UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

U.S. TRAVEL AND TOURISM ADVISORY BOARD

MEETING

FRIDAY
NOVEMBER 18, 2016

The Advisory Board met in the Metropolitan Washington Airports Authority Conference Room, Washington Dulles International Airport, 1 Saarinen Circle, Sterling, Virginia, at 9:30 a.m., John Sprouls, Chair, presiding.

PRESENT
JOHN SPROULS, Universal Parks and Resorts, Chair
MARGARET McKEOUGH, Metropolitan Washington Airports Authority, Vice Chair
GREG STUBBLEFIELD, Enterprise Holdings, Vice Chair
TED BALESTRERI, Cannery Row Company
HELANE BECKER, Cowen and Company
BRUCE CHARENDOFF, Sabre
TODD DAVIDSON, Travel Oregon
BRAD DEAN, Myrtle Beach Area Chamber of Commerce
FRED DIXON, NYC & Company
MIKE GALLAGHER, CityPASS
ADAM GOLDSTEIN, Hipmunk
NICK HENTSCHEL, AmericanTours International
ADAM MEDROS, TripAdvisor
STEVE MORRISSEY, United Airlines
MARY MOTSENBOCKER, International Tourism Marketing, Inc.
SUSAN PRESBY, Mt. Washington Cog Railway
TRICIA PRIMROSE, Marriott International
OLGA RAMUDO, Express Travel
SHERRY RUPERT, American Indian Alaska Native Tourism Association
ADAM SACKS, Tourism Economics
GARY SCLUTER, Rocky Mountain Holiday Tours, LLC
MARTY ST. GEORGE, JetBlue Airways Corporation
WILLIAM TALBERT, Greater Miami Convention & Visitors Bureau
DENISE THEVENOT, Louisiana Tax Free Shopping
ERNEST WOODEN, JR., Los Angeles Tourism and Convention Board

ALSO PRESENT

KENNETH E. HYATT, Acting Under Secretary for International Trade, U.S. Department of Commerce
KELLY CRAIGHEAD, Executive Director, National Travel and Tourism Office, U.S. Department of Commerce
CHRISTOPHER THOMPSON, President and CEO, Brand USA
SARAH MORGENTHAU, Deputy Assistant Secretary for the Private Sector Office and Executive Director, Homeland Security Advisory Council, U.S. Department of Homeland Security
EDWARD RAMOTOWSKI, Deputy Assistant Secretary for Visa Services, Bureau of Consular Affairs, U.S. Department of State
ISABEL HILL, U.S. Department of Commerce
DAVID LIM, Transportation Security Administration
RYAN MILLER, U.S. Department of State
STEVEN J. REDLINGER, U.S. Department of Homeland Security
LI ZHOU, U.S. Department of Commerce
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CHAIR SPROULS: I want to call the meeting to order. I want to thank everybody for being here. Thank you for showing up. Thank you for all your work to date so far on the TTAB. I can tell you, this is my fourth time, and we haven't always had such a whirlwind from the exact moment that you will see appointed. Unfortunately, we're going to continue the whirlwind, because there is a new administration.

So we do need to accomplish a couple of things. One, help the administration know what this group is and why it is so important to our industry. And then, two, tell them what it is we think is important about our industry and how we would like to help them accomplish what's necessary to support us and help us to grow, which will create jobs and make America Great.

So it should be right in line with what the administration is going to be going forward. But
we have to make sure that we don't lose sight of the fact that the new administration is not going to have a clue what the TTAB is.

So what we'd like to do today is have some conversation about how we should go about that task, both on a macro and a micro level, and how we want to structure the work for the rest of our term on this committee.

So what I'd like to do now is welcome Acting Under Secretary for International Trade Ken Hyatt, who is going to give us some welcoming remarks.

ACTING UNDER SECRETARY HYATT: Thank you, thank you. Thank you, John, for really everything. Thank you, Margaret, thank you, Greg, thank you, John, for your role as leader. And we thank all of your for your participation.

And, Margaret, thank you in particular for the world class entry experience I had today. I landed from Dhahran, Saudi Arabia, about an hour and a half ago and was welcomed, and everything went
very, very smoothly. So again, congratulations. And my colleagues at DHS are here somewhere. So thank you again for a great experience.

You know, as I thought about this, actually even flying in this morning, I was reflecting at least briefly. And Kelly's going to go in much more detail through the national strategy, that which we have accomplished. And it's been a pretty extraordinary effort from, I would say, 2009, 2010.

And if you sort of just -- very, very high level, and then Kelly will go in more detail, Travel Promotion Act, the stand-up of Brand USA, the reauthorization of Brand USA, the national strategy, a goal that has sort of galvanized the industry, extraordinary improvements on the visa side, right.

And if you go back at the beginning, that original --- when the President came out setting targets for different countries, wait times in certain countries around the world, it's
dramatically different.

The entry experience on the --- as people come in, whether it's Global Entry, Trusted Traveler, automated passport control, a national goal, last year's National Parks initiative, there's been an extraordinary amount accomplished.

And if you just even look at the numbers, it's 55 million in 2009, and we're at 77.5 today. And as you said, John, all of that being said, there's more to do. And there's a new administration coming. And I know the new administration will be very interested in what this group has to say.

And I think you're exactly right that you will need, you will need to describe to the new administration, what the TTAB is. I think we're going to have to --- I don't know, right, 7.6 million jobs supported by travel and tourism. I think the case will need to, again, be re-emphasized about the importance of travel and tourism.
But I think it'll be -- you as a group need to continue to be the partner you have been to us all the way through, right. Because the accomplishments, I think, that have been achieved, you were great advisors all the way through.

And some of you have been, I don't know how many terms, right, but there are a couple of people around the table who've been here, you know, there are people who have been here for multiple terms, right. And you know who you are, and I thank you for that. Thank you for your continued service.

But I think it's a very important moment for this group, right, very, very important. And again, I think, as you've said, it's both on the importance of travel and tourism, but it is, I think, even the utility of the strategy and how the TTAB, and U.S. Travel, and the TPC, the Tourism Policy Council, how folks have worked together, the interagency piece.

You're going to be great advocates to
help us as we try to drive this forward and deal
with new challenges and address new opportunities.
So again, I'm delighted to be here, to make it here
from Saudi Arabia, where I was just yesterday. But
again, thank you for your service.

The Secretary wished she could be here,
sends her regrets and appreciation. And let me
then turn it to Kelly to go in much more detail
through accomplishments and the strategy. And
again, thanks for your service. Look forward to
working with you going forward.

Some of us around this table will be
here, right, we're in career positions. I'm in a
career position, Ed's in a career position.
Isabel is, there are a lot of folks up here. Kelly
we will thank, as we go through the day, for her
extraordinary service. So let me just start by
just thanking you for everything you've done.
It's been wonderful having you.

MS. CRAIGHEAD: Thanks. Well, and
it's, I mean, I do think it's a testament that Ken
has been in the Middle East all week and, what, you flew 17 hours to be here?

ACTING UNDER SECRETARY HYATT:

Something like that.

MS. CRAIGHEAD: Nineteen hours to be here. There's such confidence that, between the seasoned leadership of the TTAB that was appointed with the knowledge that they would bridge administrations, that we have terrific leadership in place.

And that, with two-thirds of the members being new, that today is a great opportunity to get organized and to understand a little bit of the history and the success to help orient you, and ground the conversations that you'll have, and to really look for where there's opportunities or industry voids to be heard in the new administration and certainly carried through by the career bureaucrats that are here that can actually --- as I got on my first day at the job, Isabel told me she's the, what, the continuous
government? Yes.

So what I thought we'd do today is have two parts of the conversation. The first part, that I'll start to lead, that'll give you some of the orientation and the grounding. And then to call on our good friend and colleague, Chris Thompson, who will talk about kind of the numeric and the path to 100 million which will hopefully give you a good foundation to talk about the TTAB role.

And then the second half of the meeting, I then will come back and talk about the commitment that the current administration has made to ensure that the busy travel season through Fiscal Year '17 and the current initiatives that are underway are in good stead.

And we've invited some of our colleagues from the rest of the interagencies to be able to speak to some very specific points in the near term. So with that, Mr. Chairman, may I begin?

CHAIR SPROULS: Please do.
MS. CRAIGHEAD: Thank you. Okay.

So, you know, I think one of the probably -- one of the important points is that we're here today because of the political will.

You know, President Obama understood from the very beginning that travel and tourism is big business. It's been a major part of their economic plan. Everybody in this room, I think, are true believers in the economic value and the job creation force.

And it really was in recognition that, as a senator, he supported Brand USA legislation. As a president, he signed TTA into law and then, recognizing the opportunity that having Brand USA created, called the for the creation of a national strategy on travel and tourism.

And I get it, reading and flipping, you'll have to bear with me. You know, obviously, all the way along the way the private sector has played an incredibly invaluable role, first in providing the advocacy for the creation of Brand
USA and then again, in many ways, including through the TTAB where your voice was an instrumental part of having input to not only the creation of the strategy but kind of the individual strategies that have resulted in success so far at this stage.

So you received, before this meeting, just a brief summary of our work against the strategy. And so, I think, because we received it late, and probably more important than ever now to understand the genesis that we walked through this summer at the beginning of it.

The strategy was created and focused on two goals, one to attract and welcome 100 million international visitors annually by 2021 and to encourage Americans to travel the United States and see all it has to offer.

With a kind of ambitious goal in place, there was a focus on five different areas that we could do this work. Promoting the US, enabling and enhancing travel, and providing a world class customer service experience has been where we've
really spent a tremendous amount of time on the program's initiative, in addition to the data piece and just the through thread of how we're able to do our business with one of the benefits of having a president decide that travel and tourism is a top priority for his administration, both the impetus for how high level, senior, cabinet-level officials reinvigorated a Tourism Policy Council.

And to have the ability to have a whole of government approach, so that DHS, and State, and Commerce, and Interior, and Ag can all come together at one table, was really a product of the President's desire to have this be a top initiative.

So we've had tremendous success since this started in 2012 in each of these areas. Again, I don't want to read through what you've already received. But I think from a, kind of, where we are now standpoint, I think it's important to know that one of the greatest accomplishments is that, in each of the top ten markets, both for
visitation and spend, so it was 11 altogether, we
have comprehensive, whole of government tourism
plans in place with our embassies.

So that what we've done at the national
level, at the Tourism Policy Council, is actually
trying out every day, in partnership with Brand USA
and Visit USA, with the theory that, with greater
alignment and focus in the market, that we can
significantly increase visitation over time.

I think Chris, I'm sure, will talk about
some of this. But the other thing that we've been
able to do is to look for areas of amplification,
so the role of Brand USA supporting some of the
existing initiatives of the State Department, and
the other agencies, to be able to bring to bear
their marketing expertise around what government
is able to deliver in a neutral government.

In the area of enabling and helping
travel, and this track really is close to what Bruce
and his committee -- is where you've seen so much
of the advances.
And I think really from the perspective of the conversation at the last TPC, it was because there was the ability to look at national security and economic security as complimentary and not competing, always recognizing that security is most important.

So we've talked about it for at least the last couple of conversations we've had, the progress in visa wait times, so whereas you used to have to wait 100 days in key markets, we've consistently, as a routine, been able to reduce that to less than 20 days.

I think to Ken's point, and Margaret, and to our colleagues at CBP and TSA, a big product that the TTAB was able to help with was the fact that our entry process was insufficient to keep us competitive with the marketplace.

And so Secretary Pritzker and Secretary Johnson from DHS called for the creation of a national goal to be best in class, vis a vis our being a national competitor on the international
arrivals process.

