UNITED STATES OF AMERICA

DEPARTMENT OF COMMERCE

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U.S. TRAVEL AND TOURISM ADVISORY BOARD

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MEETING

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WEDNESDAY,
SEPTEMBER 6, 2017

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The Board met in the U.S. Department of Commerce, Room 3407, 1401 Constitution Ave, NW, Washington, DC, at 2:00 p.m., Margaret McKeough, Vice Chair, presiding.

PRESENT:

MARGARET MCKEOUGH, Metropolitan Washington Airports Authority, Vice Chair
TED BALESTRERI, Cannery Row Company
BRUCE CHARENDOFF, Sabre
TODD DAVIDSON, Travel Oregon
BRAD DEAN, Myrtle Beach Area Chamber of Commerce
FRED DIXON, NYC & Company
KURT EKERT, Carlson Wagonlit Travel
ELLIOTT FERGUSON, Destination DC
MIKE GALLAGHER, CityPASS
ADAM GOLDSTEIN, Hipmunk
JAMES HAGEN, South Dakota Department of Tourism
STEVE MORRISSEY, United Airlines
SUSAN PRESBY, Mt. Washington Cog Railway
TRICIA PRIMROSE, Marriott International
OLGA RAMUDO, Express Travel*
GARY SCHLUTER, Rocky Mountain Holiday Tours, LLC
WILLIAM TALBERT, Greater Miami Convention & Visitors Bureau*
ERNEST WOODEN, JR., Los Angeles Tourism and Convention Board

ALSO PRESENT:

WILBUR ROSS, Secretary of Commerce
KENNETH E. HYATT, Acting Under Secretary for International Trade, U.S. Department of Commerce
BRIAN BEALL, Designated Federal Officer
ISRAEL HERNANDEZ, Deputy Chief of Staff, U.S. Department of Commerce
ISABEL HILL, Director, National Travel and Tourism Office, U.S. Department of Commerce
MARK BROWN, U.S. Department of Commerce
PAUL BROWN, U.S. Department of State
RICHARD CHAMPLEY, U.S. Department of Commerce
RANDY DAVIS, International Association of Amusement Parks & Attractions
ROGER DOW, President and CEO, U.S. Travel Association
MATT HAYDEN, U.S. Department of Homeland Security
EDWARD RAMOTOWSKI, U.S. Department of State
PATRICIA ROJAS-UNGAR, U.S. Travel Association
CHRISTOPHER THOMPSON, President and CEO, Brand USA
TIMOTHY WILLIAMS, U.S. Department of the Interior
JOHN MCREYNOLDS
BRIAN ROTHERY

* via telephone
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MR. BEALL: And as the Designated Federal Officer, I'd like to go ahead and open our meeting and welcome everybody to the Department of Commerce.

And one housekeeping note for those members joining us by phone, again, please remember to mute your phone to limit background noise and feel free to unmute during discussion periods.

And with that, it is my honor to introduce Secretary Ross.

SECRETARY ROSS: Well, thank you. Good afternoon, everyone, and welcome back to the Department of Commerce.

I know many of you had to rearrange your schedules and traveled across the country to be here today. So I want to thank you for your commitment, your participation and especially the quick turnaround on the recommendations I sought from you in March.
I'm well aware of the significant time and effort it took to put into those recommendations the good thinking that you have come forward with.

I understand that John Sprouls is one of the ones who couldn't make it here today because of the Hurricane Irma, but I would like to take this opportunity to thank him for his leadership as Chair of the Board.

I would also like to thank Vice Chairs Margaret McKeough, who will be chairing today's meeting, and Greg Stubblefield.

Travel and tourism remains a key sector for the U.S. economy. And this administration understands its importance.

I was pleased to deliver this message to the industry at IPW, affirming that the U.S. is open for business. And I appreciate your recommendation that I do so.

The latest data from our National Travel and Tourism Office for 2016 was pretty encouraging. It showed that travel and tourism
remains a very critical export product for the U.S. That it accounts for one-third of our service's exports and 11 percent of our total exports. So it's a huge important factor.

And the numbers tell the story. We welcomed 75.6 million international visitors in 2016. They spent $244.7 billion traveling to and within the United States.

And that supported 1.2 million jobs, only a small fraction of which are in this room. It also produced a positive trade balance of $83.9 billion for last year.

However, sustaining growth this year is going to be very tricky. For one thing, we have the new security regime. And for another thing both the first Hurricane Harvey and now Irma are certainly not helping with the kind of travel that you'd really like to see occur.

So those are headwinds, not to make a pun, headwinds that we will have to try collectively to overcome. The strong currency obviously is another problem as well.
And we're all aware that international travel and tourism was, in fact, down during the first few months of this year.

And what we are looking for are whatever recommendations you might have of specific ways we can try to turn that around. Are there processing things that could be done with customs, with immigration, substituting maybe technology for people?

What can we do to make that experience a less unpleasant one for people coming in without losing track of the fact that clearly the single most important thing is the safety of your clients, our tourists and our resident citizens?

So I think we need to try to figure out how to balance the two in a way that preserves security and yet makes it a little bit of an easier experience.

So I hope we can get into that in the discussion session later on. And with that thought, I would like to turn the floor over to Margaret to begin our discussion on the
VICE CHAIR McKEOUGH: Thank you, Mr. Secretary. On behalf of this Board, let me extend our utmost appreciation for you taking the time to join us in today's meeting.

You did set out for us when we met in March some challenges that you thought this particular body could be most helpful to you and the Department on.

And I want to reassure you that everyone around this table has been very hard at work in addressing the issues that you identified for us in March.

Also, before we jump into some of our action plans, I want to thank you as well for your words at IPW that I think we all would agree came at a very important time for that particular body.

And I thank you very much on behalf of all of us for those particular words that you shared making sure the visitors know how open we are for business in the United States.
So to the issues at hand today, you did task us with three questions when we met with you in March.

You asked us to take a look at what might be, and reflect on what might be, an appropriate goal for international travel as part of what has been the National Travel and Tourism Strategy that was set some 10 years ago. We have some thoughts for you on that today.

You also asked us to identify a priority list of issues, a few short issues that perhaps the Department of Commerce could be most strategic in addressing to support Travel and Tourism's global competitiveness here in the United States.

And then your third ask of us was to spend some time reflecting on how the public sector and the private sector could partner and work together to promote the welcoming nature of the United States for travel.

We have been busy in a subcommittee format. And what I'd like to do is maybe start
with that first issue, which was reflecting on what might be an appropriate goal for international travel here to the United States in light of the fact that the Travel and Tourism policy is about 10 years old.

And I'd like to turn the work that's been done on that over to Todd Davidson, with Travel Oregon, who has been chairing a particular work group on that matter. Todd?

MEMBER DAVIDSON: Margaret, thank you very much. Mr. Secretary, I want to begin by just echoing Margaret's comments.

It was an honor to be sitting in the IPW audience to hear your remarks not only that America is indeed open for business, but also your echoing of Brand USA's campaign of issuing one big welcome to the world.

That was not lost on me nor was it lost on the thousands of people that were sitting in the room that day. So thank you so very much for that message.

You began today by citing some very
important statistics. And you know, as well as anyone, that we didn't get here by accident. This has been a very deliberate approach. We haven't been lucky. We've been strategic.

SECRETARY ROSS: Right.

MEMBER DAVIDSON: And we've brought a whole of government approach together with the public and private sector working closely together.

So our recommendation is that now that we're finding ourselves at a mid-point of this 10 year National Travel and Tourism Strategy is that we need a new goal. And it should be firmly focused on international visitor spending as visitors arrive here in the U.S.

We're midway through that 10 year National Travel and Tourism Strategy. But what we realize is that the goal from the current strategy was a 100 million international visitors and a quarter trillion dollars in spending by 2021.

We've reached the spending goal
essentially, as you noted, with our $245 billion in visitor spending, but we're lagging in the visitor volume estimate. And that's due to a number of factors.

There's global economic trends. There's political trends. There are currency exchange rates. The mix of visitors and markets to the U.S. have changed significantly.

So we believe that we should focus on spending for the new goal. Not at the detriment of visitor volumes, but rather to recognize that number one, this is consistent with the International Monetary Fund. And it's also consistent with the way the U.S. tracks and measures and reports on all other exports of services and goods.

So we also reviewed the strategic areas of focus that are contained in the current National Travel and Tourism Strategy. I won't articulate them here. I certainly could if you'd like. But I won't except to say we found every one of those
strategic area of focuses still relevant.

And we would encourage, with the
development of a new National Travel and Tourism
Strategy, that those pillars, those strategic
areas of focus, remain in place because they are
all still relevant, all still necessary.

And we do think, though, that the
strategies and tactics that rest underneath those
pillars are due to be refreshed and reviewed.

The strategy revision, we believe, is
essential to keeping that whole of government
approach that has helped us attain the success
that we've arrived at so far.

And I'm happy to answer any questions
or ask if any members of the work group had any
other comments that they wanted to contribute at
this time.

MEMBER BALESTRERI: I'm an advocate of
numbers. I think volume cures everything. I
think our goal still should be to go to 100
million, 30 more million people.

And I think that all chips rise when
you have 30 million more tourists come to this
country over the next five years.

And not only does it help
economically, but the jobs it provides for the
least qualified American for upward mobility in
the hospitality, we're the largest retail
employers in the United States of minorities,
women, mentally restored and people that come up
the ladder that don't have a chance in any other
industry. So it's in one of the industries that
don't take any bailouts or subsidies.

