

## **UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD MEETING**

**Via Teleconference  
December 19, 2018  
2:00 pm EST**

Coordinator: Welcome and thank you for standing by. Currently all lines are in listen-only mode. After the presentation there'll be an opportunity where all participants will be able to give comment or ask questions. Instructions will be provided at that time.

Today's conference is being recorded. If there are any objections you may disconnect at this time. I'd now like to introduce your host for today's conference Brian Beall. Thank you, you may begin.

Brian Beall: Good afternoon. As the Designated Federal Officer for the Travel and Tourism Advisory Board, I'd like to welcome you to today's call. One housekeeping note, unfortunately John Sprouls, our TTAB Chair, and Kurt Ekert, our TTAB Vice Chair, were unexpectedly called away so they aren't able to join us for the call. However, we'll still go forward and I will facilitate our movement through the agenda.

Before we begin I want to start with a roll call. We will go down the list of TTAB members and if you're here and on the line, please respond. Operator if you could please open the lines I'll go ahead and move through roll call.

Coordinator: And all lines have been opened at this time.

Brian Beall: Excellent, thank you. Todd Davidson?

Todd Davidson: Here.

Brian Beall: Brad Dean? Derek DeCross?

Derek DeCross: Here.

Brian Beall: Fred Dixon? Sean Donohue?

Sean Donohue: Here.

Brian Beall: Jim Hagen?

Jim Hagen: I'm here.

Brian Beall: Russ Hedge?

Russ Hedge: Here.

Brian Beall: Pam Inman?

Pam Inman: Here.

Brian Beall: Debbie Johnson?

Debbie Johnson: Here.

Brian Beall: Tom Klein?

Tom Klein: Here, present.

Brian Beall: Scott Lynn? Steve Morrissey?

Steve Morrissey: Here.

Brian Beall: Mary Motsenbocker?

Mary Motsenbocker: Here.

Brian Beall: Sue Presby?

Sue Presby: Here.

Brian Beall: Tricia Primrose?

Tricia Primrose: Here.

Brian Beall: Olga Ramudo?

Olga Ramudo: Here.

Brian Beall: Steven Revetria, Brian Rothery, Adam Sacks?

Adam Sacks: Here.

Brian Beall: Bryan Saltzburg?

Bryan Saltzburg: Here.

Brian Beall: Caryn Seidman-Becker?

Caryn Seidman-Becker: Here.

Brian Beall: Bill Talbert, Denise Thevenot, Rob Torres and Ernie Wooden?

Ernie Wooden: Good morning, here.

Brian Beall: Did somebody else join?

Brad Dean: Brad Dean joined, thank you.

Brian Beall: Hello Brad, thank you.

Stephen Revetria: And Stephen Revetria has joined.

Donna Keren: Donna Keren listening in for Fred Dixon.

Brian Beall: Great thanks, operator if you can go ahead and close the lines.

Coordinator: All lines have been muted at this time.

Brian Beall: Perfect, thank you. As mentioned, the lines will be closed to avoid any background noise until we open them for discussion, and when we do open the lines if you can please mute your phone that would be greatly appreciated.

For those of you serving on the Board for the first time, the recommendations from the TTAB are consensus-based. As such, we'll have a vote following the presentation and deliberation on the recommendations as noted in the agenda. With that I'd like to move on to the next agenda item which is the presentation of the recommendation. For that I'd like to turn the floor over to Todd Davidson, the National Goal Subcommittee Chair.

Todd Davidson: All right, thank you Brian and Happy Holidays everybody. I want to begin by thanking Brian for stepping in and facilitating our call and share a very special welcome to Deputy Assistant Secretary for Travel and Tourism Phil Lovas. Again, your engagement with the TTAB is exemplary. I appreciated your participation in our deliberation as we've been discussing the recommendation that's before us today, and your participation in our calls and such, and obviously your attendance here with us today. Your engagement is greatly appreciated by the industry.

Also, I want to thank the members on the subcommittee. You folks have been diligent in reviewing drafts, revising drafts, holding conference calls to continue our deliberations and I especially want to thank Adam Sacks, Ernie Wooden and a member of Ernie's team, Adam Burke for their work specifically in helping prepare the goal and the draft, really authoring this letter that's before us today that the full subcommittee then has the opportunity to review.

Of course, these things don't happen independently and we took the opportunity to share drafts of our recommendation and our letter in its entirety with our industry partners, who have been tremendous collaborators as well. I want to thank Isabel Hill and all the members of the National Travel and Tourism Office for their participation with us and of course the research review that Adam Sacks in concurring the goal recommendation for the subcommittee to review, also shared that with the research specialist with Brand USA and U.S. Travel and were able to garner some additional input and a peer review with them as well.