    I think, in recognition of the fact that government doesn't necessarily do that the best, it was a critical role that TTAB played by coming to you in the private sector with leaders from Enterprise like Andy Taylor, John Sprouls, Marriott, Greg, and Brian, and his team, to really work to identify what the drivers were of customer satisfaction, since there was no other proxy for it.

    And that original work and the secondary research really led to a set of recommendations that was made to both the public and the private sector for how to improve that international arrival experience.

    And we're pleased to say, although we won't have data until April of next year, having that kind of high level focus to look at problems and solve them, in partnership with the private sector, has been significant.

    Extending visa validity with China from
one to ten years, that has gone from having a million visas to four million visas, is another terrific example of where we can and did work collaboratively with the private sector to understand barriers and to put in place creative solutions.

Pre-clearance, again, you have it in your pack, expanding Trusted Traveler as we start to look towards India, a new tourism partnership with India, the idea that Global Entry is something that these countries are interested in, and we can work together, has been a tremendous area of success.

And then just the innovation and the partnership with the private sector around the ability to use technology has been hugely impactful in the space of enabling and enhancing travel.

On providing a world class customer service, again, this is all possible because the interagencies of the federal government have to come to come together, and have to work together
is moving against the President's agenda.

And so in this space, you saw things like the Year of Tourism with China where we recognized that we were only capturing two percent of that market share. Although this year, they just became Number 1 in spend and Number 5 in visitation.

But there was an opportunity to work within an embracing framework, to leverage what the government could bring from the government relationship to what industry could do to both better prepare our country as a destination, but also to have that high level focus to really galvanize the industry in a way that is meaningful when all of us work together towards the same end.

Of course, the federal government didn't leave it to industry alone. We put together new trip itineraries, we worked with CBP and others to ensure that we had the kind of language that was needed on websites and materials.

And again, you know, the underlying
point is the fact that there was the impetus for agencies to work together on things that weren't necessarily their immediate first priority.

Coordinating government really happened because the strategy called for the creation of a new office that, for the first time, must have a central point of contact for problem tourism within the federal government, that is the National Travel and Tourism Office, and the appointment of a senior level political executive who could help lead the implementation and represent the United States internationally.

And I think what we've seen as a result of having this type of focus is the ability to ensure that the TPC principals were meeting regularly, that the liberal goals were being, well, I should say benchmarks were being set, and that outcomes were being tracked, and accountability was ruled as well through the entire process.

And the fact that there was now the authority to participate internationally with a
person helped really elevate the stature of Travel and Tourism in the international group.

Finally, in the area of conducting research, as Ken said at the beginning of his presentation, we had 66.7 million visitors in 2012. And our latest numbers have us now at 77.5 million in 2015.

We've developed a dashboard through the NTTO website that tracks performance indicators. And we've worked with CBP to revive the SIAD to not only help us measure customer service but, again, it is a great tool that we've been able to develop to really know that we are actually making progress against the national strategy.

And then finally, I think I'll have Chris go, but we do all of our work in the context of trying to achieve the 100 million international visitors. That's what's guided the individual strategies in each of those focus areas that I went through.

But really, as we came to the end of the
Obama administration, it was in reflection that we were not necessarily on track to reach the goal that I think Ken Hyatt made up, of 100 million ---

ACTING UNDER SECRETARY HYATT: Made up, no.


(Laughter)

MS. CRAIGHEAD: Very scientific.

ACTING UNDER SECRETARY HYATT: Yes. It especially worked pretty -- it was, you know, a certain compound annual growth rate detected.

(Off microphone comments)

MS. CRAIGHEAD: So our guiding principle has been achieving that economic goal of having $250 billion a year coming into the economy which we projected would happen if we had 100 million international visitors.

So as we went into the last few weeks, we did it with the recognition that there are 5 million visitors out there that we're not on a path to get, but we want to.
So I want to pause on this. I'm going to ask Chris to go through his presentation. Then I'll come back and talk about what, in light of that, the principles of the TPC made in terms of recommendations for the next administration.

MR. THOMPSON: I'll let our IT team get my presentation up. And while we're doing that I'd like to just echo some of the stuff that Kelly said. And I'm going to stand up since it's behind the presentation.

Certainly, we have a new TTAB and many new members, so welcome. I consider this a valuable resource to the team as it relates to the private sector helping the Secretary of Commerce and the team at Commerce to shape tourism policy.

And many of the accomplishments that Kelly has already talked about and others that she'll bring up have been a direct result of this leadership. And then that's being translated into actual --- and I have said on many occasions I have had the privilege of being in the destination
marketing space for 35 years.

And the landscape we have in Washington, D.C. now as it relates to the support of the travel and tourism industry, the recognition by the administration of it being 31 percent of service exports, ten percent of all the exports of the largest economy in the world.

The landscape that we have through the Department of Commerce being the lead agency of now nine federal agencies that are laser focused on our national travel and tourism strategy, what a novel concept, we actually have strategy that focuses the public and private sector into that goal of $250 billion in spend and 100 million annual international visitors.

The tourism policy gaps, when I first got here, and they explained to me that we actually have a tourism agency body, that's chaired by the Secretary of Commerce, that brings all the agency heads across the government together to talk about tourism, and struggle a little bit to find purpose,
or whatever, you know, the agenda.

    And I said are you kidding me? I said
I want to be in front of that group as often as we
can be in front of that group. Because there's a
lot that we can accomplish together. So that's
kind of the historical perspective.

    So we have a new TPC. We have a new
government coming in. I was talking to several of
you around the table. You know, what we have today
is talk about the decades. But this
administration brought it into existence.

    And I think that though, you know, they
were involved in what's the amazing part of our
government, which is the peaceful transition of
power to the next administration, I don't know that
they are necessarily focused on the legacy, but
this will be a positive legacy that they will have
left behind and contributed to in a major way.

    But it also gives us a chance to
actually pause, because this policy was brought
into existence in 2012, it was a goal that was
supposed to be reached in 2021. We've been laser focused on it. And what I'm going to show you is our recent iteration of how to get to that goal of 100 million international visitors by 2021.

But it's also a chance for us to, as Kelly indicated and hinted at, for us to say is that still the goal. And is it still a realistic goal? And I will suggest to you that I think the goals is a great goal. But it's going to be a real challenge to get to it by 2021.

And so we have a unique opportunity here with the new administration, the new TTAB, to actually say everything about what's in place, and how we've gotten to where we are now, and where we expect to go, is all sound. We just need to make sure that we're focused on a goal that we can achieve.

So I'm going to kind of lay out the situational analysis. This is, thanks to our great friends at NTTO that gave us the numbers, this is the projection of arrivals to 2015 and the
forecast there which, I don't know, is it a final number yet or still a number and forecast? But it's 77 and a half million.

So obviously a goal to 100 million, then we still have 22 and a half million visitors to identify between now and 2021.

There are a lot of things that affect our ability to get there. And certainly, when you're navigating the world of travelers, you have different cultures, different navigations of mediums within those cultures as it relates to what we're trying to do.

But there are also a lot headwinds that are outside of our control, not the least of which is currency exchange. And so currency exchange has really changed the landscape of our ability to get the number of visitors that we thought we were going to be able get from key markets, not the least of which is Canada, where we have lots of challenges as it relates to currency.

And the forecast in 2015 shows that
Canada is actually down ten percent. So when you have --- when you're down ten percent in the market that's contributing most to the numbers of visitors, it's actually tough.

And then we've found, through secondary research and analysis that we can put in place that once you have a sustained difference of currency exchange of 20 percent or more, that's when it starts affecting visitation.

And so we have markets that have had that for awhile. And so we are well aware of this, and we factor that into how we're going to try to figure out how to get the end result.

When you look at specific markets, here's Canada. So what we know in Canada, and many of you that are in marketing know that Canadian visitation is directly tied to the currency exchange. So when it's up or down, then visitation's up or down. And this is a correlation over five years of looking at the currency exchange and how the resulting visitation has come into
place.

If you look at Mexico, and there is no --- it's nothing that makes sense about the currency exchange and how it affects the Mexicans.

Though, now their currency exchange has exceeded 20 percent for an extended period of time. And we're starting to feel it a little bit. We're starting to feel that the Mexicans are a little concerned about their wallets and their ability to be able to do what they've been able to do.

So when you look at the forecast, and in particular how that looks across all markets, so in 2015 numbers, the overseas numbers were up 9.9 percent. Canada, as a specific market, not overseas, is down ten percent. Mexico, interestingly, even with the currency exchange, is up nearly eight percent. Total growth is 3.3 percent.

The targets that we were trying to hit, in order for us to hit the 2021 goal, for this year, 2015, was 4.2 percent. So we didn't get there. So
that makes our challenge even more significant as we look beyond 2015.

When the goal was set in 2012, get to 100 million, the initial target compounded annual growth was 4.6 percent. So obviously, we have had some years of results since then.

So when we looked at going into 2015, the target was 4.2 percent. Well, we only got 3.3 percent in 2015, so that made the target for 2016 to 2021 4.34 percent. So it continues to be a challenge.

So when we get our numbers from our friends at Commerce, and then we start to figure out how we're going to deploy our resources around the world, we have a model that has been developed. We call it a half to 100 million. And these are all the factors that go into that model, which a lot of them are directly tied to economics, demographics, all those kinds of things.

And it's actually a really, really good model. And what it does is it says, all right, with
that end goal of 100 million, how are you going to get there based on all these factors and headwinds that are affecting that?

So the current year, which we started our fiscal year on October 11th, so in the month leading up to that, when we're trying to figure out how we're going to get there, here's what we were projecting in order to hit the 2021, but we needed some individual markets.

You have to separate Canada and Mexico, because it's so huge if you put it on the graph with everything else you wouldn't see the rest of the markets.

But what you'll see here that's interesting is Canada was clearly our number one market for a very long time. But because of the currency exchange, it's actually coming back down to Mexico, while Mexico has been on an upward path. And they're even projecting, at some point in time, maybe this year or next, that Mexico could actually pass Canada as far as actual numbers.
So when you look at everything else other than Canada in our path to 100 million visitors, this is what the rest of it looks like, the UK, and Japan, and then all the rest. And this line right here is China.

So at some point, we know that it's already the Number 1 spend market. We've achieved that this year. The Number 5 market, and we're saying sometime in the next probably three or four, probably two to three years, China will be our Number 1 overseas market, second only to Canada and Mexico. And that doesn't seem like that's going to change knowing what we know today.

So, when you load everything into the model, and you give a visual or a table explanation of it, here are the 2015 actuals, here's the 2021 targets, based on all those headwinds, all those factors that you loaded in. That's the percentage growth we would need from each of the markets. This is the actual number, raw number growth that we'd need to get to the market. And this is the
percentage that each of those countries contribute to that total of getting to 2021.

So being real and looking at those numbers, and this is forcing visitation from certain markets where we have the best chance of getting larger percentages.

But now that we have a chance to take a look at it, maybe reshuffle the deck and figure out where we're going, we're suggesting that for the first time we have the chance and the opportunity to suggest that we're not going to hit it by 2021.

When will we hit it? It's probably going to be two years later, whatever. But we have to, and I think we're not being fair to the process and our ability to be able to live up to realistic expectations if we don't take a look at that and readjust that number.

I think the number of 100 million is still a really good number. It's very aspirational. And I think it's a nice round
target. It's going to take us longer to get there.

When you look at this chart and plot it on a graph -- and this is the actual, what it takes from each market to get to 2021 based on where it was in 2015, that's the actual raw numbers on the left side, and this is the percentage growth from each of those markets on this side. And as you can see, some of those seem realistic, and others are a little bit of a stretch.