So I think it's a win-win-win. I
think we have to focus, still also, important in
numbers.

SECRETARY ROSS: Well, Todd, were you
suggesting that we cut the 100 million target? I
didn't hear that.

MR. DAVIDSON: Our recommendation is
not to cut the 100 million target, but rather
we've met the financial target. So this is an
opportunity for us to really review the entire
National Travel and Tourism Strategy and reset
the goal for the next 10 years.

This should be the Trump administration's National Travel and Tourism administration --

SECRETARY ROSS: Right.

MEMBER DAVIDSON: -- for the next 10 years. With a new goal, we think the focus should be on spending. But obviously the underpinnings of that are where do we believe visitors are going to come from? What is the visitor volume that would then drive that spending number?

SECRETARY ROSS: Did one of the committee -- did you or one of the subcommittees come up with specifics like what countries? How to go about it?

MEMBER DAVIDSON: Our recommendation is that with your blessing, we'd like to actually form a workgroup that would specifically come back to you with a new goal.

SECRETARY ROSS: Sold.

MEMBER DAVIDSON: All right. I'm
normal.

VICE CHAIR McKEOUGH: The first headwind -- let's not go there, Mr. Secretary. Thank you.

Let's move on. Thank you for that support. We will get to work at shoring that up and getting that well thought through for your consideration in the future.

Let's progress, perhaps to the second list, which was one that was headed up by Brad Dean of Myrtle Beach Chamber of Commerce and Tricia Primrose with Host -- excuse me, Marriott International. Excuse me, some habits are tough to break. Sorry, Trish.

MEMBER PRIMROSE: That's okay.

VICE CHAIR McKEOUGH: Let me turn it over to you, Brad.

MEMBER DEAN: Super. Thank you, Mr. Secretary. Thank you for your time today. Let me just pick up on your comment based on the recommendation that you just acknowledged.

One of the ways that we measure the
number of visitors is with the Survey of International Air Travelers, SIAT. It's vitally important for us.

I don't want to misquote you. I think during your confirmation hearing I recall you saying that if you can't measure it, you can't manage it.

SECRETARY ROSS: Oh, I believe it.
MEMBER DEAN: And I certainly agree.
SECRETARY ROSS: I believe it.
MEMBER DEAN: And this is one of the ways we measure that. So as Todd said, one of the underpinnings of that strategy is to measure not only who is coming but the opportunities or the opportunities lost.

And so we believe the SIAT needs to be protected, and we like it in its current form. And I would point out, as you probably are aware, the private sector does help to support that --

SECRETARY ROSS: Oh, yes.
MEMBER DEAN: -- because it provides vital information. So we think that's a vitally
important tool that needs to be protected, and we
like it in its current form.

SECRETARY ROSS: Right. Well, is
there any real controversy about that?

MEMBER DEAN: Well, I think, one thing
we would like to see is that it grow. Because
states like mine aren't necessarily included in
the results because there's not enough surveys.
And I think maybe there's some that
just don't understand what you understand and
that is that this is a vital component to growing
our economic competitiveness.

So I will leave others to determine
and define any controversy, but we believe this
to be a common sense proposal. We need more
programs like the SIAT, not fewer.

If I may, let me expound upon that.
As Todd alluded to, we all agree, Brand USA is a
highly effective marketer. They're not only an
advertiser, they can also be a very key ally for
the administration in helping convey and
communicate policy changes.
But, Mr. Secretary, I have to note in your initial comments to us back in March, you made us think differently, I think, broaden our thinking about this a bit.

You talked about the I Love New York campaign.

SECRETARY ROSS: Right.

MEMBER DEAN: And we all recognize that's an iconic campaign that was tremendously successful. But as you know better than most, one of the reasons it was more successful than other campaigns is you have a lot of messengers.

It wasn't just an ad agency. You had taxi cabs and city governments and businesses. You even had tourists paying to promote that for you.

We need more messengers of the Brand USA message. And so we're hopeful that in your leadership role on the Tourism Policy Council that perhaps you can influence other government agencies who are working directly or indirectly with foreign investors and foreign travelers to
help amplify that message.

Whether that means using Brand USA's media assets, their videos, their marketing message, we should have many, many messengers, not just public sector, but the private sector, too, helping to amplify that message.

SECRETARY ROSS: Right.

MEMBER DEAN: They are important, but they can't do it alone.

SECRETARY ROSS: Well, I have one real thought on that. One of the things that I feel helped the I Love New York campaign was the little lapel pins.

And the people who were running that program, if I would show up in a meeting with them, then I was in some civilian life, like, not wearing a pin, somebody for sure would offer me a pin.

And it may sound silly, but it's kind of the multiplication of word of mouth. I frankly believe word of mouth, especially in an industry like yours, is the most important thing.
And there's nothing that helps word of mouth more than a little symbol, a guy being your messenger. So I would urge you to give some thought to some program where we could literally hand out some sort of a thing, maybe each time somebody makes a travel reservation with you or something.

That if we could get enough of them maybe cheaply enough make everybody, make all your customers be messengers.

I think it's a thought you might give some consideration to as you go through the next phase here.

MEMBER DEAN: Thank you for that suggestion. I think making our customers messengers is a great objective for all of us to heed.

One final observation I want to make, Mr. Secretary, and then I'll transfer over to my colleague, Tricia. It's not just important to market the U.S. It's also important to market the welcome.
As Todd and Margaret alluded to, your comments at IPW were very well received by all of our global partners. But that can't be a once a year message by one man.

And I think you mentioned earlier this need for a balance between enhancing national security and growing international travel. We think the message needs to be balanced as well.

What we would like to see is that when the administration does make policy changes or rolls out new policies, to also balance that with a message that reinforces that we're open for business. We welcome all visitors who pose no threat to our nation.

And we think that those two goals, national security and growing international event travel, are not mutually exclusively. And we'd like to see the administration embrace and carry that message consistently.

And I'm happy to hand off to my colleague, Tricia Primrose.

MEMBER PRIMROSE: Thanks so much,
Brad. What a pleasure it is to be here,
Secretary Ross. Thank you and to my fellow Board
members who are here as well.

I'm Tricia Primrose with Marriott
International. I had the privilege of chairing
the Top Priorities Subcommittee. So I reflect
the work of a lot of good hardworking people
around the table today.

We wanted to talk about two things.
Picking up where Brad left off, I think that
concept of balance you talked about at the
beginning is exactly right.

So one of the areas that we focused on
in our recommendations is engaging foreign
governments in support of bilateral security
agreements.

And essentially what we are looking at
is bilateral security agreements and existing
security frameworks from our perspective, they
really strengthen security, and they increase and
promote travel to our country.

We would like to see programs like the
Visa Waiver Program and Global Entry. We think they give an ability for travelers coming here to come and do the screening before they arrive, which is so important for the very issue raised earlier about security.

We think that communicating this value to other governments is a message that could be carried throughout our government, the importance of these programs. But that they allow this to be carried out in a way that is completely connected to the other country, that we're all adhering to the same standards of security.

SECRETARY ROSS: So what are the actual changes you would see being needed?

MEMBER PRIMROSE: So we actually would need to work more on the specifics of that.

SECRETARY ROSS: Yes.

MEMBER PRIMROSE: What we were really looking to do was raise an issue that we felt could become a part of the roadmap for the Commerce Department.

But if there's a way in which this
message can be taken at all different levels, we
think that would be better.

SECRETARY ROSS: It could well be, but
that would be when we have something specific.

MEMBER PRIMROSE: Mm-hmm.

SECRETARY ROSS: Because if I just
called the others and say, you know, be nice to
travelers and --

MEMBER PRIMROSE: One hundred percent.

SECRETARY ROSS: We've got to have
pinpoint things --

MEMBER PRIMROSE: Yes.

SECRETARY ROSS: -- for them to do.

MEMBER PRIMROSE: Absolutely. The
second area we did want to just highlight as part
of our recommendations is infrastructure
investment.

We're heartened that the
administration amidst all the competing
priorities has identified infrastructure
investment as a key priority.

By 2030, I know we all know these
numbers, nearly 2 billion international trips are anticipated. So this emphasis on how we prepare for that type of travel, whether its roads, rail, you know, airports is key.

I think that as the administration looks at these competing priorities, if there's a way travel and tourism can be factored into the equation on infrastructure investment that would be wonderful.

SECRETARY ROSS: I can tell you airports are for sure going to be one of our big objectives. And once the legislation gets introduced later this fall, I think it would be good for your industry to organize a letter writing campaign to the Congress to get them to support the infrastructure program.

There's nothing that seems to do better than hundreds and hundreds of letters and phone calls going into the Congress. And you're a lot of people just in this room.

If each of you got, say, 100 people to write a letter, you know what? They'd notice it.
And that shouldn't be a very heavy lift. We all know we need it. And it's just a question of keeping that focus on them.

So I would hope when you come back, you will come back with a plan how you are going to get your industry to really push the Congress to maximize the spend on infrastructure because we want to go as big as we can.

MEMBER PRIMROSE: Yes. Wonderful to hear and a terrific suggestion. With that, unless there are any comments from you on those recommendations from Brad and myself, I'd like to turn it over to our colleague, Bruce Charendoff, for the final section.