That brings us to the letter itself. I want to really begin by honing in what we were specifically asked to do by Secretary Ross. That's captured in the very first letter that the Travel and Tourism Advisory Board was tasked specifically

for providing recommendation for a new 10-year international visitation and spending goal for the United States.

This is as a result of some of the realizations that the last Travel and Tourism Advisory Board was able to report out on and that is that from a spending standpoint we had met the goals that were outlined in our current 10-year national travel and tourism strategy. We believe that the time was right to revisit those goals. The Secretary agreed in earnest and has tasked this Board with proposing a new visitation and spending goal for international visitation and spending in the United States by the middle of this month and here we are.

Specifically bringing us to this point the Travel and Tourism Advisory Board specifically through the work of this subcommittee, we looked at a variety of different factors and we're proposing a visitation goal and its spending counterpart with a variety of underlying recommendations based on a variety of different factors. We looked at the macroeconomic trends and that overall environment. We were looking at long term projection both domestic economy as well as a global economy.

We looked at the travel and tourism industry historical performance and we again looked at long term projections there of the travel and tourism industry as a part of this global and national economy. We looked at some of the competitive benchmarks. We're trying to anticipate what other major travel destinations are doing and investments that are being made, the increasing competition that's occurring around the world. We also looked at existing efforts, the interdependency amongst the various federal agencies and we also looked at new initiatives that are designed to increase the U.S. share of international visitation.

Those were all inputs that helped drive our work in recommending the new international visitation and spending goal. At the bottom of the first page is where that goal is. You'll see that our recommendation is that the U.S. should commit to a revised national goal of 116 million annual international visitors by 2028 representing \$445 billion annual travel and tourism exports.

Now I want to spend a little bit of time talking about the context for that goal. I believe that's paramount. Otherwise it's for - many of us it may just feel like a couple of numbers that are just dangling. The context is important here. We believe that absence such measures that are highlighted in the balance of this letter really beginning with Page 2 and onward. Absent these measures, the U.S. has currently projected based on our best estimates and the consultation with the subcommittee members we're projected to lose about 7% in market share over the next decade.

That will correspond to a loss of \$31 billion in annual travel and tourism exports by 2028. We've established a goal but this goal can't be established in a vacuum. As you look at this letter what you see on the first page is executive summary beginning at the top of Page 2. Then you have economic environment spelled out then we move into what we refer to as a slot-in.

This has happened with many of you on the call are familiar with that but we looked at one of the strengths, weaknesses, opportunities and threats that are facing U.S. travel and tourism industry as it relates to the international visitation and spend. We pulled that altogether on Page 3 in the form of a chart where we really lay out what those strengths, weakness, opportunities and threats are and is a one pager for you.

Then we take Pages 4 through 11 and really add some narrative to those as recommendations. You may also note in the last draft that was sent out to you

there are some areas that were highlighted. There were some technical changes that were requested and made. We wanted to make it easier for you to be able to spot those.

Those were highlighted in the draft that was sent out to you. We did see those as primarily technical edits that were made but still we wanted to make sure they were brought to your attention. That's why they're highlighted. With that let me talk to you a little bit about the perspective and context for the goal itself.

As I said the goal that we've mapped out is a revised national goal of 116 annual international visitors with \$445 billion in annual travel and tourism exports. In 2017 the U.S. saw 5.7% of all international trips occurring globally. If we were to do nothing we believe that the steady state forecast which show that our share would decline to 5.3%. Again, this is all international trips being taken globally.

There may be some other numbers that you're familiar with and have been referenced. Those are often referenced to long haul international travel that are being made to the United States. I'm speaking in terms of all international visits, so this also takes into account trips from Canada and Mexico as well, 2017 5.7% was the U.S. share of all international trips being made globally.

If we continue on the path we're currently on we believe that our share will drop to 5.3% and lose that \$31 billion in annual travel and tourism exports that's cited in the letter. However, if we hit our target of 116 million with \$445 billion in annual travel and tourism export, that maintains our share through 2028. I want to be sure and call that out as a very specific point of perspective as we discuss and deliberate this goal.



As I mentioned at the onset these targets can't be set in a vacuum. We undertook this SWOT analysis. We believe that was a necessary step so that we could provide again an environment for this goal to be able to live that goal. At the end of the day that goal's really attained by the private sector. This is where the transactions occur. The private sector jobs are being created.

What the SWOT analysis does and the company narrative does is it trains the recommended policy environment that we, as the Travel and Tourism Advisory Board, believe is necessary to meet the proposed international visitation and spending goal. What we do really looking at Pages 3 through 11 is make policy recommendations to create an environment that we'd look for the federal government to create for this goal to be able to be attained by the private sector.