And so I would suggest to you, being the person primarily responsible to helping us get to those numbers, that it's probably time for this body, as it relates to that, to consider this, as I'm offering it up to you, and then potentially work that into your recommendations moving into the next administration.

The plan is sound, the foundation of support, the public/private partnership, this is being a personification of the public/private partnership with TPC being a personification of the public/private partnership, the fact that we're
all laser-focused on goals, and we're all rowing in the right direction.

And can we accomplish more? Absolutely. Can we get better at what we're doing? Absolutely. And can we continue to challenge ourselves to get there quicker? Absolutely.

But let's take a chance while we have a chance to reflect on where we've been at a time when it's totally appropriate to do that. We're not going to not --- you're not going to do that under the current administration, because this was the goal that the boss gave us.

Now we have a new boss. And now we have a new administration, we have a new chance for that. My attempt to kind of offer that up. And I'm happy to answer any questions and participate in a dialogue.

(Off microphone comments)

ACTING UNDER SECRETARY HYATT: I'm sorry.

MS. CRAIGHEAD: I think we'll do
questions all at the end --

ACTING UNDER SECRETARY HYATT: Okay, that's fine.

MS. CRAIGHEAD: -- of the section.

CHAIR SPROOLS: Yes. At the end, yes.

MS. CRAIGHEAD: So thanks, Chris. You know, then this was kind of the data and the input that the principals of the Tourism Policy Council had, when they met together --- I don't know what they identified, but the conversation really was that we need to, as an administration, be prepared to make our recommendations to the next administration.

So at the conclusion of the meeting that we had at the end of October, what this administration, secretaries and deputy secretaries, was, one, to the next administration, make travel and tourism a priority. Make the economic argument for the economic generator it is and the jobs that they create.

Two, in light of the headwinds and the
challenges that are in front of us on this strategy, is to really double down on marketing and make the reauthorization of funding for Brand USA a top priority when the time comes.

Further is to recognize that we needed to --- our recommendation is to ensure that the capacity is to meet the demand for visa processing for visitors, and providing security at airports, and just that piece of meeting the demand of your travelers.

Three is to really focus on connectivity, and the infrastructure to support the movement of travelers, and to continue air liberalization efforts in key markets. And probably most importantly, from Secretary Pritzker's point of view, is to really recognize that economic security and national security are mutually supportive.

And so it's really in that context that we look at kind of both at the beginning, is travel and tourism a priority? Yes. Is the strategy
helpful? Yes. And have we accomplished a great deal? Absolutely. And I think you have a copy of those accomplishments in detail.

But that progress has to be maintained. And, in what we've just seen, in the kind of last recommendations, is that there's certainly much more to do.

So I think this is the opportunity to really stop, John, and take questions on either the impetus of the strategy, the execution of the strategy, the path to 100 million, or otherwise kind of collect that information we might need as you start to do your work around your messages to the next administration.

CHAIR SPROULS: Yes, thank you, Kelly. I agree. I think we, as a group, need to think about it on a couple of different plains. One is, you know, is national travel and tourism strategy still relevant? Is it still something we should all be getting behind and going forward.

And not only that, but in terms of its,
you know, the five focus areas and the parts, the strategy overall, the idea of us trying to get to 100 million, if not by '21 as soon as we can, how we're going to get there, and all of the pieces that fall below it, whether it's enhancing visas, et cetera, et cetera, et cetera.

And then the third thing, which is probably the first thing, is what is the best way for us to get in front of the new administration as quickly as possible to help them understand what we do, why this is important, how it aligns with their priorities and strategies so that we then get to do all the other pieces, which is to amend or support the travel and tourism strategy in all the different pieces.

If we don't get the opportunity to have the conversation, then all the other work that we might do is going to fall short. So I'm going to open the floor for a conversation. And it's really not a conversation, because what we're going to do between now and our next meeting is try to put some
meat on the bones of how we do all of those things, how we get to the administration.

And that may be, you know, a multi-part strategy. And it may be in coordination with Brand USA, with U.S. Travel, with the U.S. Travel CEO Roundtable, et cetera. There are a lot of companies that are very interested in --- and I think our industry has probably never been more aligned. What we need to do is help the administration understand that.

And the fact that the new president is a hotelier probably will help us a little bit. But get them to understand all that's gone on. And this was probably one of the few areas in this administration where both sides of the aisle could actually agree on something. And I think it should continue to be that going forward.

So get them aware of what we do, and then help them understand, from a TTAB point of view, these are the things that are important to our industry. These are how we would like you to think
about them. These are how we would like you to continue the work of the TPC, and the National Travel and Tourism Office, to effectuate those goals which ultimately are still about 100 million visitors.

So I open the floor to questions, comments, et cetera, for the next, you know, 20 minutes or so.

MEMBER RAMUDO: John, I think you're right on track. I think our only mission should be how to get the message across to the new administration. That we have someone like Isabel Hill to help us in the conversation is, you know, heaven-sent.

You just said it, I think, the new president's a business person, economic impact, job creation, and jobs not being able to be outsourced, I think, will ring a bell.

And it's just standing in front of the right person who, obviously, we don't know who that person is. But I think that having Isabel being
able to help us to get there, and you, whoever else
sitting in front of that person and getting that
message across. This is what we did, this is what
propose in the future, and this is what travel and
tourism does for this country.

It's all on economic impact. And I think
they're all going to look at it as an ROI. What's
the return on investment. And that's where we need
to make our case.

CHAIR SPROULS: I think you're 100
percent correct. I think what we have to do
though, there have to be two arguments, at least
in my opinion, to be linked.

One is the economic argument which, I
think, is incredibly solid, and it's not difficult
to understand. You know, we've used words in the
past like shovel-ready jobs, et cetera. Bring
work to the country. We'll take care of it. We
don't have to build anything to do that.

So it's pretty simple. It's not
capital intensive in the point of view of needing
incremental capitol for infrastructure and things like that.

But the second part has to be, I think you're going to see, and I don't think it's a surprise to anybody, a big push about national security.

And so we're going to have to make sure that they can understand, as the current administration understood, that you don't have to sacrifice national security in order to drive travel and tourism. And that's where I think we're going to have to make sure we get to the right people and have those conversations.

You know, our last meeting we talked about renaming the Visa Waiver Program, because it's not a waiver. You actually get more information about these people than the folks that get visas.

So we've got to figure who in the administration we need to talk to to make sure they understand that Day 1, so that things don't start rolling downhill before we even have a chance to
explain that. Look at the program, don't look at what it's called.

MEMBER RAMUDO: And the other part is the marketing message which, obviously, Chris, you know, does the best. But, I mean, we need to make sure that the message gets across, not what necessarily has been in the campaign.

They're all welcome. These international visitors are welcome. When I see the projection for Mexico visitors, I cringe. You know, is that going to happen, that the message and the marketing message needs to be you are welcomed in our country. We want you.

CHAIR SPROULS: Yes.

ACTING UNDER SECRETARY HYATT: And, John, one thing I would say is that we should probably stay in more frequent communication over the next couple of months.

I will be transitioning the next Commerce team, right. I'll be meeting in the next -- because I'm also going to stay.
MEMBER RAMUDO: Wonderful. So we have two of the best men.

ACTING UNDER SECRETARY HYATT: So as I transition next week, probably, we should just stay close --

CHAIR SPROULS: Absolutely.

ACTING UNDER SECRETARY HYATT: -- as to how we're coordinating this. Because there might be opportunities. I might meet the person who is the person to whom to speak. And we should just make certain we are in constant communication around that.

MEMBER BALESTRERI: I think it has a return on investment. For the money we spend for the money bringing in, nobody will even come close to our return on investment.

We're the largest retail employers in the world, hotel and restaurant. We have more minorities, more women, more entrepreneurs, more upward mobility. And then you have the five industries all put together. And we take care of
the neediest of America in upward mobility without taking one government subsidy.

And so, I mean, if you put a P&L statement out like that, and the return on the investment for the visitors, how can you lose?

MS. HILL: Hi, John. So I was going to talk about this a little bit. But, you know, one of the things at DHS that we have been working on is the career succession plan, you know, for quite some time now. And so we have that pretty well oiled.

Also our Number 2, both at TSA and CBP are career folks. In their attempt at tracking this closely, I worked with them closely to prepare, you know, for this meeting today. So I think, you know, to that extent, we should be able to communicate the information.

CHAIR SPROULS: No, I agree. I think there's enough career folks around in all of the different areas that have been through this, and have seen this invested, and have understood the
argument. And first you have to understand the argument.

MS. HILL: Right,

CHAIR SPROULS: Once you do that, then it's very easy to pinpoint. Here we request our case. Once you understand what we're trying to talk about and what we're not trying to talk about, we're not trying to talk about, you know, open the borders and waive everybody's visa to let them come in.

MS. HILL: No, exactly.

CHAIR SPROULS: That's not ---

MS. HILL: Exactly, exactly.

CHAIR SPROULS: Once you get that conversation to happen, this is a fairly easy sell. Because, to your point, we employ a lot of people, or a lot of first jobs for folks. We create opportunities, we are a shovel-ready business. And we are fairly aligned as an industry all focused in the same way.

MS. HILL: Right.
CHAIR SPROULS: So all of those things are tremendous positives. As long as we can get, to Ken's point, to the right people to help them understand as early as possible, before anyone starts to think that here is my, you know, someone in Congress, this is my opportunity to get rid of the Visa Waiver Program.

And I guarantee there are people rubbing their hands together right now, the same people we've been talking to for the last eight to ten years.

So we've got to get ahead of that curve. If we can do that, then I think, as an industry, we'll be fine. Because once you get to the P&L argument, it's not that hard. It really isn't that hard to understand it.

MS. HILL: Right, and that, I mean, big picture, right. That's the value of this body, is to have ---

CHAIR SPROULS: Correct.

MS. HILL: -- those of you in
public/private partnership and to have the external stakeholders that ---

CHAIR SPROULS: Yes, and to have the diversity of some things that are here within this industry so that they understand we're talking across the industry nationally and across all the different segments of it. Bruce?

MEMBER CHARENDOFF: Well, for somebody who's been around for a number of terms, I think, I believe I started in 2005, the second term of TTAB, the evolution of this group has, well, has been quite illuminating.

It wasn't always the way it is today in terms of the collaboration that we have with the government. It's evolved into something that truly is a public/private partnership. I mean, it's a shining example of that.

But I would not, and I don't think anyone is, take it for granted. We could go back to a place where, you know, there is an attitude of not invented here and all of that. We need to
continue that close collaboration with government and particularly with the Secretary of Commerce and the President.

I think, you know, when the President sets a goal that's a national strategy, it permeates through all of the government, all of the interagencies.

When the collaboration that Secretary Pritzker has had with Secretary Johnson, for example, has been remarkable, right, this notion of we can have world class security and world class facilitation is something that's relatively new. And we need to, you know, continue to build on that.

So establishing our position as a private sector advisor and encouraging that whole of government approach, that has characterized the last term or two of the TTAB, will be an extraordinary accomplishment worth pursuing. And I think it absolutely is essential that we make the argument that we want to continue that as early as we can.
We can talk about when that moment is when the new Secretary of Commerce is appointed, perhaps even back a little earlier with the transition team. But I suspect we'll have a name soon. But I'd like to get in front of that person to make a case for the TTAB as early as we can.

CHAIR SPROULS: I agree.

MEMBER PRIMROSE: I'd like to go back to something Chris said, whether it's on the goal, 100 million, I love that number too, and I don't think we should walk away from it, personally.

So are we at that moment where, as a team, we talk about is it 2024, is it 2022, is it five years from January as the new administration comes in? And I guess Chris and the team would be better suited to give us that advice. But probably good to leave this room today with some agreement on that.