MEMBER CHARENDOFF: Okay. I guess I get to bat cleanup. Well, Mr. Secretary, let me also add my voice of thanks to you for your personal interest in our board and in travel and tourism and your willingness to continue the legacy of successful collaboration that we've enjoyed in the travel industry between the private sector and the government.
I chaired the facilitation working group of the TTAB. And, I guess I should start by also thanking the members of the working group for their time and their energy as we've met, amongst ourselves and with our government partners, to respond to your tasking of us to propose recommendations to ensure the United States remains a welcoming destination while ensuring national security.

So our conclusion is that when national travel security programs that have been mentioned like Global Entry, TSA PreCheck, Preclearance and Visa Waiver are done well, they're also welcoming to visitors.

They speed known low risk travelers through checkpoints to their destinations, allowing security agencies to focus attention on unknown, higher risk individuals.

So we spent a lot of time in our early meetings thinking about these excellent individual programs and generating ideas for how to make them even better.
And so to that end, we met with officials and executives from U.S. Customs and Border Protection, TSA, the World Economic Forum, U.S. Travel, and together they gave us a comprehensive and multidimensional view of our key national security programs.

And in the process of all of that, we hit on one big idea, which we thought that would respond most directly to your tasking, namely to recommend that you authorize a new P3 named the Secure Travel Partnership.

And to your idea before about lapel pins and symbols and the like, perhaps that may be one of those things that would lend itself to exactly that, a Secure Travel Partnership.

So what is it? Our idea involves two parts. The first is to create an umbrella brand that would attach to and cover all of the key travel security programs the U.S. employs and establish an ongoing dialogue between the government and private sector on program improvements.
So that is Global Entry, PreCheck, Preclearance and Visa Waiver would all be part of the Secure Travel Partnership. There would be a visual brand or a logo, a lapel pin, to be developed, that would be visible on all government enrollment websites, advertising and kiosks.

The private sector, for its part, which is increasingly helping government partners market these programs, would also be encouraged to display it.

We'd also jointly develop ideas for impactful and consistent messaging and positioning of this brand proposition.

On the other side, operationally, the Secure Travel Partnership, which would be created among representatives of the Department of Commerce, Homeland Security and State and members of the TTAB and other members of the private sector, with relevant expertise, all of us would meet regularly and seek to find places to harmonize and improve security programs that at
times can be somewhat confusing to travelers.

So this partnership would bring
together government and travel industry
professionals from a variety of sectors to create
clear and consistent messaging, marketing and
program improvement strategies.

We think the Secure Travel Partnership
would visibly demonstrate to our citizens and to
our visitors our nation's and our industry's
commitment to providing them with safe and secure
travel experiences.

In the increasingly dangerous world
we're living in, we believe this would be a plus
factor for choosing the United States as a
destination and demonstrating that we are a
welcoming nation that, as you said in your
excellent IPW speech, is open for business.

So when legitimate travelers feel
safe, secure and mostly welcome, they will
increasingly choose the United States as a
destination and help us win the competition to
become the number one destination in the world.
And with that, I welcome your questions or other members of the Committee to chime in.

SECRETARY ROSS: Good. I like that idea. I do think if it's going to be a lapel pin, it needs to be fewer letters than Secure Travel Partnership.

MEMBER CHARENDOFF: Fair enough.

SECRETARY ROSS: I don't see people wearing an STP. But the idea, I think, is a good one.

MEMBER CHARENDOFF: Great.

SECRETARY ROSS: So let's figure out how we can make that work.

MEMBER CHARENDOFF: Wonderful.

VICE CHAIR McKEOUGH: Well, Mr. Secretary, your comments with us have been encouraging that we're on the right track.

SECRETARY ROSS: Yes.

VICE CHAIR McKEOUGH: We might have some refinement that needs to be done --

SECRETARY ROSS: Sure.
VICE CHAIR McKEOUGH: -- for these preliminary ideas to be most helpful for execution. But let me invite, if there's any further questions you might have on any of these proposals or ask if you think we would be well placed to proceed forward and continue the implementation of these ideas shared with you today.

SECRETARY ROSS: Well, I think the ideas all are useful and are interesting, but obviously, the devil is in the details.

So I would encourage you go the next lap and now let's figure out exactly how we're going to implement it, like the interdepartmental coordination.

Okay, what is it we want each of these departments to do or at least to try to get them to do because we'll do much better going in with a specific ask than we will just the general.

Nobody will argue with the general level. At least I won't. I don't think anybody in our administration would. Let's go the next
lap. And that, I think, would be very, very good to do.

And so I would like to say I support these suggestions that you've made. I do think you ought to have two numerical targets for 2027, one, number of visitors and one, dollars.

But more than just a target, how do we get there? Where are the high value tourists that we're not now getting? How do we approach them?

That kind of level of detail, I think, would be the next step on that. Then if you could put together maybe just two, or some small number like two, of initiatives that public and private sector could work together on over this next year as a first step for the Secure Travel Partnership. I think let's get a couple of particular things that we can hit.

As usual, I also am going to want to put a date on any requests. And I would request that you get these back by October 20 because that would then let me propose them to the
Tourism Policy Council at its fall meeting. So it would give us a little bit of turnaround time and then we could get to them.

Our National Travel and Tourism Office will be happy to help facilitate your work. I assume you know how to reach them.

VICE CHAIR McKEOUGH: Vice versa.

SECRETARY ROSS: So I look forward to the continued great work of the Board and to the Department's ongoing engagement with the tourist and travel industries.

And as I depart, because unfortunately I must, I leave you in the capable hands of our Deputy Chief of Staff, Israel Hernandez, who is on my left. He will continue to represent the views of the Department and the Administration for the remainder of the meeting today.

But thank you again for coming. I hope we get through this next hurricane pretty well. It really strikes home with me. I'm a Florida resident so, but at least I have been.

Hopefully, there will still be a
Florida and hopefully the other part of the
country that also are vulnerable here, hopefully,
they won't be too badly damaged.

But thank you again for the good work.

I hope you understand we are taking quite
seriously this Board, and we are quite interested
in working with you and achieving these numerical
goals that you have set for yourselves.

And toward that end, maybe some
thought should be given for immediate shorter
term goals. What do we do in the aftermath of
the two hurricanes?

When I got prepared for the meeting,
I hadn't thought we would be faced with that.

But what do we do in the aftermaths of those
because that obviously has changed maps in
strange ways and not just for 10 minutes.

That's going to take quite a little
while to fix, and particularly the Florida part.

I would assume Florida is an important part of
the travel programs that you have. Houston maybe
too, but certainly Florida is a very big tourist
place. So we might give a little bit of focus on
short-term things that we can do there.

So again, I thank you, and especially
for the good work that you've been doing so far.
Thanks very much.

VICE CHAIR McKEOUGH: Thank you, Mr.
Secretary. Thank you very much for the feedback
today, too.

Okay. Israel, any comments you might
have before I open it up to just see if there is
any general feedback and commentary from the
latter board?

MR. HERNANDEZ: Do you feel October is
going to be enough time?

VICE CHAIR McKEOUGH: I heard an even
shorter deadline?

MEMBER BALESTRERI: Can I ask what the
Homeland Security -- the Visa Waiver Program, it
was 30 million Chinese that left China, but we
only got less than 3 million. Fifteen million
more wanted to come here.

How does Homeland Security work with
us to try to get those Visa Waivers in here a lot quicker? India, the same problem. How do we work together?

Here we have all those people that want to come here. That's money well spent here. All boats rise. How do we work through to make this a quicker process?

VICE CHAIR McKEOUGH: Ted, can I ask you to hold that great thought which we will get to address in just a minute.

I didn't want to lose some of the momentum that was established here in the room by the Secretary's comment. So if I could respectfully ask you just hold that thought a moment.

MEMBER BALESTRERI: Sure.

VICE CHAIR McKEOUGH: And, Israel, ask if there is anything you would like to further elaborate on on behalf of the Secretary's comments or any questions for us.

MR. HERNANDEZ: No, I think we're now having more public session, right? That's the
next --

VICE CHAIR McKEOUGH: We are going to get to that at the end.

MR. HERNANDEZ: Okay.

VICE CHAIR McKEOUGH: I just didn't know if you had any other comments before we --

MR. HERNANDEZ: No. I was just sharing with Isabel, I wonder if his ask with the hurricane, do we need to move the Council meeting to November to give everyone a little more time?

I don't think that we're required to meet in October, but we could move it to give people enough time to think through this and not be so rushed.

VICE CHAIR McKEOUGH: Okay. Right.

MR. HERNANDEZ: But outside of those, we have the recommendations. I think they're great.

I thought the global paren at the end was a really great concept because over time I think people may get confused with all the different programs. But if you have one umbrella
program, I think that would work great.

And he is very much willing, just based on working with him for the past three months, very willing to work in an interagency and take the lead on it.

So, like, maybe Isabel mentioned before, he reads. He is a voracious reader. He will read everything that we give him. He loves detail.

As much as you can put detail to these initiatives as far as how we work with interagency would be great because he is very persistent. And not only on a bilateral basis, which is what I've witnessed him do, but also in an interagency process.

So I urge you as much specificity would help because he will be very much, in the sense of he will follow through on that. So just a little bit of background for you on that.

VICE CHAIR McKEOUGH: All right.

Thank you. Thank you for that guidance.

What I was going to suggest if there's
no other thoughts from the Board, let's maybe
progress through the agenda for today.