To facilitate this and to accomplish what I believe has helped make the travel and tourism industry in partnership with the federal government and federal agency partners successful in the past is this whole government approach. We're strongly recommending that President Trump call for the creation of a ten year national travel and tourism strategy using guidance from the Tourism Policy Council which Secretary Ross chairs and in consultation with the Travel and Tourism Advisory Board.

That goal is specifically called out on the top of Page 4. With that, Brian, I'll conclude my remarks and I'll turn it back over to you and I'm happy to entertain any questions that members of the Board may have or any additional comments that any members of the subcommittee may want to be able to provide.

Brian Beall: Great, thank you Todd for that presentation on the letter and the process that the subcommittee went through to arrive at the recommendation. With that operator if you can please open the lines. At this point we'll begin the deliberation of the recommendation and this section is only for TTAB members.

If members of the TTAB would like to make comments, if you could first begin by introducing yourself to help with the transcription that'd be greatly appreciated, thank you.

Coordinator: At this time all lines are open. Anyone not speaking please utilize your mute button at this time.

Brian Beall: Are there any members of the TTAB that'd like to provide comments please this is your opportunity, thank you.

Olga Ramudo: Hello this is Olga Ramudo. My only comment is this is a wow letter. If we don't get our message across with this I don't think we ever will. What a great job the committee did, thank you, excellent.

Brian Beall: Thank you Olga.

Tricia Primrose: I was un-muting myself on my own phone and disconnected, apologies for dropping for a minute, a little bit of technical difficulty over here.

Brian Beall: No problem, who is this?

Tricia Primrose: Tricia Primrose.

Brian Beall: Tricia Hello.

Tricia Primrose: Hello. I just want to say first thanks for the incredible summary. I thought the letter was terrific so I may be repeating what already has been said in the minutes. Sorry I was off the call but I think particularly heartened to see the call out on Brand USA and really the way in which you not only put the goal out there but supported it with some terrific concrete suggestions that I want to particularly applaud the Brand USA piece.

Thank you for including it and for the good assessment you've included in this letter. I thought I just wanted to take a moment and say how much we appreciate it and how important we really think it is as we all put our arms together around this 116 million number.

Brian Beall: Thanks Tricia, are there any other comments from TTAB members? Okay hearing none operator if you could please go ahead and close the lines again.

Coordinator: At this time all lines have been closed.

Brian Beall: Great thank you. We'll now move on to the next agenda item which is the public comment. For this portion it'll be operator assisted. Operator, if you could again remind folks how to chime in? I think we had one individual indicating in advance that they'd like to make a comment. Please do if you're interested.

Coordinator: Thank you. As a reminder if you'd like to make a comment please press star then 1 and record your name.

(Pause)

Coordinator: Please stand by for our first comment.

(Pause)

Coordinator: Thank you for waiting. Our first comment comes from Rossi Ralenkotter. Your line's open.

Rossi Ralenkotter: Thank you, morning everybody, Merry Christmas and Happy New Year from all of us here in Las Vegas. I won't echo what's already been said. All of you should be congratulated on the work that you put into this report and it really does summarize where we've been and where we need to go. I want to thank all of you for that.

Just a couple comments as we move forward with this, 1, on the MICE market discussions I think as this goes forward, reaching out to destination international would be a positive only be the fact that the destination marketers on the city side especially do a tremendous amount of international promotion of events and meetings and conventions. I think that that'd be - I don't know if you can put it into this report but as an actual part for TTAB to move this thing forward I think the...

The second thing is that for the weaknesses that's a (unintelligible) market share. It increased staffing levels for the year. DHS and for the CBP are relative to the ability to move airlines and move customers and visitors into the destination. On the West Coast it's challenging because of the fact that the staffing levels aren't large enough. It'll present or prohibit or impact any flights from South America, especially Brazil, Argentina, so forth (unintelligible) in the Pacific Rim because of the time slots that they need to come into the western part of the United States.

That's very critical to all of us as we look at (unintelligible) and the - especially South America. We incurred that in our dialogue with those carriers. I can't stress enough the importance of increasing that part of what we're doing. On the infrastructure as you're (unintelligible) did update meeting called the CATT, connecting America through travel. As with most of these things but more importantly in the infrastructure part and maybe you want to add something for this, add a recommendation, is that the travel industry gets a seat at the table when these discussions are held to the infrastructure of moving people throughout the United States, both domestic and internationally as well as within our destinations.

It needs to be a multi-level approach but it needs to be a systems approach, very similar to the way that the rails have been connected. This approach with one mode but we need to look at this and be a part of that discussion. When we had the CATT meeting we had some of the people in the room that represented organizations or entities that were bridges and bridge developments and so forth.

