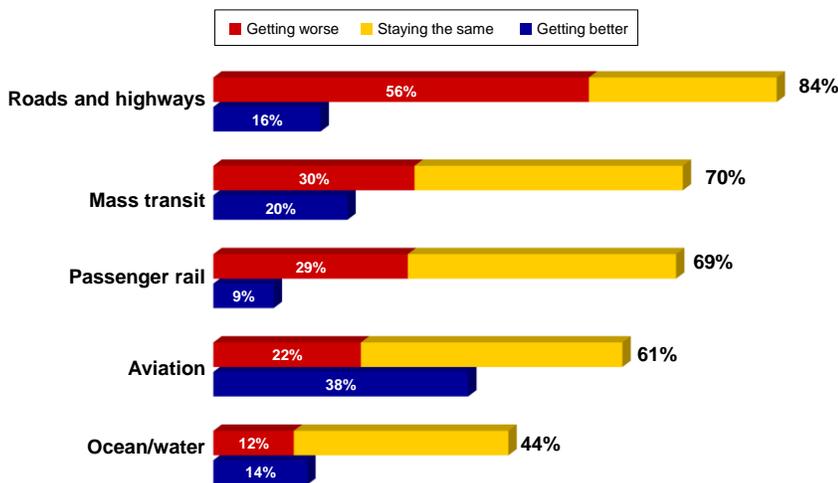
but majorities say American roads and highways, as well as passenger rails and mass transit systems, are in bad shape. Executives in convention bureaus, tourism offices, hotels, local transportation providers, and tourist attractions need transportation infrastructure to bring their customers to their destinations, but most say these systems are not improving at a

pace to keep up with the needs of their industry, and that this is putting the U.S. travel industry at a competitive disadvantage compared with other countries.

An 87% majority of U.S. Travel members believe America’s infrastructure is either in fair or poor shape, needing quite a bit or a great deal of improvement. Just 12% think America’s infrastructure is in pretty good shape and needs only some improvement, and just 1% say America’s infrastructure is in good shape and needs no improvement.

Of the five different types of national infrastructure (roads and highways, aviation, passenger rail, ocean/water, and mass transit), not one is seen by a majority as keeping up with the needs of their organization over the past 10 years by getting better.

**America’s infrastructure is not improving at a pace to keep up with our needs.**



aviation, passenger rail, ocean/water, and mass transit), not one is seen by a majority as keeping up with the needs of their organization over the past 10 years by getting better. A 56% majority of travel industry executives believe the nation’s roads and highways are getting worse. Only 16% of respondents see the nation’s roads as improving at a pace to keep up with the needs of business.

**Deteriorating transportation infrastructure threatens U.S. competitiveness.**

There is widespread agreement that transportation infrastructure is important to the success of travel destinations and businesses. Nearly three-quarters (74%) of U.S. Travel members say the quality and reliability of infrastructure is extremely important to the success of their business or travel destination, and nearly all the rest (23%) say it is very important.

*[U.S. transportation infrastructure] “is in disrepair due to budget challenges. And I think that as we go forward we are going to hinder our ability to capture the quickly growing international markets, and we’re going to lose market share of tourism if we don’t do something about it.”*  
 Vice President for a major tourist attraction

By 73% to 13%, U.S. Travel members believe the current state of U.S. infrastructure puts the travel industry at a competitive disadvantage, rather than advantage, compared with other countries. Another 14% see neither an advantage nor disadvantage.

**The goal is a seamless system as rail, roads, and airports are top priorities for improvement.** If U.S. Travel members could change one thing about the transportation infrastructure in the United States to improve

*“So we see that as a long-range goal of having a superhighway between California and Las Vegas and into Phoenix, and that would be a major enhancement for our growth and commerce beyond tourism.”*

Convention and Visitor Bureau Chief Executive  
for a major Western city

*“The demand is increasing, and we're already seeing cities like New York and Miami and L.A. that are having a hard time handling the increased volume [at gateway air ports of entry] without increased infrastructure capabilities.”*

President, Association of Exhibitors

the travel experience to their destination or better serve the needs of their customers, the largest number (34%) say their priority would be to build a high performance passenger rail network that would link key cities and gateway international airports. This response is closely followed in popularity by 30% who say their priority would be to modernize airports to decrease congestion and increase direct air service from more domestic and international destinations.

In response to a different question, an 89% majority of U.S. Travel members identify a seamless integrated transportation system as the goal that, if achieved, would have the most impact to make their business or destination more competitive. This includes 65% who say it would make their destination or business much more competitive. The other items on the list could be taken to represent specific elements that could be part of a seamless integrated transportation system, and all would make large numbers of the businesses and destinations represented by U.S. Travel more competitive.

Please indicate how each of the following would affect the competitiveness of your destination or company if they were to be achieved. If the statement already describes your area, please indicate that.