We've got another formal presentation
to be made and then we can kind of come back and
do a recap before we adjourn here today.

MEMBER EKERT: Madam Vice Chair, I
have one comment. That is I heard the Secretary
affirmatively say tell me what to do.

So I don't think we should seek
permission. I think we should say here's what we
recommend. And we should no longer wait for him
to say is it okay form a subcommittee? Is it
okay to develop recommendations?

Let's just move forward assertively
with the Department. Obviously, they have their
right to say yes or no.

VICE CHAIR McKEOUGH: I heard the same
thing.

MR. HERNANDEZ: I agree.

VICE CHAIR McKEOUGH: Well said.

MR. HERNANDEZ: I really think you
should take advantage of this.
MR. McREYNOLDS: Margaret, can I ask a -- I have a question for follow-up. Just if it is feasible. I heard the Secretary say the three committees should keep going on the goals.

But I also heard potentially, and I just want for clarification, a short-term committee, immediately, to deal with the effects of the hurricane.

Does that enable us -- apologies. I'm John Sprouls' aide so I'm going to have to figure this out.

VICE CHAIR McKEOUGH: And he's in Florida.

MR. McREYNOLDS: And John is gone. There'll be no playing, just saying.

But, you know, I hear that we can also constitute a group to focus on the hurricane tourism recovery and form a working group or task force immediately on that as well.

MR. HERNANDEZ: Yes. I think so, yes.

MR. McREYNOLDS: Okay. So there's four. Thank you.
VICE CHAIR McKEOUGH: With, I think, of the encouragement of a very short turnaround with some recommendations and ideas.

All right. Let's progress on the agenda to Isabel, who on behalf of the Travel and Tourism Office is going to introduce a report on our 2016 Travel and Tourism data results.

MS. HILL: Thank you very much. And thank you all for coming. And I know, having worked with each of these working groups how much energy and effort has gone in. And I think what I really appreciate after that is the fact that you all are willing to double down and do it some more.

And so we really look forward to working with you on that.

One of the things that we thought would be very helpful for this group in terms of looking forward particularly on the question of setting a new national goal, a numerical goal, would be to look at the 2016 data at a fairly high level. But to look at it from the
standpoint of what is driving markets in terms of
growth versus absolute numbers both with dollars
in spending?

And then to look at some of the
segments, particularly as there has been a
definitional question or a definitional
adjustment by BEA in the process of these last
five years that have included education, medical
in the definition of travel and tourism and
therefore in the revenue count.

So with that, we also thought it would
be helpful to look at the Survey of International
Air Travelers, which provides information on the
markets on the traveler characteristics.

So as the Secretary says, if you were
diving into the markets to understand what is
going to generate and lead growth, you will see
what tools are available to you with the survey
as well as the overall program that we have.

With that, Mark, I'd like to invite
Mark Brown, an economist in our office, to begin
with the 2016 performance.
And after that, we will turn it over to Richard Champley, who is a Senior Project Manager, who will give us a presentation on the Survey of International Air Travelers.

If it makes sense to you all, we can go through the two presentations and then answer questions. If there are burning questions in between them, then by all means. But I just want to make the most efficient use of everybody's time. Thank you, Mark.

MR. M. BROWN: Good afternoon, everyone. I understand we have some IT issues today. So we're going to go old school. So you should have in your handout - my ex-wife used to accuse me of living in the 80s and today we get to live it, I guess. So I'm perfectly comfortable. I hope you are as well.

Does everyone have a copy of the presentation?

VICE CHAIR McKEOUGH: It's in everyone's folder, the blue folder in front of everyone.
MR. M. BROWN: So what we'll do is I'll reference the talking points by slide number to help those on the phone. For those of you on the phone, you should have an email from our office this morning that might have an attachment with this presentation. You might be able to follow along.

So let's start with Slide 2. I thought it would useful to see what was the volume as we entered into 2016. This is the volume as we ended 2015 and to note here the total volume was 77.5 million and here was overseas volume of 38.4.

And that Canada remained our number one origin country, but Mexico was a close second. And then you can see how it falls off very dramatically into the second and third tiers of visitor volume.

We have the top 21 countries because Ireland and Taiwan jump over each other, leapfrog, from year to year.

So that's how we look as we entered
2016. Now if we move to Slide 3, this graph shows the percent change in volume for each of these 21 markets.

The countries in red are the decliners. The ones in green are those who have increases in volume.

And you can see that the decliners outnumber those who increased two to one. And China, Argentina, South Korea, all with the strongest growth rates, and Brazil by far with the largest declines.

So the scale here is the percent change from 2015 to 2016. So to help you move forward here total international down about 2 percent as well as overseas. But here you get the components of change to help you move forward with your agenda.

Let's move on to Slide 4. So Slide 3 was the percent change. Slide 4 is the actual change. This is where the rubber hits the road.

And you can see here that total international was down nearly 2 million and that
was actually dominated by Canada and Brazil, the markets with the largest overall declines. And it was really just China and Mexico that were providing from the growth markets.

And I should add that in 2016, as we entered 2016 and ended, USA remained the number two overseas -- I'm sorry. As we entered 2016, the USA was the second most visited country in the world following France, Spain number three.

So here is the -- Slide 4 is the total change. So Slide 5, here's how we ended the year, down a little bit, 75.6 million.

The decline in the U.S., coupled with a very large 10 percent increase in Spain, results in Spain and the U.S. being exactly tied for second place as we enter 2017.

So France, number one. France also had a decline in visitor volume in 2016. U.S. was down 2 percent or so. And Spain had a very large increase. So France, U.S., Spain, U.S. and Spain tied for second.

And also to note here in Slide 5 is
there's some leapfrogging, South Korea and Brazil, Argentina and Columbia, and Taiwan and Ireland. So that's volume.

So let's move into spending. This is where -- this is what pays the bills, of course. And my apologies. This would be in billions, this scale. I'm an economist so I guess I was thinking on the one hand should I use millions or should I use billions? Well, the data is in billions.

And so we -- in 2015 we entered the year at $247 billion in total spending. This would be across all spending types to and from the U.S., passenger fares, spending within the U.S., all the different segments that we and the Bureau of Economic Analysis provides in tracking.

The USA is by far the number one ranked country in spending, by far. Three times higher than number two Spain and four times higher than the closely packed group of Thailand, China, France, Italy, the UK and Germany.

And I also asked you to keep in mind
that when we talk about rankings and receipts, we're just talking about the travel, the spending within the country. The UNWTO collects this data from all the countries, and it excludes passenger fares.

And our industry is so large, our airline industry, that if it were a country of itself, it would be the eighth largest travel export country. But when we talk about positioning the U.S. in terms of money, it's always just -- it always excludes passenger fares.

All right. Let's go to Slide 7. And we'll look at the change. As we did with the volume changes, let's start with percent change. China, India, Argentina, by far the largest percent increases in 2016. The countries that are in gray are those for which we did not have data. BEA will release those countries and some additional ones for the first time in just a couple of weeks at the end of October.

And Slide 8 would be how those percent
changes turn into the volumes. And here we see it's really the growth was dominated by China and India. And Brazil and Canada were the largest countries with the largest declines.

So this is looking at the spending change and the components of change by country. But I would ask, especially Mr. Davidson, as you look in terms of how to position the U.S. in terms of spending, there's another dimension.

So this is the dimension by country. And as we move to Slide 9, we go through a series of -- let me walk you through another important dimension to look at, and it is by spending type.

So we don't have the IT so I don't have the beautiful builds here. So I'll try to walk you through this.

The first part is just in the text over here on the left are some reminders of what the spending numbers represent, where they are from and so forth.

And it's important to realize that the Bureau of Economic Analysis changed their
methodology in the middle of 2014 and here's why
over here on the left. It conforms to
International Monetary Fund standards.

They've been working on that revision
for a very, very long time. And they finally
unveiled that change in the middle of 2014. And
so what we have here is their new lineup of the
spending categories.

And now I direct your attention to the
column called, what is it? And this will help
explain what they put into these different
traveler spending buckets.

You will notice there's some spending
categories that we had not seen before,
particularly the health related, education
related and other personal.

Those weren't created from scratch.
They just had to be -- they were in other export
buckets. And they were moved over to travel and
tourism.

Then if you move over to the right
would be the visitor spending, the travel
exports, total travel exports in 2011 and 2016.

I chose 2011 because that was about the time where the most recent data that we were using when we helped create the national strategy that was under the previous administration.

And then the next column over would be the percent of 2016. I think of this in terms of the speed. So 20 percent of 2016 are each of these component's share of total travel spending. The next column would be the share of growth over this four or five year period.

So the one column is kind of speed. The other is maybe acceleration. So how fast is it moving or slowing?

And I've highlighted in yellow here, especially to note, Mr. Davidson, that there is differences in how these different components are changing.

So not only do we have changes in the speed and acceleration by country, but within each of those countries and overall the speed of the components. So not only is China moving one
way or the other, but also China education and leisure and so forth.

You can see that business is not where the growth is coming from. But conversely, the leisure, the vacation type of travel and the education related travel are the two drivers of the growth over this period.

So before I hand it over to Dick, I would like to just let you know here is how things look as we move into 2017.

Volumes started the year a little soft. January was up a little bit. February was down. March was down big, but we expected that because of what we call the Easter Passover effect.