CHAIR SPROULS: Yes. I think, in terms of the overarching priority, unfortunately I don't think we have enough time to then dig into
how that affects all the different pieces of the strategy. And I think that's what we will, hopefully within the subcommittees, do over the next several months.

Because I think it's a two-part approach. The first part is figure out who the Commerce Secretary, who are the people we need to speak to in the administration and get in front of them at a very high level as to the fact that all of this exists, all this work has been done.

And it is good, and it is beneficial, and it will fit right in with their priorities, and then help them understand that this body will come back to them very quickly -- and I'm thinking the next meeting we have in February -- with our views on the existing strategy, where we think it needs to change, where we think it needs to decrease, and very specific recommendations that they'll be able to get in their hands as quickly as possible.

MEMBER BALESTREI: I keep thinking two to four years, 100 million. I think that
million people, show a chart, 30 million people come in, and how many votes rise, jobs, benefits, just show them the value of that. You bring in 30 in your administration, and here's what's going to happen.

They're not going tax the schools, they're not going to tax our social services. It's like confetti. And it's the cleanest dollar in the world for the environment.

So you show 30 million people, you show how many things arise, and how it's disseminated, and make it very clear, very clear. And I think you have a shot. I wouldn't reduce it, because the more you can bring in the more the results are going to show on the chart.

CHAIR SPROULS: Yes. I don't think anyone is thinking about reducing the 100 million. The question just becomes do you stick with 2021 or do you, based on results to date, say the more realistic date is X.

MEMBER BALESTRERI: Well '20, it's the
end of his administration, supposedly, four years.
So we kind of coincide. I mean, you know, give him a goal.

MEMBER GALLAGHER: So switching to this 100 million or reducing it, we've got to have the airports, the sort of infrastructures, the one topic for -- so we are tied into redoing the airports, and the roads, and the bridges. Because if you're going to do 100 million people, you've got have a bigger airbase.

CHAIR SPROULS: Yes. And I think it's a natural tie-in. Because I think one of the planks of Trump's campaign was infrastructure.

MEMBER GALLAGHER: Right.

CHAIR SPROULS: And so it should be a natural that, if he's going to move in that direction, that's going to help us get where we want to go.

MR. THOMPSON: So of the 100 million people, how many of them are going to go through the airport, most of them, right?
MEMBER GALLAGHER: Well, except for the ones that are driving over the border.

CHAIR SPROULS: Right. Yes, from Mexico and Canada.

MR. THOMPSON: So a good percentage of them are going to ---

MEMBER BALESTRERI: Well, what is that ratio now, people flew in by airlines? Just use the same ratio.

CHAIR SPROULS: Well, Mexico and Canada, what percentage of existing visitation?

FEMALE PARTICIPANT: 60/40, about.

CHAIR SPROULS: Yes, 60 drive, 40 fly?

MEMBER BECKER: And I would think Mexico will increase with the new bilateral agreement and the huge increase in the number of low cost carriers that are flying into the US. I would think that Mexico numbers will start to, you know, grow further.

And with the Delta-Aeromexico partnership being approved and how many can get off
the Mexico City gate, I think we'll see more low
cost carriers fly from the US to Mexico. So I think
that number might take care of itself from, you
know, the air perspective.

MEMBER ST. GEORGE: The other side is
going to be the exchange rate though. Because the
exchange rate ---

MEMBER BECKER: Right.

MEMBER ST. GEORGE: -- has plummeted.
I mean, we may see that in the next six months if
that doesn't recover.

MEMBER WOODEN: And I'm very concerned
about Mexico as well.

(Simultaneous speaking)

MEMBER WOODEN: Out of LA, 18 million
people have come to the United States from Mexico.
Ten percent of them come to LA. We tracked it very
closely.

And the feedback I'm getting from my
Mexican offices right now are very concerning.

Despite the recent agreement that was signed,
travel agents, tour operators on the ground, are very, very concerned about sending people to Los Angeles and to America until this is all kind of straightened out.

So I think that the projections we have are optimistic. I hope that they work, because we're so reliant upon the Mexican traveler. But it sort of frames, in my mind, big initiatives.

And I happen to agree with Ted in terms of lowering our expectations just in terms of process. I think you can challenge the administration and say we have this 100 million goal, and you guys have got the right answers. Help us get there. So, you know, it's a tactical question.

MEMBER DAVIDSON: Yes. I just want to draft up off of what you said, Ted, and several, actually, of the comments that have been made. I, you know, when I recall the development of the strategy back in 2012 and the President very graciously giving the Department of Commerce and
Interior 90 days to come up with a plan ---

(Laughter)

MEMBER DAVIDSON: I remember Congress also -- we were just vetting the table of contents. Because I'm ready to, you know, formulate the strategy.

It is, first and foremost, a government document, you know. It's not our document, it's the government's document. And I think that's part of the beauty of it. And I think one of the greatest successes of it has been that it has galvanized our federal agencies around the travel and tourism industry.

What has happened in terms of a renaissance of the Tourism Policy Council, that whole of government approach that gets discussed, with all the other great work that has gone on through the strategy, that is the part that, to me, has the greatest potential to be the legacy piece as we go forward.

Because it's the folks that are sitting
up here that are in those career positions that we're all talking about that are going to bridge us, from a federal government standpoint, to the Trump administration.

So when I look at this, while we're thinking about the strategy itself and the transition, first of all, John, I think you're right on. I think the approach on the transition is multi-faceted.

I can see the CEO Roundtable sitting down with the president himself, the president-elect himself. I can see, once a Commerce transition team is named, because I'm not sure it has been, at least I'm not hearing anything where there's a transition team named. Ken will probably be able to advise you at some point when it is.

ACTING UNDER SECRETARY HYATT: The phone will ring.

MEMBER DAVIDSON: Yes. You know, and when that happens, I could see you, and maybe Roger
Dow, and Chris sitting down with that individual, kind of like I was able to when Secretary Pritzker was appointed, and talk about the priorities, you know.

And she challenged us, and I'm sure you recall, John, you know, hey, you've got some great letters here. What are your five priorities?

CHAIR SPROULS: Yes, what are you going to do?

MEMBER DAVIDSON: You know, what are you going to do. What are the five things you want me to focus on? And I would encourage you to pursue this transition in very much the same way.

And kind of to Ernie's point, use it as an opportunity to really empower and to engage them. And by that I mean I'm not sure I'd go to them, I'm not sure, I would recommend that we go to them with our recommendations for how to fix the strategy.

Instead, I think maybe I'd flip the process and go to them and talk about the success
of the strategy, the importance of the industry, and then use this as a means to say, but we think it warrants being revisited and look forward to working with you to do that.

CHAIR SPROULS: Let us help you do that.

MEMBER DAVIDSON: Yes.

CHAIR SPROULS: Exactly. No, I totally believe that. And if I was going to -- what you said, far more eloquently than I did, it's exactly what I --

MEMBER DAVIDSON: Oh, no.

CHAIR SPROULS: We need to get to them, help them understand what we've done and get them committed to the fact, the idea of the National Travel and Tourism strategy is important to the country. Once we do that, then we'll help them understand what our role is to come forward with how we think it needs to be tweaked to achieve the goals we're all trying to achieve.

MEMBER BALESTRERI: I think you'll
have a lot less resistance now because of the Houses are all controlled, and they want to show success. And this is the easiest product, the least controversial product to get through as fast as possible.

So I really think we're in a good position, even having the big headquarters here, the National Restaurant, the Hotel Association. I mean, this is a win/win for everybody on both sides of the aisle. And so I think this is -- the timing's right.

MEMBER DEAN: Chairman, it sounds like there's a general consensus that we need to get the new administration to own that 100 million goal.

CHAIR SPROULS: Correct.

MEMBER DEAN: It's our goal. And the previous administration, it's their goal. And a lot of the things we don't know. One thing we do know is that we have a President-Elect who understands travel and tourism.

I think you've hit on a point though
that he and we should not overlook -- and that is the fact that it shouldn't just be TTAB carrying that ball. There are other partners that want and need the same thing, obviously U.S. Travel, and whether it's U.S. Travel Board, or the CEO, Council, and other partners.

So we're not in this alone. And I think your leadership can help them bring some of those other players together, whether we do that as a TTAB Board or outside of here as individual leaders. But it's going to be critical in the quick transition through that messaging.

CHAIR SPROULS: And I don't think there'll be any resistance whatsoever. I mean, the conversation's already happening. Because I agree, I think that's how we've been able to achieve our greatest successes, is to be able to use all of the different representatives within our industry.

You know, whether it was to get Brand USA authorized, re-authorized, et cetera. It's
been attacking it from multiple priorities so people can figure out that everybody in our industry is on the same page. So we have to continue to do that.

They have to understand that, understand how important it is. They have to understand how easy it is for them to support us and that there isn't an issue between national security, et cetera. And then we can get into the details of --- and by the way, you should tweak that too.

MEMBER BALESTRERI: And national security's perception rather than the reality.

CHAIR SPROULS: Correct.

MEMBER BALESTRERI: That's your problem.

MALE PARTICIPANT: Yes sir. Yes, sir, go ahead.

MEMBER BALESTRERI: No, that was it.

VICE CHAIR STUBBLEFIELD: I agree wholeheartedly that we have to coalesce together.
I think one of the key things that's happened over the four years is the 90-day message that the administration said in 90 days we need X, Y, and Z from you, okay. And so that was a forced movement over a short period of time.

And I think, through this process, the 100 million is a great goal. And whether it's in 2021 or 2023, I think arguing that today is confusing, okay. Because the administration, job one is for us to educate them that this industry is aligned, and it's working.

Over the next 90 days, I think, our goal should be to find out where the potential pitfalls are, or mine fields, that would start that ball rolling this way and make sure we've got a coordinated effort to get to at least a status quo. And then from there, how do we, after we get to a status quo, how do we then make this administration an advocate, no different than the current administration.

But we want to make sure we don't take
any steps backward over that period of time. And who would be the facilitator of making sure all the stakeholders are in concert, if you will, over that period of time, as opposed to, you know, misalignment in terms of who everybody's talking to and how they're doing it, but a very in concert way of making sure we do job one.

CHAIR SPROULS: Right. And I think Ken may throw his pen at me, but --

(Laughter)

CHAIR SPROULS: -- it wouldn't be a bad idea, as we go to the administration, is not only convince them of, I think, what we've been talking about, but tell them if you want to give us another 90 days we'll give you a revised strategy. We'll be happy to show you this industry works and what it does.

MS. CRAIGHEAD: So, John, I'm in and out of my 25-year career, I've spent some time in politics. And, you know, I think I agree with Brad that, like no one's in this alone. Part of the kind
of process of transitioning administrations is a tremendous amount of work has already gone on from the federal partner side of the effort.

And the kind of work of Secretary Pritzker, and what she'll leave behind, and the conversations that she'll have, and the career staff that will have them as part of that transition, is part of why it was so important to name Ken, who is the Acting Under Secretary for ITA.

And it's probably helpful to know that the first undersecretary of ITA in the Obama administration wasn't appointed for 18 months. So there are two levels. One is kind of the big argument that happens at the highest level, so that when Cabinet Secretaries were being onboarded, and economic priorities are being kind of distilled at the Presidential level, that that work is happening right now.

But some of the specificity, part of, you know, having strategy not launched until 2012, it would take a lot of time to fill these jobs. And
that's why it would be essential to kind of have the top line narrative.

And I know that U.S. Travel has already met with the transition team. I know that they are already looking to coordinate some of the travel approach that's kind of chipped away at that top part.