	<u>More Competitive</u> %	<u><b>Much</b> more Competitive</u> %
Had a seamless integrated transportation system	89	65
Had more public transportation options	79	43
Was served by a high-performance passenger rail line	77	48
Wasn't so congested with traffic	72	35
Had a public transit link from the airport to the downtown area	58	32
Had a more modern airport	51	29

**Failure to pass legislation would increase travel hassles and lost business, while success would increase competitiveness.**

Nearly all (91%) U.S. Travel members say it is very likely (52%) or somewhat likely (39%) that customers would experience increased travel hassles and they would lose business if Congress fails to pass a new transportation bill and funding for state and local transportation projects is reduced. When asked to describe the greatest benefit of Congress re-authorizing the Surface Transportation Law, increasing investment in transportation infrastructure, the largest proportion (42%) say that it would put the United States in a more competitive position with other countries. An additional 16% say the greatest benefit would be the additional jobs that would be created in the tourism and travel industries.

*“If you're not moving forward, you're moving backwards. And as things age, the cost to repair them grows more significant. And if you're not keeping up with those repairs or the maintenance on a year round basis, you're going to find there's going to be increased costs over time, and therefore, if you're not really keeping up with the bell curve, you're not longer going to be standing in the same place and keeping up, you're going to be falling behind.”*

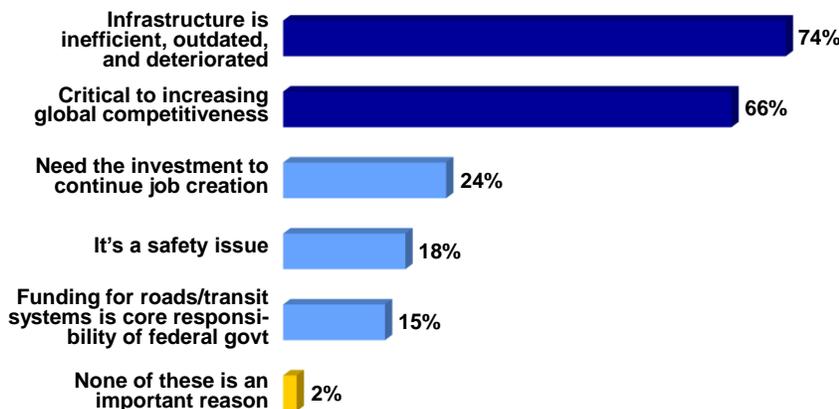
Director of Sales and Marketing for Parks and Resorts Business

**Deterioration and competitiveness are the strongest reasons to support increased investment in transportation infrastructure.**

When asked to select the two most compelling reasons to invest in transportation infrastructure from a list of five potential responses, the largest number (74%) say the best reason is simply that U.S. infrastructure is inefficient, outdated, and deteriorating. The second leading response (66%) is that infrastructure is critical to increasing global competitiveness. No other reasons are selected by more than 25%.

**The strongest reasons to invest in infrastructure: it is deteriorating and is critical to competitiveness.**

*Which of these is the most compelling/second most compelling reason, if any, for the United States to invest in transportation infrastructure?*



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While there may be many reasons to invest in transportation infrastructure, from travel industry executives the message is simple: our infrastructure is deteriorating and it is putting the U.S. travel industry at a competitive disadvantage

**A majority of U.S. Travel members say that infrastructure is so important that all options to fund it should be on the table.** Given a choice between two statements (as well as an option to select neither), 93% of U.S. Travel members say that greater investments in maintenance and upgrades to infrastructure are needed and all options to fund it should be on the table, while only 7% say that “While investment in maintenance and upgrades to infrastructure would help both to improve the traveler experience or benefit my business, they are not worth the increased fees and taxes necessary to achieve this.”

**U.S. Travel members are nearly unanimous in the belief that investment in infrastructure is so important that all options to fund it should be on the table.**

*With which one of the following statements do you agree more?*

Infrastructure is important to the U.S. travel industry. Greater investment in maintenance and upgrades to infrastructure are needed, and all options to fund this should be on the table.



While investment in maintenance and upgrades to infrastructure would help to improve the traveler experience or benefit my business, they are not worth the increased fees and taxes necessary to achieve this.



**U.S. infrastructure is not positioned to respond to increasing travel demands.** A 76% majority of U.S. Travel members say they do not believe the current state of U.S. infrastructure is positioned to respond to the competitive demands of increased travel over the next 10 to 15 years. Just 12% of members believe that it is.

## Three in four members believe the U.S. infrastructure is not positioned to respond to competitive demands of increased travel.

*The current state of our U.S. infrastructure, and especially infrastructure in my region:*

Is positioned to respond to the competitive demands of increased domestic and international travel over the next 10 to 15 years



Is NOT positioned to respond to the competitive demands of increased domestic and international travel over the next 10 to 15 years



No answer



The travel industry relies on business and leisure travelers, and these customers rely on a transportation system that is showing clear signs of age and stress. The customers have choices and each additional travel-related hassle changes the demand equation in adverse ways. U.S. Travel members represent businesses and destinations that rely on the quality and

capacity of America's national transportation infrastructure, and few are confident that their companies can achieve their full potential and compete and grow in a globally competitive market unless there are major and continuous improvements to the U.S. national infrastructure network.