What we had in this year and what we will have for the next two years are flip flops in the month that Easter Passover is observed. And that always messes with the numbers.

So those of you following our annual, or sorry, our monthly volumes, you saw March with about an 8 percent decline, I believe. But we
just got April, I think it was last night or this morning, and it is up about 8 percent.

So here is the bottom line. January through April, overseas volume is down 4.3 and total volume is down 1.2 percent. And that reflects a lot of comeback from the Canadian market. Last year, the beginning of the year, was horrible.

Spending, too, and within the U.S. is up 2.7 percent for the first four months of 2017. And that growth is once again led by the education segment, one of those -- this one here in yellow.

With that, I hand it over to Dick.

MR. CHAMPLEY: Thank you, Mark. My name is Dick Champley. I'm the Program Manager of the Survey of International Air Travelers plus other duties as assigned.

Welcome, everybody. I have just a few slides, not that many, but they are fairly dense. So I'll go over them in some detail. They are at a higher level of granularity, and we can talk
later offsite of deeper questions.

I'll direct you to the first Slide 10, on Page 5, that this gives a graphic overview of the NTTO statistical system, and it does focus that the Survey of International Air Travelers is a core program which is central to all other operating systems that we have.

Its primary purpose legacy wise and even through today is that we provide BEA with spending estimates. It was established by 1996 legislation. So it's mandatory that we do this.

But then, destination wise, legislation on 2009, as you know, the Travel Promotion Act, extended that concept of producing data for destinations was made as a mandate.

The survey, SIAT, is a primary research effort, meaning that unlike some of our other datasets, we go and get the data. It's an alpha to omega system.

We design the survey. We go in the field. We collect the data. We're not reliant on others to get that survey data. And then we
process it.

On this graphic here, I'll just direct you to these two boxes on the left, the green one is on the top.

These are data from the Department of Homeland Security, the I-94 arrival data, and APIS, which was formerly the I-92 data. And the APIS data is actually more than just departure data, it's also arrival and departure data. We use it for our U.S. outbound waiting.

So both of these would be secondary data, secondary research input into the survey, which is primary.

And from that goes export and import data, the BEA customer reports for clients and interested parties. And the input also goes in the Travel and Tourism satellite account, which gives the economic impact of travel to the USA.

I am good on that one. Let's go to Slide 11 please. Those two would have been a build slide, you know, build up in the drama, but you've got it all on one page now so. So my
punch line is lacking so.

But it's methodology, I don't want to get too much in the rigor of the process, but these are important points.

And you talk about density, that first bullet point, actually it's a short statement, but it has five points.

The survey is a monthly survey. So it's not ad hoc, once in a while, only on the East Coast. It's a monthly survey. It's self-administered by the passenger respondent. Okay. It's voluntary on their part. So it's not voluntary for us to do it, but it's voluntary for them to take it, which is good.

It's in paper form. There's nothing sacrosanct about paper. It just happens to be the format that has worked. And we have looked at other options and tested them. You know, we'll look at having a long-term replacement, but we'll get into that a little later.

And so it exists as that. You have a copy in your folder. I'd like to have you all
fill it out and send it in. We couldn't do that because it has to be in the departure gate so we couldn't count it.

So and then it's been in operation, and never skipping a month, since 1983, 35 years.

It's designed by, Bullet 2, USG, us and other government departments in the industry. And the design by basically is the questionnaire instrument.

There's been various versions over the years. But I think if you compare a current one with the very first one, you'd have a lot of solid data that comes all the way through, a lot of core data.

But in the industry we ask for input. The last major change we made was 2012, and that's been in the field, you know, since then. But we did make a quick change based on a Travel and Tourism Advisory Board recommendation two years ago. And it went into effect last April. We'll touch on that later.

So we were able to work that one out.
Normally, we have to go through a laborious process with the Office of Management and Budget to do this.

But for a short change, we can just inform them that we're going to do this and it's non-substandard. And then if you don't have any, we'll just continue with it. And we haven't heard back from them yet so.

So the third bullet, it captures two populations really, U.S. residents who are outbound and non-residents on the inbound. How do you do that?

Well, we do that in the departure gate of, like, the top 27 in the U.S. gateways and also some in-flight, but there we have in the gate area, you've got both sets.

You've got U.S. residents who are leaving on their trip, embarking, and non-residents going home. And they have a rich plethora of data that they just took their trip, and it's fresh in their mind.

Moving along, we're being inclusive
here as much as we can. It's in 12 languages.
So it's not just English. It's done on board or
on the gate area.

It used to be totally in-flight. In
fact, at its inception, Mexicana Airlines put an
extra flight attendant on board to administer the
survey. So that doesn't happen anymore. It's
mostly in the gate area.

A major thing, walkaway, here is that
this is a statistical system. It's rigorous.
And we have to in essence make sure that the data
stands up to statistical rigor and that selection
is as random as possible.

It's done with foreign and U.S. flight
carriers. It's not U.S. carriers only. We go
through a waiting process, that longer bullet
there. And we achieve maybe upward of last year
was 96,000 surveys, roughly split between res and
non-res.

This, of course, is a function of the
budget and our costs of the contract.

And then our vendor selection. This
is put out for bid periodically. It has normally
been an open bid process, and we are approaching
another turnaround in the next year or so.

Other alternatives, I'll just mention
that we tested four. One was in the rest area
and three were in the boarding area. One using
paths, that came specifically from a member here.
We tested that out.

It was promising except to tell you
this, we normally get around 15 completed surveys
per flight, that's an average. And the best
results we got of the four tests was like six or
seven out of the paths.

VICE CHAIR McKEOUGH: I know we have
the survey here, as you mentioned. Is there any
particular highlights? I think this is very
useful and helpful information. Anything you
might summarize about the survey?

MS. HILL: Just skip to the last line.

VICE CHAIR McKEOUGH: Maybe the last
line, Isabel is thinking, might be the most
helpful.
MR. CHAMPLEY: Well --

VICE CHAIR McKEOUGH: It's great to

actually have a copy of it for all of us to

reference.

MR. CHAMPLEY: Mm-hmm. I'm not sure

about what slide.

MR. M. BROWN: While he's thinking, I'll just say that --

VICE CHAIR McKEOUGH: Any bottom line

you want us to know because I know this is a room

full of advocates that this continue.

MR. CHAMPLEY: Yes, okay. I mean if

I've got five minutes, I'll talk longer. If I've
got 30 seconds, I'll --

VICE CHAIR McKEOUGH: You've got 30

seconds.

MR. CHAMPLEY: Oh, okay. All right.

All right. I've had the hook before. Okay.

Well, on the topic, Slide 12, those are all the
data elements that will come out as information,

okay?

And if you want to have the
questionnaire and enumerate it, you can find every one of these here. And it's like different topics, brand names, characteristics, et cetera.

Here's the big one on 13. This is a change we made based on the TTAB recommendation a couple years ago, which was measure the arrival experience and on tourists.

And we've changed this based on some very excellent input from members. I think it was NBC, Universal and Enterprise. Consumer people gave us insight on how to structure this thing.

We did it. We tested it. It's in the field. We've got one year of data now. So we've been sharing it with the CBP. So that's good.

Customers, 14, we have many here. If this were a bubble chart, we would say destinations are our biggest group. Airlines are developing it again.

We have two members on the Board who distribute airline reports to all participating airlines, maybe at least 20, both foreign and
And airports, we're evolving the data structure for them. We distribute airline rating reports one has done and felt in other's reports. So we look for feedback on that.

I mentioned U.S. agencies, but I'll flip right over to 15. And these are government benefits of the survey. The industry, as we mentioned, but there are many departments that are gleaning data from it. BEA, of course, was the first one, Department of State, Homeland Security, Center for Disease Control, BLS and global markets.

So we're finding a lot of usefulness. Global markets and also Consular Affairs wants to profile U.S. travelers overseas. They can do that. That's the opposite of our inbound look here.

Intelligence from 16 and then coming to the last one. I'd say four core points about the survey, statistically reliable and valid.

It focuses on the consumer with its
whole itinerary. You know, what did they do? When did they start? How far did they go? What did they do? Are they going to come back? Because we ask that and it evolves to reflect the marketplace and then gives the user their perspective in the competitive set.

For instance, when the airline report goes out, and United Airlines average age of passengers is 44, but the whole industry is 62, that tells them, well, we're at a difference there. Is it good or bad or whatever? So they know where they are at in relation to that. That's more than they get doing their own surveys on their own plane because that's their own aisle and nothing else.

So I'm done. So if there's questions, yes.

VICE CHAIR McKEOUGH: Thank you.

MS. HILL: Thank you very much. Yes, so I think that there are some key elements here for you all to consider as you move forward, particularly on the goal and responding to the
Secretary's challenge to set an appropriate goal for the next 10 years, both with respect to numbers of travelers and to markets.

But I also think it's very important as you look at the question of how are we going to look at the safety and security aspects and balancing that with our economic security, the Secure Travel Safety Program?

I think that the survey does provide you, I think, with some very good intelligence, particularly with respect to that last point, one of the last points that Dick made, which is the new question that you all worked on to help us look at what the drivers of the customer experience are at the point of entry so that we know what is important.

I want to thank Marriott. I want to thank Enterprise and Universal for lending us their customer service experts to be able to do that.

I think, you know, certainly as you identify what your priorities are, we are open to
looking at the survey, to continue to evolve the survey, to measure the success of the key drivers of what we need to know to ensure that the United States remains competitive.