So I do think there's an opportunity to maximize the partnership of the public/private partnership in the lanes that people play, knowing that the federal government, as embodied by the career civil servants, will be able to kind of be one spoke into that wheel, TTAB, U.S. Travel, and others that can actually form that. So just to give you a sense of timing, and we will be right on.

MS. HILL: Can I build on that a little bit and amplify what Todd was saying? Because I think that, when we wrote the strategy, there were sort of two approaches. One is we've got 90 days. Let's go in the back room, write a strategy, send
it out to all the agencies, let them clear it and be done.

But we didn't choose that path. The path that we chose was to have the leaders of each one of those agencies go back into their agency and learn how they connected to the travel and tourism space.

We coached them, we helped them. But they had to own it, and they had to do that work. And I think the process itself was so valuable in bringing those agencies forward and having them understand, we're in a better place now because we have done that and because we have the clear infrastructure at a much higher level than before.

But I do think that it is important to pause for a moment until some of the leadership comes, not only in Commerce but in some of those agencies. Get them early on when they're coming in, talk to them, but in terms of the government strategy and getting the government agencies to sit around the table, I think there really is
significant value in the process of having them go through it themselves.

So I just wanted to put that out there. Because I really think that was key to the success of getting all of the agencies on the boat.

CHAIR SPROULS: Sure.

MS. HILL: Oh, one other thing.

CHAIR SPROULS: Okay.

MS. HILL: One thing I do think that would be very helpful, we did look at projections for the goal. It would be very interesting for this body to do some assessment as to what you think the growth rate will take to get to 2021.

We've done some of this internally, looking at about 2022, I think we come up at 2023. But I think it really helps to have the intelligence looking at some of the things you're saying when you're concerned about Mexico, looking at the qualitative and quantitative kind of information that you have to come to some consensus idea of what you think a good growth rate to project would be.
MR. THOMPSON: And we've done the same. I mean, we projected out. And I think we end up close to the same place as far as what that goal should be.

I'd like to really emphasize, if you just me the chance, the main difference that Isabel just said, and I think it's been even said in other ways, you know, when you have a new --- when you have elected officials, they come and go. So every time we try to make it happen every four years, it may happen every eight years, or however it happens.

But what we now have is the recognition of travel and tourism in the DNA of these agencies that are with the career staff and demonstrated by amazing colleagues around the table.

They have us so much further ahead than we ever were prior to this. And that's just my outside perspective looking in but are formed by the relationships that we have, that I have, and that my colleagues have, you know, in the agencies.
It's a great place to be.

MEMBER BALESTRERI: Isabel, you earlier, yesterday, you mentioned you had a 17 percent increase in India?

MS. HILL: Yes.

MEMBER BALESTRERI: I noticed in the charts over here it showed China, it didn't show India going up like that at all. Is there a reason for that?

MR. THOMPSON: No. I think it was, it was primarily because of ---

MEMBER BALESTRERI: But 17 percent, that's a pretty good ---

MS. HILL: That was 12 years ago.

MEMBER BALESTRERI: That's a pretty good climb.

MS. HILL: Well, I think one of the things about the projections of growth rates is that it's cumulative. Because you're going off of a bigger base. If you increase 17 percent, then next year is from a higher base. So I think that
we find that those longer term projections have a ---

MEMBER BALESTRERI: But that was a good, you know, it's a good start.

CHAIR SPROULS: All right.

MEMBER CHARENDOFF: Can I switch to visa waiver for a second, back to that?

CHAIR SPROULS: No. What I'd like to do is ---

(Laughter)

(Simultaneous speaking)

CHAIR SPROULS: I think we've got to come up --- what I'd like to come out of this meeting with is our strategy to go forward with respect to the new administration. And then, when we come back together, get into a lot more of the specifics so that we can formulate what we want to recommend going forward and how we want to amend the things that we want.

But the only problem is if we start to get into individual pieces, we'll be here all day.
And I apologize for cutting you off. But if we don't stay where we're going, we're never going to get there.

MEMBER CHARENDOFF: So, John, is the issue what the deliverable should be out of this?

CHAIR SPROULS: Yes.

MEMBER CHARENDOFF: This is the letter? I mean, letters are usually the stock in trade, but there's been talk of a meeting.

CHAIR SPROULS: I think it's both.

MEMBER CHARENDOFF: Both, okay.

CHAIR SPROULS: I think that probably a letter --- ideally from the TTAB, very high level, this is who we are, this is what we do, this is what's important to us.

MEMBER CHARENDOFF: Yes.

CHAIR SPROULS: Which may or may not coincide with something from U.S. Travel, et cetera. And we'll try to figure that out in the next week or two, A. B, taking our lead from Ken and from others, who are the people we need to speak
to and when can we meet with them so that we can start the dialogue at a good level.

You know, one of the biggest things, when I first got involved with the Board, was we got involved just once in the administration. And once we convinced him how important travel and tourism was, A, B, how it was actually an economic driver that would drive imports, which was very important to the administration, it seemed like doors got unlocked.

So we need to figure out who Mike is in this administration and meet with that person as soon as we possibly can. But I think between now and our next meeting, I'd like to get that accomplished multiple ways and then get us then focused on, all right, now that we have their attention, what is it we want, as a board, to tell them.

And that's where I think the subcommittees are going to be critical, in terms of digging down, lowering down, getting into the
details, looking at the numbers, figuring out whether is 21 is not doable, what is it, and what do we want to recommend. Is 100 still the right thing.

But first, we've got to make sure that this administration understands what's here. And that's what I want to do in the next 90 days. Okay?

All right, so I have to apologize again to Mike for cutting you off.

(Simultaneous speaking)

CHAIR SPROULS: Maybe we can move on to the next part of the agenda which is preparing for Fiscal 2017. And, Kelly, I will turn it back to you.

MS. CRAIGHEAD: Great. So, you know, as our last conversation demonstrated, you know, there is a period of upheaval right now.

And one of the important considerations of the Tourism Policy Council that met at the end of October was ensuring continuity of operation to really recognize that, you know, Thanksgiving, to
Christmas, to the peak summer travel season, that we had a set of priority or initiative areas in ten different regards that should be maintained while the transition was taking place.

You know, it really ran the waterfront in terms of what agencies said when we asked them to commit to key action items against these priorities that they could deliver on while the transition was taking place.

So in Commerce's lane in partnership with State, these integrated tourism country plans is something that we've been really focused on in terms of making sure that new ambassadors, new DCMs, and new officers that are on post are onboard and they understand it.

But I think a lot of the focus was on those operations that TSA, CBP, and State Council of Affairs do. So, Mr. Chairman, I think you asked for TSA to CBP to have an opportunity to talk about their plan to speak a little bit to staffing.

So now I think we're going to start kind
of at that high level. And Deputy Assistant Secretary Sarah Morgenthau is here from DHS. And I think, Sarah, you're starting.

DEP. ASST. SEC. MORGENTHAU: Okay, great. Thank you. You know, I'm here on behalf of Secretary Jeh Johnson, who is president of Homeland Security.

And I know that travel and tourism is a big priority to him. And he feels very, you know, he has huge praise for the work of TSA and CBP. And I'm going to talk a little bit about some of the things that we've done and where we're going forward.

John, one of the things I would say, and I'm happy to work with you. This is, you know, my last meeting as an appointee. As I said, we have a very strong transition team that has been working for a number of months. We are still waiting for the Trump administration to knock on our door. So we don't know yet what that's going to look like.

But I think it might make sense to have
some of you come in and speak with our Deputy Commissioner and our Deputy Administrator at TSA, who are both career folks, so that we can make sure that the priorities are communicated.

You know, I think that you know that President Obama, and all of his Cabinet secretaries, and the rest of us throughout are really committed to, you know, having this be a smooth and seamless transition.

And part of that, frankly, is communicating the priorities that are important to us and that have been important to the administration so that the next administration can carry those on.

So we, you know, this is part our legacy. And we are committed to working with you. So, you know, if we can try to do that in the next two months, because it would make sense.

And I did just write a note too, to a career person who's been working on the transition at the Department and just letting him know could
we have some of you guys come in. So I think there's a lot of avenues.

I also just want to take a moment to thank Kelly for your leadership and your work at the Department. You have been incredible. And I had heard about Kelly, before I even came into this position, as a force of nature --

(Laughter)

DEP. ASST. SEC. MORGENTHAU: -- as well as great that you were staying on.

So just, you know, sort of before looking towards '27 peak travel season, you know, I want to highlight some of the accomplishments that we have done in the past eight years. I know there are some new people around the table, and I think it's important that we all become well versed in these accomplishments.

First, we strengthened, for example, this waiver program, including the changes required by law. We've successfully partnered with credit card companies and within airlines to
promote a live reimbursement for traveler from enrollments.

We've deployed, in partnership with airport and airlines stakeholders, over 1,500 automated passport control kiosks reducing officer integration time by 45 percent to approximately 30 seconds for 55 sections. There's an example of a nexus with, you know, it's a passenger experience, overall experience and security.

Partnered with Airport Council International North America to develop the mobile passport control application now deployed at 20 airports, deployed over 37 mobile devices across the sea, land, and airport ports of entry, allowing CBP officers to process travelers in non-traditional situations and move cargo more efficiently.

Developed CBP's resources and optimization strategy based on three pillars, workload, staffing model, business transformation, and public/private partnerships.
Improved CBP's National Targeting Center's ability to identify and prevent travel of individuals when they pose a risk to the United States, and created 17 airport-specific action plans for the National Travel and Tourism strategy.

Expanded global entry eligibility to six additional countries in FY 2016 and launched a fully reciprocal travel program with the UK, Singapore, and Columbia, and implemented biometric exit pilot programs in the land and the air environment.

Through the pre-clearance process, we have pushed out our borders which, of course, is really important. And it reduces both workload and the wait time for those when they come into the United States.

A couple of weeks ago, Secretary Johnson announced the opening of negotiations with an additional nine countries and 11 airports to expand trade clearance, which is a big priority for him. And this is on top of the nine nations and
ten airports we now, after the 2014 pre-clearance, open season.

Additionally, Secretary Johnson announced an agreement to open a pre-clearance facility in Stockholm, Sweden, and Orlando International Airport with operations to begin as early as 2019. Finally, you all are aware that CBP announced the electronic visa update system, EVUS for China, which is a program created as part of a reciprocity agreement with China to extend visa validity for ten years.

It's voluntary right now but will be mandatory enrollment starting on November 29th. My understanding is that the website is mobile frontally and so far has been working well. I'll leave it to you to let me know if that's not true.

Looking forward to summer 2017, currently DHS and other federal agencies are only funded through December 9th, 2017. Congress is debating extending funding and are currently in duck session. Congress appears to be coalescing
around a plan that extends funding through March 2017 rather than what would be the end of our next fiscal year.

We still have to wait and see the final product from Congress, and implications on the summer of 2017 travel season clearly from a planning perspective. The sooner we know what the standing would be, the sooner we'll be able to plan for next summer. That being said, DHS, CBP, and TSA continue to plan for all contingencies and, of course, welcome your help.

In terms of the administration's transition, as I mentioned, DHS has prepared a detailed career succession plan and has detailed briefings for President-elect Trump's incoming team. As of yesterday, we were still waiting to hear from them. But I expect that that will happen shortly.

Both President Obama and Secretary Johnson have sent a clear message that we'll do everything in our power to make sure that the new
team is ready to hit the ground running on their first day.

Again, as I mentioned, you know, we have the number twos at both CBP and TSA are both career folks. And so I think that that is a good thing.

I understand that I am turning it over now to David Lim from TSA, is that right, for an update on their activities.