It's been the first time they've had any kind of conversation with anybody from the travel industry. I think it's critical that we impress upon the commerce secretary that we need to be in these discussions. Our (unintelligible) people from Point A to Point B primarily and then whether it's an airport, roadway, any type of transportation rail, airports themselves connecting them to the destinations. For some of the edgier areas that attract visitors being able to move our customers around increases that experience. It's all about the experience.

I think that that is important but having a seat at the table is definitely critical to us. Getting to my favorite subject which I've been talking about for 25 years is research, research, research. I'm glad that there was a recognition that

the SIAT and information on our international visitors needs to be funded. It needs to be long term funding and we need to look at the sample size and the data collection points and how we can enhance that as well as make it predictable for our states and cities and private partners to be able to put together marketing programs and campaigns.

We rely heavily upon those numbers and being able to do that. We need to make sure that the funding is there, the funding periods that can be implemented but that research is totally invaluable to all of us. On the part where we talked about or you talked about brand USA. As you know they're now having to go get re-authorized for their funding part and again that's critical that we support that. Right now they're in a situation where they need to get that funded as soon as they can.

If they can't they can't make those long term commitments to the destination to the States for their marketing campaign, their co-op dollars. They'd have to go into a situation of not being able to reach out especially if they didn't get funded until late 2020. That could impact their ability to do the job that they're doing which has been tremendous for all of us.

Making sure that that funding source gets approved and that they can continue the great that they're doing is very important. Of course revamping the Visa waiver program, that's a great set. I think we need to do that. We need to make it more proactive instead of reactive. That's great, same with open skies and air agreements - bilateral agreements. We need to support all of that.

I can hit all of the points that we need to. I like the way it was presented in strengths and weaknesses. I think we've got a great start here to get this to the Secretary. Again I can't stress enough that we need to be part of the analysis and part of the solution. We know this industry (unintelligible) but also it

impacts every state union and it impacts job, job creation, balance of trade, all of those things, great job. Thank you.

Brian Beall: Thank you Rossi for your comment. Operator, are there any other comments in queue?

Coordinator: At this time I'm showing no additional comments. As a reminder if you'd like to make a comment please press star then 1 and record your first and last name.

Brian Beall: Okay. Hearing no further public comments, we'll go ahead and close the public comment portion of the agenda. At this point we're ready to move on to the Board vote. Again, this is a consensus process. I'll call for a vote and as a reminder it's only for Board members to vote. With that I'd like to proceed with the vote. Operator, if you can please open the lines.

Coordinator: Yes all lines are open.

Brian Beall: Perfect. At this point all TTAB members in favor of the recommendation please say aye.

Woman: Aye.

Man: Aye.

Woman: Aye.

Man: Aye.

Man: Aye.

Man: Aye.

Brian Beall: Any opposed? Great then it seems the letter's been adopted by the TTAB. With that I'd like to move on to the next part of the agenda. As Todd alluded to we're pleased to have with us today Deputy Assistant Secretary for Travel and Tourism Phil Lovas who'd like to share a few comments with the Board.

Phil Lovas: Thank you Brian. I just simply want to say thank you to the members of the Board for taking the time to be on the call today. I especially want to thank Todd Davidson for leading the national goal subcommittee and also recognize the other members of the subcommittee including Adam Sacks, Ernie Wooden, Jim Hagen, Fred Dixon, Tom Klein, Bryan Saltzburg and Bill Talbert. We certainly appreciate your work.

Also I want to thank for being in the room here listening today Christina Fanitzi with the White House National Economic Council, Jennifer Aguinaga, and Curt Cottle with our team and also Brian Beall for hosting the call. Now that we've achieved the previous spending goal of 250 billion annually, the development of a new national goal will help align the public and private sectors in a common effort to enhance the competitiveness of the United States as a travel destination.

Now that the Board has adopted the recommendations of the national goal, the National Travel and Tourism Office will move this letter forward to Secretary Ross. I know that Secretary Ross will appreciate the rigor that you brought to the process of developing these recommendations. I want to wish all of you a very Happy Holidays. We really look forward to working with you in the New Year as the board considers additional recommendations requested by Secretary Ross. With that I'll turn it back over to Brian.



Brian Beall: Great, thank you Phil. With that, we will conclude today's Travel and Tourism Advisory Board Meeting. Again, I'd like to thank everybody for taking the time to be on the call, both members of the Board and the members of the public that joined us. I wish everybody a very happy holiday season. Thank you so much.

Coordinator: Thank you for joining today's conference. That does conclude the call at this time. All participants may disconnect.

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