So we appreciate your support. And our team is here, ready to help dive into this data, ready to help you sort of understand what you need to understand in order to make a very, I think, ambitious but accurate target for what the industry wants to see and how we in the government can support you all in doing that.

So having said that, are any there any questions? I think you had a question regarding the China market, which I think makes a little bit more sense in the context after this, and India as well.

MEMBER BALESTRETI: How does Homeland Security help us expedite these visas?

We were just talking earlier some conventions come over here and 50 percent were rejected. How do we have a fine process? Because we have them wanting to come. How do we match
Homeland Security, the Visa Program, to get them here as fast as possible?

MR. HAYDEN: Well, this is Matt Hayden with DHS.

MR. RAMOTOWSKI: I'll comment on that, too, because --

MS. HILL: Let me introduce Ed Ramotowski, who many of you know from the Department of State Consular Affairs, who, I think, probably has a little bit more information to answer that, his third question.

MR. RAMOTOWSKI: As you know, the State Consular Affairs runs the visa process abroad, which since neither China nor India are close to membership in the Visa Waiver Program, they're going to have to go through the visa process for at least the year to median turn.

So what we're seeing out of China, we've already issued this year 1.3 million visas to Chinese citizens. And we estimate that 5.3 million Chinese citizens have a valid visa of some kind to travel to the United States, which
is more than 4 million more than ever before in history.

So the number of Chinese citizens with a valid document who are able to travel here has never been greater.

MEMBER BALESTRERI: You can see the results?

MR. RAMOTOWSKI: You can see the results. Now in terms of individual decisions, you know, we've always maintained national security is job one and every applicant is interviewed on his or her personal circumstances.

And the consular officer makes a judgment in accordance with the law. So there is a difference between the refusal rate for visas and expedited access to a visa appointment.

The wait times in China now average about eight days, which is more than reasonable. Visa demand in China this year has gone down by approximately 24 percent. But that's actually due to the fact that we shifted in November 2014 from a maximum one year visa to a ten year visa.
So folks who used to have to apply every year don’t need to do that anymore. So that has a natural impact.

You know, we’re not seeing the renewals that we used to see because those folks don’t need to renew and won’t need to renew for another eight years or so.

So, you know, with low wait times, a relatively high approval rating of well over 75 percent, the issue with China seems to be, you know, encouraging more people to come in and apply. It’s not that large numbers, massive numbers are being rejected.

If you look at India, we are seeing growth there this year so far about 3 percent. We’ve issued over 783,000 visas so far in India this year. Wait times are averaging about 12 days, which is good compared to last year where they averaged 22 days.

Last summer we were able to achieve a breakthrough with the government of India that allowed us to send more consular officers. For
years, they had resisted that. But we were able to deploy additional staff in India, and we're seeing the results there.

And India has long had 10 year visas. So, again, for folks that do have a value as travel document, the task is to encourage them to use that repeatedly.

MEMBER BALESTRERI: You only have five Consular General's Offices there.

MR. RAMOTOWSKI: Right.

MEMBER BALESTRERI: And you've got a billion people.

MR. RAMOTOWSKI: Right.

MEMBER BALESTRERI: They just don't have access.

MR. RAMOTOWSKI: Well, you know, they --

MEMBER EKERT: I was going to suggest something a little bit different. The data is very interesting by itself.

When you look on a spot basis year on year, if you normalize for currency, my guess is
the travel is relatively constant year on year.

So you get the devaluation of the year on sterling is very material in those trades for example. I think what you need to do is look at a longer time horizon, five or ten years, sort of, where were we? Where are we? And what's our share of wallet or share of trips for outbound travel from that market?

So if the UK was down 20 percent en masse, and they were down 24 percent of the U.S. goal, we've kept our fair share of the pot.

And I think that's a good indicator then of what we should do from an objective standpoint. If we understand what our share of wallet is and how it's changing and why, then we can say what's -- the way to think about it is not how many Chinese travelers we get, but how much Chinese travel would there be? What share of that do we get? If you think about it from a share perspective, you'll be able to get to much more accurate figures that are much more reasoned.
When you look at it on a spot on year basis, there's anomalies like currency that regardless of what you're doing will impact that dramatically.

MEMBER WOODEN: And I'd like to give you a little on the ground commentary. So I'm Ernest Wooden. I'm with the Los Angeles Tourism Board.

And as you might expect, we have a big footprint in China. In fact, we just opened our fourth office with one of the few licenses to directly market to the Chinese people. We're very proud of that.

I was in China as I am about five times a year. Recently, I was in Beijing, and I applaud the work that the State Department is doing. Because it's unbelievable how those officers keep their voices to go all day long, eight hours a day, processing 3,000 people a day is amazing.

But in the dead of summer, I witnessed about 5,000 people, unshaven, standing in line
trying to get through the processing office in Beijing and standing in line for hours and hours. I got out of my car. I took pictures of it.

So I'd like to focus on the demand potential. As Ted pointed out, I think accurately we only have five processing centers in China as we speak right now. And if you believe in the theorem that you fish where the fish are, we recently opened our last office in Chengdu, China, which is going further west.

MR. RAMOTOWSKI: Further west, yes.

MEMBER WOODEN: And the reason we're able to do that is because of the air lift now is now being able to bring people from the central part of the country into the United States.

I think this potential, again, demand potential that we may be living on the table just by observation.

We've had some incidents with MICE groups being rejected at high rates, but I think they are isolated, candidly. There are some practical reasons that led to that.
But I think that if we're going to squeeze out the greatest potential from what is obviously the number one market to the United States for all the reasons we realize, we might give some serious thought to expanding that either through biometrics or, I've heard some interesting ideas that I think came out of state, about people applying using technology in some level, that that might help us get more of the potential. Because you literally have to fly to Beijing or take a train to Beijing to get in line with 5,000 other people to get to it. So if you can't --

MR. RAMOTOWSKI: We actually do have a consulate in Chengdu.

MEMBER WOODEN: Oh, you do. That I know. That I know, of the five. But to think about that side of it might be an opportunity.

MR. RAMOTOWSKI: Right. No, absolutely. We want to look at ways to leverage technology and help us do our job better and work with Homeland Security in that regard.
At the same time, realistically looking at State Department budget going forward and personnel reductions, you know, that's another important factor.

MS. HILL: Yes, that's reality.

Right.

MEMBER BALESTRERI: There's some profits in it for you. I mean, this is money coming in, and it's like confetti.

MS. HILL: You're singing to the choir, I think.

VICE CHAIR McKEOUGH: I think you present a valid point.

MEMBER BALESTRERI: Even if they use the waiver service.

(Simultaneous speaking.)

MS. HILL: You hear the message on --

MR. RAMOTOWSKI: It's important.

VICE CHAIR McKEOUGH: Let me just ask before -- I'm mindful of the time, and I know there may be other issues trying to come out of here.
MEMBER GALLAGHER: Just a quick question, the Secure Travel Partnership, does that now take the place of the Visa Waiver Program for countries that qualify? They're part of the Secure Travel Program now? Visa Waiver is gone?

(Chorus of no.)

MS. HILL: The Visa Waiver Program has never changed its name.

MEMBER GALLAGHER: Okay.

MS. HILL: So the Visa Waiver Program, while the industry recognizes it as a Secure Travel Partnership Program because it increases security, as you are saying, as it facilitates travel.

And from the tourism industries and, I believe, from many of the security agencies as well, when it's functioning properly, it is that. But that is not the official name of that program.

My understanding of the recommendation is that that very definition of a program that
both facilitates travel while increasing
security, such as Visa Waiver Program, Global
Entry, PreCheck, those programs actually are
under the overarching umbrella of what the Secure
Travel Partnership Program would be.

And that under that overarching
umbrella there are some initiatives that the
Secretary has requested be fleshed out as to what
specifically, you know, and operationally can
take place to kick that off to make that tangible
that the agencies can work with you to develop
and to understand and implement.

So I think it is elevating the concept
that has been in the industry for some period of
time regarding the Visa Waiver Program and
expanding it.

And recognizing that under this
recommendation, it actually fits the
characterization of a number of programs, which
can be brought under this kind of public/private
partnership because the public and private sector
actually have been working together to increase
the enrollment in the Visa Waiver Program, to encourage the deployment of the PreCheck Program,
et cetera.

So, actually, there have been public/private partnerships under what are these Secure Travel Partnership Programs.

But it's not only. I think, the concept is to expand it beyond what was previously the idea to do the Visa Waiver.

MEMBER GALLAGHER: I think it's a much better name to have Secure Travel Partnership going forward. I just think we need to figure out how to explain what that is and why it makes us better.

MS. HILL: I think that's exactly what the suggestion is from the Secretary.

VICE CHAIR McKEOUGH: We have a public comment to address. Maybe I'd like to suggest that we progress with that and then we can come back to some wrap-up comments going forward to the committee. Brian?

MR. BEALL: Great. And do you mind if
we use one of those seats, actually?

MR. M. BROWN: No.

MR. BEALL: I just want to advise that we have three members of the public today that have expressed interest in providing comments to the Board during our public portion. And first, I'd like to invite Chris Thompson from Brand USA.

VICE CHAIR McKEOUGH: Welcome, Chris.

Thank you for joining us.

MS. HILL: Hey, Chris.

VICE CHAIR McKEOUGH: Thank you for joining us.