MS. CRAIGHEAD: Hold on a second. Before we go to that, I think part of the kind of interest from the leadership was to talk specifically about CBP staffing. And I think you all have some questions that maybe you want to ask of Sarah before we kind of go agency to agency.

CHAIR SPROULS: Yes. I mean, from my point of view, we've had discussions in the past with respect to CBP, and officers, and things like that, and what they need. And we've gone forward, we've gone up to the Hill, and felt we had to fill the request.

Shortly thereafter, we find out that
that wasn't all that was needed in order to be able to go forward. And this sounds a little bit like, well, if you mean four instead of two, why didn't you ask us to go get four?

So we'd like --- the TTAB can't lobby. But the individual companies here can go and talk to influential people on committees to help them understand the need to fully fund CBP and TSA. But we can only do that if we've got all the information so we know it is what it is we're asking for.

So we need, and you may not have it with you, but we need, sooner rather than later, since the administration's going to get involved, if we're only funded through March they're going to have to be involved immediately in conversations about funding the government for the rest of the year and into the next fiscal year.

So to the extent there are things that we need to be supporting as individual companies, or U.S. Travel, et cetera, we need to know that.

I think that was the reason behind my requirements.
DEP. ASST. SEC. MORGENTHAU: Right. And I think, John, that's, you know, a good reason, to get you guys in and talk to the CBP folks directly.

I've also got my colleague, Steve Redlinger here. Did you want to say something today?

MR. REDLINGER: So specifically, on the workforce staffing model, part of the resource optimization, pointing at what Sarah talked about, it currently shows about a 2,100 officer shortage.

When we got the 2,000 officers in the budget two fiscal years ago, the model showed 4,600 or so short. So when we got the 2,000 officers, all this showed that it was overdoing, roughly half, 40 percent or so of the need.

We've been operating on basically some current resolutions, year, to year, to year for as long as I've been in government. What that does is it doesn't allow for plans long-term. You know, you guys are in business, and you understand that.
We have a capital allocation, we've got to fund it. You can't fund it if you're just spending the same as you spent last year, that you spent the year before, that you spent the year before.

You see a little bit of that in the CBP's budget. And you're starting to see a little bit of that in TSA's budget. A TSA project, in particular, was hurt by sequestration where we were looking for ways to pump money out of everybody.

And back in those days, one of the things we saw was if we could push as many people off going to automated screening lanes, or enhanced screening lanes, that we could get more people through on average, and we could potentially cut some of the screening positions in standard --

Well, that wasn't such a great idea on backing, because it's lax, you know, security. We were seeing that we weren't getting the sort of security standard that we needed. So we had to argue to get more money back, if you've seen that
debate over the past year.

And, you know, certainly it was rocky summer, but to the TSA's credit, they have a plan in place. They worked with the partners in Congress. Congress was very supportive. We were able to get officers on the front lines. And, you know, those lines are certainly better today, as they've been, frankly, in a long time.

So now we've got a situation that TSA where we've got --- we're meeting high security standards, and we're pushing people through, and we're not clogging the wait line. So we've got it in a good spot.

But, you know, you don't know what your budget's going to be two weeks from now, what's left six months from now. It's difficult for us to say here's what's going to happen.

Do I think we're going to have the budget? Yes. But a lot of the recruiting that we did over the previous year, we need Congress to stay onboard and continue to help us along in order to
be able to do it for next summer.

Do we think they'll do it? Yes. But, you know, the budgets haven't been passed. And currently, as a pragmatist, we're talking about a CR that goes through sometime in March which gets to next summer.

So plans are in place. We know what we need to do. The blueprint is there. We've done it. But there's an administration transition. And there are, you know, there're actions from Congress that do need to happen between now and then.

But 2,100, in terms of officers from CBP as a workforce, the staffing model currently shows. I think a lot of you are well versed that certainly they were --- we were slower than we would have liked to have been to bring officers onboard. Ninety-eight percent of airport staff from CBP is staff. So they're almost there.

So, you know, again, we've appreciated all your support. Sarah, I think, had an excellent
point about putting you guys together with Deputy Commissioner McAleenan who, I think, many of you already know. But he'll be the lead, from CBP's standpoint, going forward.

CHAIR SPROULS: Thanks.

VICE CHAIR MCKEOUGH: I have a question.

CHAIR SPROULS: Sure.

VICE CHAIR MCKEOUGH: Is it fair for us to assume that all the transitioned federal agencies in your transition plans will be including and embedding, in those transition plans, the work that's underway with the TTAB?

DEP. ASST. SEC. MORGENTHAU: Yes, yes. Now, we will make sure that, you know, that's my job to make that happen. And we definitely will.

And, John, you know, I mean, the other things that the new, you know, CBP Commissioner and the DHS Secretary has had to wrestle with too, and we don't know how it's all going to play out, is we recently had to deploy, you know, a number of,
you know, more border patrol folks out to the borders, because of this immigration and the sense of what's going to happen, and what's going to happen in the next administration. So, of course, there's many, you know, competing balances on the next DHS Secretary, frankly.

CHAIR SPROULS: Okay. Thank you, Sarah.

DEP. ASST. SEC. MORGENTHAU: You're welcome.

(Off microphone comments)

MEMBER MORRISSEY: Before you pass it to Tom, I just wanted to take a second and thank you and your team, including the agencies TSA and CBP, for the level of engagement with industry. And Steve has been particularly great too.

You know, we have dealt with sort of unimaginable challenges in the last few years, pandemics, terrorism, staffing shortage, you name it. And the line of communication has been a model for government/private sector cooperation. So sorry to see you go, all of you that are going, and
glad that others are sticking around.

But I wanted to make sure and mention that. Because it really has been --- you've set us up for success going forward through all of these challenges, and really appreciate it.

CHAIR SPROULS: Thank you, Steve.

David?

MR. LIM: Good morning. Thank you. It's a perfect segue to some of what I will talk about. And I will get very specific in terms of public/private partnerships and what you have all delivered here.

But let me just first echo Sarah's comment about the availability of funding which will drive our operation in 2017. Obviously, you know, we don't know what that is, but I think it's instructable to look back, and for those who are relatively new here, six months to May.

And again, I'll go back to the old adage that everybody's fooling with, you know, past performance behavior is a good indication of future
performance behavior.

And I think, if you look at what we've done since May, it really started with Secretary Johnson's ten point plan to address the long lines issue back in May.

So I'm just going to go across some of those points. And I think that we have executed many of those strategies, and we've met the objective. Because as Mike said, we haven't had long lines since mid-May. And it really started with Memorial Day, so through Memorial Day, summer traffic, Labor Day, there have not been head lines, that long line, people waiting beyond 20 minutes.

So I'll, again, just run through some of the points. One was maximize use of overtime for TSA officers. This was done through an allocation of funding, hiring back additional screeners to staff to meet demand.

So we actually have added, since May, 1,400 new transportation security officers. We've converted 2,000 from part-time to full-time.
So we are almost completely fully staffed at this point and have been for some time. Deployment of additional K-9 teams, K-9 teams are actually highly effective and efficient. And we've added 50 to 60 of those.

One of the points that Administrator Neffenger likes to talk about a lot is development of airport-specific plans targeting the nation's busiest airports.

So I'm sure you've heard this, that we set up what's called the Incident Command Center, the ICC. And that was really pulled together two or three weeks. And that is really now a daily call in collaboration between TSA, the airlines, and the airports. And that started with the top seven airports and has grown to 30 airports.

And, you know, I'm not involved in any of the operational calls, but I have heard, anecdotally, from everyone in the building that all three stakeholders really find it beneficial.

So if you think about it, you know, if we're
on that call, you're not just talking about what happened yesterday. You're talking about what's happening today, and then what's happening at a particular airport. If a particular airport, three days from now, they say, hey, you know, we're going to have a big rush of people, we, as TSA, can allocate resources locally to meet that demand.

Another one would be doing the research and development into technology that will increase passenger flow through security. I think, for those of you who joined the TSIF tour yesterday, I thought it was very well done. I think you saw that in the automated lanes along with other, you know, potential technology that we're looking at.

And the one I really want to spend much more time on is, and it's just a bullet, Secretary Johnson said we want to encourage travelers to enroll in TSA PreCheck. And that's very much what I and people that I work with do with all of you.

So on that note, let me just say that our industry partners, which is all of you and
others outside this room, really collectively
deliver hundreds of millions of advertising
questions that we would never be able to reach that
audience, not just in the targeted audience, the
number and the, you know, advertising budget
associated with that.

I'm almost embarrassed to say how much
it is, but I'll just say it's very modest. And the
stakeholder outreach and your partnerships
really are the foundation of our marketing efforts.
We have a paid out -- that really sits on top of
that.

So the more the industry supports the
TSA PreCheck is really because I think everybody
understands that a good airport experience sets the
tone for the traveler's entire journey and really
puts their customer in a more relaxed state of mind
and therefore more receptive to whoever the
suppliers' brand attributes are.

So in other words, it's good for
everybody's business, but it's also good for
national security. And that message, I think, has gotten through to all of our partners as evidenced by some of the things I'll talk about in a minute.

So if I just look within this room, and I'm just going to call out, you know, some of your contributions, Sabre alone will deliver about 100 million impressions for both Global Entry and TSA PreCheck through their TripCase app. And who uses a TripCase app? Business travelers. Who's our target market? Those who take three trips or more or, you know, the business traveler.

United has incorporated TSA PreCheck as a redemption item in their loyalty program. That is not something that's done just because somebody thinks it's a good idea. But those of you who've had any experience in loyalty programs, you know it's a P&L.

So you're taking the risk and having to buy at full rate. Because in the early discussion there was, oh, we need a discount, because we're going to fly a lot of these. And we say, we're
government, it's $85.

Fortunately, several companies have stepped up. And United is certainly one of them. United has done an incredible job in terms of targeting their mileage-plus base to actually carve out those frequent travelers who don't have known travel numbers but would be getting TSA PreCheck for free, so to speak, to really message out to them.

And a lot of the other airlines have done that as well. United's actually already agreed to show our new 30-second spot on their planes in 2017. They did that in 2015.

JetBlue, who is here, filmed a TSA PreCheck promotional video with their CEO, Robin Hayes. And Administrator Neffenger was there at JFK. It took actually 30 minutes.

I was a little upset, because when he sees how much we pay for a professional video, I think theirs isn't professional. And, you know, there is a little bit of a difference.

But the fact that JetBlue has that
program on their in-flight entertainment system, and this was explained to me by the JetBlue folks, it's what's called a roadblock. You can't go away from that. You have to watch it. It's 45 seconds. And it is, I am Robin Hayes from JetBlue, I'm Peter Neffenger, TSA. And it is a promotional video about, you know, why it's good for JetBlue customers, and really why it's good, you know, for the experience as well.

Carlson Rezidor Hotels and Hilton, have both included us in their redemption programs. So you can, for 10,000 points, redeem for TSA PreCheck.

And again, if you already have it, the beauty of being including in a royalty program is that you can gift it to others. So if I have it, but I've got lots of miles, I can offer it to my son-in-law.

So there's a couple of things. Number one, it's a gift that's actually relevant and valuable. Number two, it gives for five years.
And number three, I don't have to pay for anything out of my pocket, right, so just miles.

American Airlines is currently showing our 30-second video. American Express, VISA, and MasterCard, combined is about 12 credits, so like credit cards that offer a statement credit for TSA PreCheck and Global Entry.

Starwood Hotels are showing our 30-second video in 103,000 of their rooms in North America. And Enterprise, I'm happy to always say Enterprise was the first in the car category to offer TSA PreCheck in redemption items, and was going to, you know, work with Greg's group. They made it a point to say we are their only non-car redemption. And that's a big deal in the royalty space. So thank you all for that.