MR. THOMPSON: Thank you. Members of the Advisory Board, thanks, as always, for your support. We also appreciate being included in your recommendations.

Moving forward, we kind of feel like the public/private partnership that we've created, many of which active partners are around the table, has certainly proved to be successful. And I can only account for the five years that I've been here, but certainly now in seven years
We'll talk about the numbers, but the numbers that our friends at the National Travel and Tourism Office came out with, which were the 2016 numbers, obviously, it wasn't a surprise that they were down. But the fact that they were down less, or about what we thought, I think more can be more attributed to the currency exchange.

Since 2016, we've been battling the strong dollar for several years. I really think the fact that it was only 2.4 percent down speaks to the diversity of the destination, the resiliency of USA as a travel destination and was somewhat encouraging.

For the fourth year in a row, we recently released our ROI numbers, which, with Oxford Economics, kind of evaluates what we do around the world in partnership with our supplier partners and all of our trade and media partners from around the world.

And now, over four years, incrementally, we've been able to influence, and
I say we, us around the table, and the programs
that we put in place, 4.3 million incremental
visitors, $13.6 billion in spend, $29.5 billion
in overall economic impact supporting 51,000 jobs
and generating about $4 billion in sales tax with
virtually no sales tax investment. But we do
realize there are resources that the federal
government puts in place.

A lot of people ask about our budget.
Certainly, as our budget has now moved to
Congress, we can tell you that in the Committee's
jurisdiction, which is Homeland Security in the
House at the subcommittee and committee level,
we're fully funded. And with a lot of public
comment about Congressional support for what
we've been doing together.

So we're very encouraged now that it's
moved into the appropriation stage of the
budgeting.

I can tell you based on the
conversation that we hear today, is we now have
short-term projects and maybe not a lot of time
to get them done.

In partnership with our friends at NTTO, we have an econometric market selection model in place that looks at about 10 different factors, which are all of the factors that have been discussed at the table and many more. And we have a path to 100 million visitors that we actually start our planning process with for every year.

So we're happy to deliver the most updated version of that to seed the conversation that the Secretary was asking for and certainly work in conjunction with our friends at the National Travel and Tourism Office to do that.

The other short-term project is how you address hurricane recovery. I can tell you, coming from the State of Florida, which is the one about to address a big hurricane, once the face of emergency management and emergency response in Florida changed after Andrew. And I would say that Florida is probably as prepared as most any state to deal with this.
We realize that short-term it's obviously a major catastrophe that could have unbelievable impacts. I guess the biggest concern as it relates to communication is that when they see a hurricane of this size in particular, potentially covering the entire state, everybody thinks the entire state is under water. And that's not actually the case.

It does affect -- there are certain portions of the state that will be dramatically impacted if it stays on the path that the people are suggesting.

So the critical point is to communicate with our partners on the ground that are actually responsible for that communication, stay in touch with them, communicate those accurate messages and then otherwise make sure that everybody realizes the rest of the state is open for business.

So we're happy through what we already have in place working with our partners both in Texas and Houston and now in Florida and any part
of the state that might be affected, a chance to bring, again, forward a quick response that this Board could then address and add to and work with.

So I look forward to helping again through our friends at NTTO as it relates to the direct access here.

The last thing I'll say is in a couple weeks we're welcoming the 11th version of the U.S.-China Tourism Leadership Summit. We're very encouraged by the participation extended to many of you all around the table who will be attending. We're expecting Chairman Li and the delegation coming from China to be well-represented also.

The program is probably as robust as it has been in the five years that I've been involved with it. And we look forward to a great ongoing collaboration with the leadership of both the U.S. and China as we both look at ways to grow the travel and tourism industries in our respective countries.
So with that, and in the spirit of time, I'll entertain any questions.

VICE CHAIR McKEOUGH: I know it's going to come up. But I have to mention that lapel pin that you're wearing because I thought you'd start out with that and we --

MR. THOMPSON: Well, I was going to actually going to walk up and give the Secretary one, but I figured the Secret Service guy back there might tackle me.

VICE CHAIR McKEOUGH: We're going to make sure that we facilitate that. And we're all going to have them on next time.

MR. THOMPSON: It kind of talks about the privilege we have to promote those three letters. And that's --

VICE CHAIR McKEOUGH: We need a supply, thank you.

MR. THOMPSON: So happy to provide as many as anybody needs because I have a whole close of them. Thank you.

(Chorus of thank you.)
MR. BEALL: Thank you, Chris. The next person who expressed interest is Robert Carey from Empire-Capitol. I'm not sure if he's here with us today. It doesn't look like it, okay.

And last, Randy Davis, from IIPA -- IAAPA, if I can get the acronym correct. Thank you.

MR. DAVIS: It's the longest acronym. So thanks very much. I am Randy Davis. I'm Senior Vice President of Safety and Advocacy with the International Association of Amusement Parks & Attractions, or IAAPA.

We represent 5,000 members globally, the fixed site amusement facilities and the suppliers who provide anything and everything to them.

I just wanted to put in front of you briefly one issue that we are finding very important, and we're a little concerned about its current status, and that is the State Department-sponsored Summer Work Travel Program. I'm sure
many of you are familiar with this.

There have been reports that there may be some interest by the Administration in revisiting this program and perhaps even eliminating it or substantially reducing it.

Our members have a long successful history of working with that program with the State Department. And thousands of students every year come over and work with our member facilities for up to three months during their summer school breaks.

U.S. member facilities benefit by interacting with the international workers. And the American workers can get to know and rely on those students.

We understand very much the Administration's interest in tightening the restrictions on the program. We do, too. We want to make sure there are not abuses of it.

We are willing to meet and discuss those issues. And we've been participating in meetings, and we would urge the members of the
Advisory Board to do the same.

There would be quite a blow to the economy should this program be eliminated. And we just wanted to mention to you that we certainly urge that it not become part of the -- the Summer Travel Program not become part of the Buy America, Hire America executive order recommendations.

So I can discuss it more, but in the interest of time, I'll stop there.

MEMBER DAVIDSON: If I may, just as a question, just for clarification, are those the J-1 visas?

MR. DAVIS: They are, David. It's one of the categories. It's J-1.

VICE CHAIR McKEOUGH: Thank you.

MR. DAVIS: Thank you.

MEMBER SCHLUTER: If I might add also, that's a very big concern of the National Parks as well.

MR. DAVIS: Correct. Thanks very much.
MR. BEALL: Thank you, Randy. And next we have Patricia Rojas-Ungar from U.S. Travel.

MS. ROJAS-UNGAR: Good afternoon, everyone. Thank you for giving U.S. Travel an opportunity to comment.

I really enjoyed everybody's feedback and particularly hearing from the Secretary and his positive message and outlook for the industry and his partnership for the industry.

I think that's really important. And it's always ideal when you hear it directly from the Secretary to the industry. So thank you for facilitating that discussion.

I just wanted to -- since you will be looking at particular issues that you will be presenting to the Secretary, I wanted to highlight a few additional issues to the ones that are already on the table that U.S. Travel is currently reviewing and that we are hoping to partner with the Commerce Department, the Department of Homeland Security and Department of
State in moving forward.

I would like to echo our support for the J-1 Summer Work Visa Program. I think from every level and every aspect of the travel industry we have been hearing about the value and support that that program provides, particularly to small businesses in seasonal destinations where they really do rely on these workers because they have very low unemployment rates in those particular areas. And they may only need employees for two to three months.

So without that program, those small business often would potentially go under. So we would like to encourage support for the J-1 Visa Program.

In addition, this Committee was extremely, extremely helpful along with the official Commerce Department in assuring that when we did see the visa wait times go up in China and Brazil and India, we worked with the State Department to put together a proposal that created a three week visa interview metric in
order to provide accountability and ensure that
even if the person was going to be denied a visa
because they did not qualify for the visa, at
least there was a window of time that we would
commit as a U.S. government to process the
interview.

That proposal was rescinded recently
through executive order. So we were very
disappointed to see that. We would like to begin
a dialogue with the State Department about ways
that it could continue, even if it's not through
executive order, to continue to have information
about what's happening with our visa interview
wait times, particularly if we are going to
continue to have the staffing shortages that
sometimes are in effect with consular officers.

We believe that consular officers are
critical to continuing to process the
international visitors. And anything we can do
to support the State Department in ensuring that
you have the appropriate budget to do that, we
are here to help.
And I think that that would be another area that, I think, this Committee is very familiar to just make sure that we continue to have effective processing goals just like the one that Ed mentioned today, which I think that they should be very much applauded for continuing to keep those 10 days, 12 days, even 8 days in China.

In addition to that, a couple of other new developments took place recently with announcements that we would be limiting visa adjudication in Russia to only Moscow.

We would like to be able to get additional information to the Committee from the State Department about what is going to happen with visitation rates from Russia to the United States as a result of those changes.

Hopefully, we'll be able to still provide access to visa consular operations.

And then finally, recently, we have been a bit concerned about discussions about visa sanctions to additional countries due to their
inability to accept, or their unwillingness to accept, individuals who have committed crimes in the United States.

We at the U.S. Travel Association feel strongly that anyone who has committed a crime in the United States should serve their time and then be returned to their originating country. And we are 100 percent supportive of the government's actions to return those individuals.

However, there are some very important travel markets that are not always accepting their foreign nationals and one of those is China.