And again, obviously DMO's worked with us. They usually include us in content on their website and newsletters. If I left anybody out, it is not deliberate. Everyone has helped.

The other thing I just want to talk
about is in that point where Secretary Johnson says we want to enroll more people. Secretary Johnson and Secretary Pritzker co-signed a letter to the CEOs of the top 100 companies, top 100 companies ranked based on spending.

So again, you think about who our target is, it's frequent travelers. It's not the Fortune 100, although there's a lot of Fortune 100 in there. It's the top 100 corporations who spend the most, right.

So we've had significant conversations with 67 of them. Thirty-eight of them have expressed interest in mobile enrollments. A handful have actually changed their policy to show reimbursement. We've got a case study with Microsoft that's got 40,000 US-based travelers. And they reimbursed for everyone.

One comment, just an interesting side note, the way it came up was their CEO who is trying to expense TSA PreCheck was rejected. So as I spoke to TravelMatch, I said who was that person
that rejected it and when did they leave the building? I said, no, no, no. We're a very democratic organization.

It's because of that that we're having the conversation now. So those things are, you know, great examples of really getting to the target audience.

So given our experience, you know, since Memorial Day, and assuming you have the appropriate resources that are key, you know, I think we'll be positioned well to address 2017. But again, it's a function of resources. We'll certainly know coming up next week and for the Christmas holiday. I'm pretty confident about that.

So just a quick factoid about the month of October. In October, 96.7 percent of TSA travelers waited less than five minutes, 98.6 percent of standard line travelers waited less than 20 minutes. And that's probably fairly indicative of the last couple of months.
So just a quick update on TSA PreCheck in particular. You may have heard that we have surpassed the four million mark in enrollments. But I will say we don't like to talk about just TSA PreCheck. We like to talk about DHS Trusted Traveler program. So the number really is 12 million.

And I know different numbers get reported in the press, and 12 million is really the four million from TSA PreCheck, six million from Global Entry, and two million DoD, Department of Defense. So we're ingesting, we'll call it screened federal employees as well.

And yesterday we launched a planning tool on the website that advises travelers when TSA PreCheck lanes are actually open. And that may seem like a small deal, but obviously that shows that we are customer-focused. And we did that based on feedback that we got through social media channels.

So between AskTSA, which was launched
a year ago as a pilot, and you think about the world today, millennials, that's how they, you know, communicate, or Twitter, or Facebook Messenger. So we've been able to respond to that request. And I'm sure it's going to be very popular.

As mentioned earlier, you know, you all delivered the highest impact. But we also -- we measured that with an internal scorecard that we have. So we have been focused, at least in the last 12 months, specifically in four industry verticals, airlines, travel management companies, hotels, and banks.

But other foreign segments or associations, obviously, they have all helped us either in surveying, pushing out our content, both static and video. We're going to explore new opportunities going forward, hope to engage further with existing partners, if you will.

And one last thing, so we have a paid, a modest paid digital advertising campaign that ran from May through November. I will tell you, for
those of you who actually, in the advertising space, performance has been overwhelming.

I've put through the rate as two and a half times the industry average for display and about eight times the industry average on search. So we're very proud of that.

But at this point, we just want to turn on the video. I'm going to show you a 30-second spot that we just completed which is really targeting millennials. It's about 90 percent finished, and there are some obvious gaps in it. But I'm hoping that you like it.

And for those of you who have video opportunities, I hope that you will send me an email and say we'd like to, you know, serve this up on our site. So if you could play that. And I think it's very un-government-like.

(Video played)

MR. LIM: Okay, I want to thank Mary. You probably don't know this, but we filmed this in Dulles, at the lower level. And Mary has
dominant advertising at Dulles Airport in the streaming lane. And so when he's sitting with the cup of coffee, we were trying to go upstairs to try to find a place. And so it's your red couch, no Mary branding, right. And it looks like he's in an airport lounge. So thank you, Mary.

So that's all I have. I just want to thank all of you again for ongoing support. You really are our advocates and ambassadors for both TSA and TSA PreCheck. So thank you.

VICE CHAIR MCKEOUGH: Very quickly, I just want to affirm, as the airport operator in the room, all that he's just heard truly is working on most days. At Dulles Airport, there's more people being screened through PreCheck than there are regular security lanes. So congratulations.

MR. LIM: No, thank you. I mean, the setup at Dulles is great just because you've got a separate TSA PreCheck on, you know, various ---

VICE CHAIR MCKEOUGH: Right. We have --- it presents another challenge to us. But we'll
take that challenge. We'll figure it out.

(Laughter)

MR. LIM: Thank you.

CHAIR SPROULS: Thank you, David.

MS. CRAIGHEAD: So then, again, in keeping with the idea that there needs to be this kind of focus on continuity, about ways you can tap into your client market, one of the conversations with TPC about TSA was, you know, the operational standpoint of how you keep pace when David's great marketing campaigns are really successful, and how does that tie back to some of the staffing challenges that Steve and Sarah both mentioned?

So in the same vein, you know, we're all focused, at the TPC level, on visa processing, particularly in the key markets.

So we've got Deputy Assistant Secretary Ed Ramotowski to come talk about kind of the visa processing that he's looking at in Fiscal Year '17.

DEP. ASST. SEC. RAMOTOWSKI: Sure.

Thank you very much, Kelly. I'll be brief, a
a few more on where we might be going.

So Fiscal Year 2016, which ended September 30th for the government, we handled just shy of 11 million visas, visitor visas being issued. That represents about a one percent growth over the Fiscal Year 2015.

And part of that is due to the headwinds that Chris pointed out, the exchange rates and greater costs in traveling to the US. But part of it is also due, for a good reason, which is we went to the ten year visa in China in November of 2014.

And so instead of issuing visas to Chinese citizens year, after year, after year, we now issue the ten year visa. And so we don't need to see those people again for another decade. So that has cut into visa application growth in China.

Speaking of China, there's a record number of Chinese citizens with valid US travel documents now, 3.9 million. That's three times more than ever before in history. Those are
individuals with a valid visa who can travel to this
country, you know, tomorrow, if they so desire. So
it's up to the marketing people to convince them
to do that if they don't have a visa, obviously.

CHAIR SPROULS: That's not Ed's
problem anymore.

DEP. ASST. SEC. RAMOTOWSKI: Not yet, but I'll get back to that. And wait times, despite
a very challenging summer, have remained within the
executive order guidelines for the big four, which
is China, Mexico, Brazil, and India. That's about
48 percent of our total visa workload. They're all
in single digits now.

We had very good news out of India after
essentially years of effort trying to convince the
government of India to allow us to increase our
embassy and consulate staff in that country to deal
with increasing visa demand.

They finally agreed to do so. We have
approval to send 11 additional consulate officers
to India. One of them is already there. The other
ten are finishing up their training and will be there in early 2017.

A little bit about the Visa Waiver Program. As you know, Congress made some changes to the program to strengthen its security and restrict access for individuals who had traveled to certain countries, including Iran and Iraq.

This resulted in about a ten percent increase in US visa demand and about 50,000 additional visas issued, primarily in Europe, to individuals who, you know, represent no security threat but, because they had traveled to countries on that list, they could no longer come to this country under visa waivers.

That's manageable. A number of those visas were issued with significant time pressure. Because a generation of Europeans have grown up to expect that they can just travel to the US very quickly. But we've met that challenge.

There are waivers to the visa waiver restrictions. But they are somewhat complex, and
they're still being approved, personally, by the Secretary of Homeland Security. So our advice to everyone who asks is, if you have travel plans, and especially urgent travel, apply for a visa. And we're equipped to handle that.

We're also working with the E.U. Some of you know that parts of the European Union have been advocating a visa requirement for Americans traveling to Europe, because we do not treat all members of the E.U. equally under our Visa Waiver Program. A visa waiver is a bilateral program, and we do it country by country. And there are several E.U. members that are not part of that program.

We continue to work with both individual governments and also the E.U. leadership to convince them that that's not a good idea. And basically, all reasonable leaders seem to share that opinion. But there is a small minority that is still pushing for this.

We'll see what happens. We're not overly concerned about it. Because in the final
analysis, individual members of the E.U. can set their immigration policy bilaterally if they so chose.

So where are we going? What could happen now? Like my colleagues from Commerce and DHS, State doesn't have a Trump administration transition team yet. So we don't have anyone to interact with at this moment. But we're fully prepared to do so when they arrive.

And we will absolutely stress the importance of the Travel and Tourism strategy goal as a key goal of the Department of State. Secretary Kerry has been very supportive, and we expect the next Secretary of State, whoever that may be, to be equally supportive.

But I agree 100 percent with what John said in his opening remarks that there will be renewed focus on security. That's a given. And also not to forget about Congress because, while the new President-elect is from the tourism industry, there are indeed folks there who are
dusting off old projects and plans. And we need to be alert to that, and you all do as well.

Some of the things that could happen, you know, a federal hiring freeze would prevent all of us from doing our jobs to the best of our ability.

Veteran members of the Board know, but new members might not, that the US visa system is entirely funded by the fees we collect from the applicants. There is zero appropriated money and taxpayer dollars for the visa system. That's not true of the entire Department of State, but visas are run entirely off user fees.

Another major thing that isn't popular with some on the Hill is our Interview Waiver Program. That's a program approved also by DHS, and it's been in operation for several years now, where individuals renewing a visa, in other words, they've already been in the first time, they've had an interview, they traveled well, and they present no security risks, when they come to renew that visa, we waive the interview. And we don't make
them come to the embassy and have another interview.

Over one million visas were issued last year under that program. If it goes away, you know, one million more visa applicants dumped into the system is going to be a challenge for us and them. So we're watching that carefully.

Another issue of great interest to the incoming administration is deportation of criminal aliens. You may ask yourself, well, what does that have to do with tourism?

Well, some of the biggest sources of foreign tourists, China and India being the poster children, are uncooperative in taking back their criminal aliens, their citizens who have committed crimes here and have been ordered deported.

So there's a move in Congress, and there is existing law that would allow for visa sanctions to be imposed on countries that are uncooperative. So that's out there. The sanctions have been used. They were most recently used against Gambia earlier
this year. That's not a country that registers on the tourism side, but the principle of sanctions, you know, could be scaled up. So I put that out just as something to watch for.

Also some members of Congress or their staffs have said, you know, other ways to pressure countries like China would be to cut back on the reciprocity visa. And so we're going to watch for that as well.

It's been very helpful in doing our work to have the support of the industry and to have your input being heard on Capitol Hill, that you support efficient and effective security but not just security for its own sake. It's very important when security measures are discussed. What's the value added, for the same reason, and what's the impact going to be? So I'll put that out for your thoughts.

Finally, as veteran members know but, again, new members might not, we're delighted to host members of the Tourism and Travel Advisory
Board at our embassies and consulates abroad. So if you're traveling overseas, and you would like to see the business end of a US embassy, let me know. And with advance notice, we can set something up, and I think you would find that very enlightening to see how we handle visa work overseas.

So with that, I'll open it up to questions.

MEMBER GALLAGHER: Can I ask, do you know who our critics are in, our Congress members, about the Visa Waiver Program?

DEP. ASST. SEC. RAMOTOWSKI: Well, it's hard to say. You know, Senator Feinstein has never been a strong advocate of the -- there are very few who say just do away with it. It's usually we're going to add this, and we're going to add that.