So if one of the solutions is to impose visa sanctions, we're concerned that there might be a discussion about visa sanctions on China.

So we would like to begin an early discussion with the State Department and others in the administration to ensure that we look at all the other alternative options on the table so that we can move in the direction that is
beneficial for the U.S. government along with the U.S. economy.

So with that, I think those are my top priority items.

VICE CHAIR McKEOUGH: Thank you.

MR. BEALL: Thank you. Are there any other public comments? I don't have anyone else who expressed interest. Then we will close the public portion of the agenda. Thank you.

VICE CHAIR McKEOUGH: All right.

Thank you, Brian. I think that brings us back to some final steps and let me open up with the --

MR. HERNANDEZ: So Margaret, I'm sorry, this is where I have to leave.

VICE CHAIR McKEOUGH: Okay.

MR. HERNANDEZ: I do want to thank everyone for your time. And I do look forward to our continued engagement with the Department of Commerce and the interagency process.

So it was a pleasure. My apologies. I have to leave at 3:30.

VICE CHAIR McKEOUGH: Understood. And
we're going a little late. Thank you.

MR. HERNANDEZ: Safe travels back and look forward. Thank you.

VICE CHAIR McKEOUGH: Thank you. I did want to, before we did adjourn, open it up to the entire Board for comments and reflections based on what we've heard from the Secretary today and other conversation that has ensued throughout our meeting today.

MEMBER CHARENDOFF: Margaret, my understanding is that we're going to keep the subcommittees that were constituted.

One thing, though, that for my facilitation committee is I think we'll do well to draw on the expertise of some of the other members of the Board, particularly those who have expertise in branding, looking at Brad. I Love New York, the most iconic brand maybe ever from the travel industry.

So I'm just hoping we can kind of cross-pollinate even as we go to this next phase of our work.
VICE CHAIR McKEOUGH: Okay. That's a great thought, and I'll share that with John as well. I would assume he'd be very supportive of that.

MR. McREYNOLDS: Margaret, if I could add on.

VICE CHAIR McKEOUGH: Please, John.

MR. McREYNOLDS: I think it was John's intent after this meeting with the Secretary saying go forward, now especially adding a forward to look at the constitution of those groups and potentially move a couple folks around or add so. So I think it's absolutely the intent.

MEMBER CHARENDOFF: Great.

VICE CHAIR McKEOUGH: Other comments? Mike?

MEMBER GALLAGHER: I was just going to state the obvious, he's terrific. I mean, he's really got his -- we're lucky to have him as the Secretary of Commerce. And I think he's engaged with us. He knows what he's talking about. What
a blessing that is.

VICE CHAIR McKEOUGH: I, too, thought today was just a kind of a monumental meeting forward for this particular tenure of the TTAB. I clearly heard a lot of positive comments. I heard go the next lap. You know, I heard an emphasis on detail and specifics and a willingness to take those specifics forward.

I heard an emphasis on measurement. I definitely heard the lapel pin, and we're going to figure that one out. We don't have to wait for the next meeting. And we'll make sure we all have the right lapel pin when we have an opportunity to be with the Secretary again.

So if there are no other comments -- oh, Brian, yes, I'm sorry.

MR. ROTHERY: For those of us that have been around a little longer, after Katrina and after the Gulf oil spill, we devoted a lot of subject matter to disaster, getting messages out post-disaster.

So there's a lot of written materials
produced by TTAB that still are very much relevant today. So I think if a few of us could go back and dig out what we've already produced on that and bring it forward, that may be something that we could just cross off the list real quick. Of course, updating it and make sure it's current.

But there's a lot of material out there that TTAB's already weighed in on in terms of how to bring areas back from, you know, the brink when they've experienced a natural or man-made disaster.

VICE CHAIR McKEOUGH: Thank you, Brian. I think it's really important when we receive an invitation like that from the Secretary that we truly help address those issues that are of concern and on his mind in addition to those longer term ones we're working on.

Isabel, I'm assuming you'll get back with John and I in terms of --

MS. HILL: Mm-hmm. Absolutely.

VICE CHAIR McKEOUGH: -- I don't think
we ever want to miss the opportunity of the
Travel Advisory Council -- Policy Council. I
want to make sure we hit that mark.

MS. HILL: I think we have clear
direction from the Secretary on the short-term.
When we see what has happened with the hurricane,
and, you know, we hope that it is not the
disaster we're concerned that it will be.

But in any event, here we want to be
ready, and we want to be helpful. So certainly
that will be in the near term.

Given that near term, I think looking
towards mid-November, moving that deadline
forward as Deputy Chief of Staff Hernandez
mentioned, we would look at the other
recommendations, one of which is to look at a
specific goal. And I think working with U.S.
Travel, with Brand USA, with our office,
certainly there's a tremendous amount of data.

There are destinations around the
table here who do a tremendous analysis about
this as well, looking at what some of those
subcomponents mean. So, I think, you know, a
group around that.

    We've talked, I think, preliminarily
about the two projects that the Secretary has
requested under the umbrella of the Secure Travel
Partnership to bring specificity to that.

    In some of the ideas that have come up
about that, I think, one of the recurring themes
that I've heard through this, which I think we
will want to take onboard, is how do we develop
that brand and message around what is that
partnership? What is it about what is included
in it for the messaging, for the branding, to be
able to announce and move forward?

    And then separately, an operational
project, which the Secretary talked about,
ensuring that we are welcoming. That those
systems are working well.

    And so I think the leadership group
can work with the teams to refine those a little
bit, but I think that the tasking is clear. And
so we look forward to working with you to develop
Any of you who have thoughts about which of those four committees you would like to participate in, please let Brian know so we can fit that around.

And additionally, work with you and John and the leadership to develop some timelines so we can help facilitate this progress, to facilitate getting this advice to the Secretary so that in the later fall, as they pull together the first Tourism Policy Council meeting of this administration, your work will be so critical with the five priorities, with the specific ideas and goals and recommendations with roles and responsibilities for both the private and public sectors. Obviously, very granular, very operational in the way the Secretary is looking for.

We can take those proposals forward. And if the Secretary agrees with those, and I think that will set the stage for the interagency conversation that will help bring some of these
ideas into fruition.

VICE CHAIR MCKEOUGH: Thank you. I neglected to ask if there was any comments from anyone that may still be remaining on the phone. And if not, I think we'll -- Mike?

MEMBER GALLAGHER: Just one. Do we have future dates? Is October 20 the next date for this meeting?

MS. HILL: We do not yet have a next date.

MEMBER GALLAGHER: Okay, not yet? We need to get those on the calendar.

MS. HILL: Yes. We would love to. I'm just very candidly speaking. We are working with the Secretary's calendar.

As you know, from reading the newspaper the Secretary and his team are driving several trade negotiations. And we are working within the realms of those conversations to make sure that we can have the Secretary's attention and his participation.

So I'm sorry we can't always get as
far out in advance of his calendar as we would like. But, as you have seen, he's very engaged, very active. And so we're delighted that he has been able to spend this time with us.

MEMBER GALLAGHER: I'm counting on you working on him.

MEMBER BALESTRERI: Isabel, maybe --

MEMBER RAMUDO: Isabel, this is all a great reading. Very encouraging. And I think we have charged up the rest of the group with the Secretary's comments.

MS. HILL: Thank YOU and be safe. And best wishes for your safety.

(Simultaneous speaking.)

MEMBER RAMUDO: We will try our best.

MEMBER TALBERT: Miami thanks you.

MS. HILL: Hey, how are you doing, Bill? Well, listen, if there's anything any of us can do to help, you know, we wouldn't task you all with any of the short-term.

I know you all are going to be working very hard on a daily basis. But certainly, your
thoughts would be very important in terms of what you think would be helpful with that short-term recovery process.

But we are not going to task you with leading that conversation for obvious reasons.

MEMBER GALLAGHER: Maybe we can just ask them one.

MEMBER RAMUDO: Well, hopefully mid or end of next week, we'll be able to talk about this.

MEMBER DEAN: The short-term recovery, that's one group that we should probably make sure is included with the State Tourism Directors. Jim and Chris can attest it. It's usually right in the middle of the emergency management divisions, and they will have a better feel than anybody on what the industry is going to need.

VICE CHAIR McKEOUGH: Yes. Let's do that. Rather than creating it from scratch.

MEMBER BALESTRERI: And, Isabel, maybe next time any of the staff -- any way we can help
you. Anything that is politically or anything, you know, write letters for you to make this a smoother process and get this thing through as fast as possible.

MS. HILL: Well, thank you. And I know that the --

MEMBER BALESTRERI: Because we have a lot of people that work the Hill.

MS. HILL: -- these conversations, I think, are so helpful because it helps everybody understand what the desire is, what the realities are and then you can look at what the recommendations from that forward could be.

MEMBER BALESTRERI: You can ask for whatever you need.

VICE CHAIR MCKEOUGH: Okay. Thank you, everyone. Thanks, everyone, for the time.

MEMBER RAMUDO: Thank you.

MR. BEALL: If there are no comments, the meeting is adjourned. Thank you, everyone.

(Whereupon, the foregoing matter went off the record at 3:43 p.m.)
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This is to certify that the foregoing transcript

In the matter of: U.S. Travel and Tourism Advisory Board Meeting

Before: U.S. Department of Commerce

Date: 09-06-17

Place: Washington, DC

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

[Signature]
Court Reporter