And once you ladle on enough restrictions it becomes, you know, essentially the same as applying for a visa or even worse. So, for example, requiring people to give fingerprints
before they travel, there's no logistical apparatus in our embassies, and consulates, or anywhere else, quite frankly, that could collect 1,800 fingerprints in advance of traveling to the United States. So something like that, you know, it wouldn't end the program, per se, but it would make it almost impossible to administer.

And so, you know, there are immigration hardliners out there who have various proposals. Many of them may never see the light of day. But it's important to be vigilant and to, you know, I don't expect anybody to make a frontal attack on tourism for all the reasons you've said. It creates jobs, and it adds money to our economy.

But if you put on very onerous security restrictions that don't offer much value, it's going to have a negative impact in our ability to maintain service data.

So we are prepared to brief the transition team, and the new President, and members of Congress on the very intensive vetting that we
already do and show that, you know, security is job one for us.

But we're also watchful to see that other measures, that might not add much value but would add significant resource thoughts, are at least thoroughly discussed before they're approved.

MEMBER GALLAGHER: Thank you, Ed.

MEMBER BALESTRERI: Can I ask you a question, Ed?

DEP. ASST. SEC. RAMOTOWSKI: Yes.

MEMBER BALESTRERI: Maybe I don't want to be a lot of time here. The illegal whatever country they come from, they commit crimes, we put them in jail? We can now be giving them visas because their country won't take them back?

DEP. ASST. SEC. RAMOTOWSKI: No. Criminal aliens, after they commit a crime, they serve their sentence in the US, and they're ordered deported. Some countries ---

MEMBER BALESTRERI: What happens if
they don't take them back? What do we do?

DEP. ASST. SEC. RAMOTOWSKI: Well, that's the issue here. Existing law already allows for the Secretary of Homeland Security to impose visa sanctions on such countries in a way to coerce them to take back their criminals.

And some countries are more cooperative than others. China has not been cooperative in this area. And so it's an open question what is going to happen in the future.

Now, the Chinese, their attitude is wrong. They're obligated by international law and international convention to take back these people. The question is how best to get them to do it. You know, do you use the visa weapon, do you use other measures, you know? And that's an open question.

MEMBER BALESTRERI: Every task order is different?

DEP. ASST. SEC. RAMOTOWSKI: What?

MEMBER BALESTRERI: Cutting their
visas off is one of the first things.

DEP. ASST. SEC. RAMOTOWSKI: Which is why they don't use it that often, which is why it hasn't happened to China yet.

MEMBER BALESTRERI: Yes. I thought I heard you right. I just wanted to ---

(Simultaneous speaking.)

MEMBER ST. GEORGE: Actually, I'd love to have any insight you might have on what you think is going to be happening with respect to Cuba.

It's something that, at one point, was being talked about as far as the political agenda.

Obviously a lot of us have made a lot of investments in Cuba, including my friend, Mr. Morrissey. And I'm just curious, like, what the rumor mill is saying about that.

DEP. ASST. SEC. RAMOTOWSKI: It's at all ends of the spectrum and in between. My colleague is from the Economic Bureau at State. Have you heard anything?

There's nothing, so ---
MEMBER ST. GEORGE: Nothing.

MEMBER MORRISSEY: Just real quick on --- someone mentioned the electronic visa update system for China to -- enforcement starts November 29th.

I think the communication has been good with passengers between agencies, a little bit of a concern about the website, to enroll started a little bit late. And we don't yet know exactly how many --- whether the enrollment numbers are adequate.

So if I could just ask for sort of a little bit of a spotlight on this leading up to November 29th so we're not faced with, you know, an unexpected crisis of passengers showing up, not having enrolled, being denied boarding during a very busy holiday period.

DEP. ASST. SEC. RAMOTOWSKI: Yes. We're all concerned that we not fall flat on our faces with that. You know, DHS, and State, and our embassy in China have been doing a major outreach
effort.

You know, with any new policy and system, there's always a little turbulence at the beginning, same thing with the visa waiver changes in January. There were a lot of people caught short who had to go into an embassy on very short notice in order to get a visa, when for 20 years they had traveled visa waiver.

So, you know, we hear you on that. And we're making every effort with our agency colleagues to prevent that. Just by experience in past things, there will be a few people, hopefully not many, that don't get the memo.

MEMBER MORRISSEY: Anything we can do to ---

DEP. ASST. SEC. RAMOTOWSKI: Yes. And we appreciate ---

MEMBER MORRISSEY: -- get those numbers down.

DEP. ASST. SEC. RAMOTOWSKI: Exactly.

CHAIR SPROULS: So by way of wrap-up,
I would just ask Ken if he had any other comments with respect to the transition, et cetera, and how that might influence the work that moves forward.

ACTING UNDER SECRETARY HYATT: So just a couple of things, watching the time here, administratively, we are going to send back to you the responses to TTAB recommendations of the previous Board.

And they involve both Brand USA, Mike, some recommendations on Brand USA, and they also involve the part of the strategy which goes to encouraging Americans to see all that the US has to offer. We'll hand those back to you.

The recommendations that you sent in September are now being reviewed. And we will give you responses to those by, at the latest, this next TTAB meeting, okay.

Going forward -- I'm sorry, let's say at the earliest. Sorry, the earliest, not at the latest, sorry. Not many hours of sleep.

MS. CRAIGHEAD: And let me just talk on
that point. The letters that you've sent forward for the TPC's consideration at the end of October were shared with those agencies for that meeting. They are formulating their responses and could be to you as early as your next meeting or could be later.

ACTING UNDER SECRETARY HYATT: And then I think, in terms of sort of the work over the next couple of months, and I think I will just sort of repeat a little bit what was said before. I think that the group thinking about communicating the importance of tourism in the context of the security world, right, must be in the context of security, or it will not have great resonance.

So the economics, the importance of it, I think we should, again, comment on your view of the importance of the strategy and the utility potentially of revising it.

The one thing I would probably ask you not to do is say you'll revise it immediately, only because it's an interesting question about, in the
absence of senior politicals, whether it's plausible. Meaning a Secretary of Commerce might want to have a political under secretary before you revise. So I would be thoughtful about the when.

So I would suggest you opine on whether we should revise. But I'd be a little bit more open on the when, not to avoid the 90-day work that Isabel and I would have to do --

(Laughter)

ACTING UNDER SECRETARY HYATT: -- and every strategist. I'd be sensitive to that. I also think it would good for you to comment on the sort of TPC/TTAB, sort of the way the interagencies work, et cetera. Because I think that's another thing that a new administration won't necessarily know. And I think that would be good.

I would add something probably explicitly on Brand USA. Because we haven't talked about that. And it would seem to me that industry, opining on Brand USA, I think that's a good thing to add.
The last thing is, I think it's an interesting question what the subcommittees do other than that larger level thinking. And maybe we'll send you some additional thoughts.

But one thing would be, as opposed to try to deliver specific recommendations in the next three months, it might be, again, sort of stepping back and doing almost a "where are we on this," right? You know, what's the situational analysis of where we are. But maybe we'll give you some additional direction.

And I would say two other final pieces. For your information, we have also created a senior level, at each agency we will have a very senior level contact.

But while we're waiting for a new Tourism Policy Council, I'm the senior person at Commerce. There is a senior person at DHS, Michelle is at State. And so we're going to have a senior level career, essentially skeleton of a TPC.

And we should just think about whether,
when, how we use that. But that's, again, something to think about. And again, I just think we should stay close as we communicate transition, et cetera, et cetera.

And then the final thing I would just say is, again, thank you to Kelly. Because I think this will be the last TTAB where you are. So again, at a personal level, I remember interviewing you. And I see a couple of people here I also did as well. So, you know, you get to make these good decisions in government, like some of these hiring decisions. This was a good one. So just thank you for everything you've done.

(Applause)

MR. THOMPSON: So if you could allow me just to comment on that last point, for a government that does not have a tourism minister, and long to have contemplated that need, and then creating the National Travel and Tourism Office, and creating an executive director position who's -- I know I'm probably simplifying this and maybe understating
it, but who's responsible for implementation of the Travel and Tourism strategy across the whole of government, and as importantly representing the government of the United States as a de facto tourism administrator at the highest levels of Cabinet level people all around the world, and having been privileged to be at her side and actually watch her in that capacity, she's performed amazingly.

And it's really filled a void that we have not had, I mean that we've had in the past, and along with any number of accomplishments as it relates to things that we've already identified, that position is, as you originally contemplated it, I don't know that it could be filled any better. So thank you for everything you've done.

CHAIR SPROULS: Thank you. So for the Board, I do agree with Ken's comments. I think, over the next 90 days or so until we get to our next meeting, the best thing we could do as a Board, and within the subcommittees, or just even as
individuals, is a couple of things.

One, start to think about the strategy and those areas that we need to be focusing on. We don't necessarily need recommendations coming up in the next 90 days.

So I do think we need to see who is selected for the various roles, who are the people, how do we get to them, and see the reception that we get when we start to have those conversations about how active we can be in this administration and how fast they're looking for something from this Board and from this industry.

The second thing I would suggest is all of us have our own contacts with respect to government, whether it's, you know, in Congress, et cetera. I would start to have those conversations and start to remind those people, your congressman, your senators, et cetera, that there's a new administration.

But all those conversations we've had over the last five, six, eight, ten years with
respect to our industry, nothing's going to change, even though the administration is changing with respect to our industry.

And so start to lay the groundwork so that, as we figure out the best way forward, both as a Board and as an industry, you'll have teed them up. They'll know what you're going to say when you show up in their office.

Because I think that has been, from my opinion, the most effective way our industry has been able to influence what happens in terms of travel and tourism, is by taking all of us here, all the folks in US travel, and going and visiting our representatives and senators, and telling them this is important to us, and helping them understand why this industry is important to them and to our country, and also that you can combine national security and economic impact, and they don't have to be mutually exclusive.

So I would ask you all, if you're going to spend time other than celebrating the holidays,
is make a phone call, or make a visit, and get people
to understand that we're going to come talking to
them once we understand exactly the way forward.

And what we will try to do, as an
executive committee, Greg, and Margaret, and I,
working with Commerce, is as soon as we can
understand those things that we need to do. We'll
talk to U.S. Travel, we'll involve Brand USA. And
I'm sure there's going to be a letter. Because,
Bruce, you're right, letters are awesome.

But in addition to the letter, there's
going to have to be, you know, physical presence
and meeting with people as soon as we can figure
out who they are, both the folks that are going to
be appointed, and also the folks who are going to
be the movers and shakers. The sooner we find out
who that is, and we get in and talk to that person,
the more likely we are that we would get the
attention that we need, and we'll be able to have
the impact that we need.

So we will commit to getting, as
information flows, getting it out to everybody on
the committee as quickly as possible and also most
likely calling on you, some individuals. As we
understand who is, as we understand who may be
influencing things in Congress, we may need your
help to make a visit on Capitol Hill to start having
conversations with people that you already know
through your business contacts.

MS. CRAIGHEAD: I would only ask that,
that as you're organizing your visits and your
calls, that if there is a parallel track, and to
build on Sarah's idea, meet with the senior career
points of contact, have calls. Because they are
going to be operating this agenda while everything
else shorts out.

CHAIR SPROULS: They're going to be
running, exactly. So great. So Greg, Margaret,
I don't know if you guys have anything you wanted
to add.

VICE CHAIR STUBBLEFIELD: No.

MS. CRAIGHEAD: And I think this is
your last meeting as well. So, on behalf of the whole Board and the leadership team, we wanted to say thank you to you as well for all your support and accomplishments.

CHAIR SPROULS: Thank you.

(Applause)

CHAIR SPROULS: Okay. Well, in that case, we are adjourned. Thank you, everybody, and happy holidays.

(Whereupon, the above-entitled matter went off the record at 11:34 a.m.)