

UNITED STATES OF AMERICA

DEPARTMENT OF COMMERCE

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U.S. TRAVEL AND TOURISM ADVISORY BOARD

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MEETING

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FRIDAY

NOVEMBER 18, 2016

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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

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MARY MOTSENBOCKER, International Tourism
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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 SCHLUTER, 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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P-R-O-C-E-E-D-I-N-G-S

(9:34 a.m.)

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

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1 we have to make sure that we don't lose sight of
2 the fact that the new administration is not going
3 to have a clue what the TTAB is.

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

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

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

18 And, Margaret, thank you in particular
19 for the world class entry experience I had today.
20 I landed from Dhahran, Saudi Arabia, about an hour
21 and a half ago and was welcomed, and everything went

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1 very, very smoothly. So again, congratulations.
2 And my colleagues at DHS are here somewhere. So
3 thank you again for a great experience.

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

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

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

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1 dramatically different.

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

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

14 And I think you're exactly right that
15 you will need, you will need to describe to the new
16 administration, what the TTAB is. I think we're
17 going to have to --- I don't know, right, 7.6
18 million jobs supported by travel and tourism. I
19 think the case will need to, again, be
20 re-emphasized about the importance of travel and
21 tourism.

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1 But I think it'll be -- you as a group
2 need to continue to be the partner you have been
3 to us all the way through, right. Because the
4 accomplishments, I think, that have been achieved,
5 you were great advisors all the way through.

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

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

21 You're going to be great advocates to

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

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

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

20 MS. CRAIGHEAD: Thanks. Well, and
21 it's, I mean, I do think it's a testament that Ken

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1 has been in the Middle East all week and, what, you
2 flew 17 hours to be here?

3 ACTING UNDER SECRETARY HYATT:
4 Something like that.

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

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

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1 government? Yes.

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

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

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

21 CHAIR SPROULS: Please do.

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1 MS. CRAIGHEAD: Thank you. Okay.
2 So, you know, I think one of the probably -- one
3 of the important points is that we're here today
4 because of the political will.

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

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

17 And I get it, reading and flipping,
18 you'll have to bear with me. You know, obviously,
19 all the way along the way the private sector has
20 played an incredibly invaluable role, first in
21 providing the advocacy for the creation of Brand

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1 USA and then again, in many ways, including through
2 the TTAB where your voice was an instrumental part
3 of having input to not only the creation of the
4 strategy but kind of the individual strategies that
5 have resulted in success so far at this stage.

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

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

17 With a kind of ambitious goal in place,
18 there was a focus on five different areas that we
19 could do this work. Promoting the US, enabling and
20 enhancing travel, and providing a world class
21 customer service experience has been where we've

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1 really spent a tremendous amount of time on the
2 program's initiative, in addition to the data piece
3 and just the through thread of how we're able to
4 do our business with one of the benefits of having
5 a president decide that travel and tourism is a top
6 priority for his administration, both the impetus
7 for how high level, senior, cabinet-level
8 officials reinvigorated a Tourism Policy Council.

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

15 So we've had tremendous success since
16 this started in 2012 in each of these areas.
17 Again, I don't want to read through what you've
18 already received. But I think from a, kind of,
19 where we are now standpoint, I think it's important
20 to know that one of the greatest accomplishments
21 is that, in each of the top ten markets, both for

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1 visitation and spend, so it was 11 altogether, we
2 have comprehensive, whole of government tourism
3 plans in place with our embassies.

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

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

18 In the area of enabling and helping
19 travel, and this track really is close to what Bruce
20 and his committee -- is where you've seen so much
21 of the advances.

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1 And I think really from the perspective
2 of the conversation at the last TPC, it was because
3 there was the ability to look at national security
4 and economic security as complimentary and not
5 competing, always recognizing that security is
6 most important.

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

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

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

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1 arrivals process.

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

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

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

21 Extending visa validity with China from

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1 one to ten years, that has gone from having a
2 million visas to four million visas, is another
3 terrific example of where we can and did work
4 collaboratively with the private sector to
5 understand barriers and to put in place creative
6 solutions.

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

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

18 On providing a world class customer
19 service, again, this is all possible because the
20 interagencies of the federal government have to
21 come to come together, and have to work together

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1 is moving against the President's agenda.

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

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

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

21 And again, you know, the underlying

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1 point is the fact that there was the impetus for
2 agencies to work together on things that weren't
3 necessarily their immediate first priority.

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

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

20 And the fact that there was now the
21 authority to participate internationally with a

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1 person helped really elevate the stature of Travel
2 and Tourism in the international group.

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

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

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

21 But really, as we came to the end of the

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1 Obama administration, it was in reflection that we
2 were not necessarily on track to reach the goal that
3 I think Ken Hyatt made up, of 100 million ---

4 ACTING UNDER SECRETARY HYATT: Made
5 up, no.

6 MS. CRAIGHEAD: -- by 2021.

7 (Laughter)

8 MS. CRAIGHEAD: Very scientific.

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

12 (Off microphone comments)

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

18 So as we went into the last few weeks,
19 we did it with the recognition that there are 5
20 million visitors out there that we're not on a path
21 to get, but we want to.

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1 So I want to pause on this. I'm going
2 to ask Chris to go through his presentation. Then
3 I'll come back and talk about what, in light of
4 that, the principles of the TPC made in terms of
5 recommendations for the next administration.

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

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

16 And many of the accomplishments that
17 Kelly has already talked about and others that
18 she'll bring up have been a direct result of this
19 leadership. And then that's being translated into
20 actual --- and I have said on many occasions I have
21 had the privilege of being in the destination

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1 marketing space for 35 years.

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

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

16 The tourism policy gaps, when I first
17 got here, and they explained to me that we actually
18 have a tourism agency body, that's chaired by the
19 Secretary of Commerce, that brings all the agency
20 heads across the government together to talk about
21 tourism, and struggle a little bit to find purpose,

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1 or whatever, you know, the agenda.

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

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

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

19 But it also gives us a chance to
20 actually pause, because this policy was brought
21 into existence in 2012, it was a goal that was

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1 supposed to be reached in 2021. We've been laser
2 focused on it. And what I'm going to show you is
3 our recent iteration of how to get to that goal of
4 100 million international visitors by 2021.

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

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

18 So I'm going to kind of lay out the
19 situational analysis. This is, thanks to our
20 great friends at NTTD that gave us the numbers, this
21 is the projection of arrivals to 2015 and the

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1 forecast there which, I don't know, is it a final
2 number yet or still a number and forecast? But
3 it's 77 and a half million.

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

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

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

21 And the forecast in 2015 shows that

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1 Canada is actually down ten percent. So when you
2 have --- when you're down ten percent in the market
3 that's contributing most to the numbers of
4 visitors, it's actually tough.

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

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

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

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1 place.

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

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

11 So when you look at the forecast, and
12 in particular how that looks across all markets,
13 so in 2015 numbers, the overseas numbers were up
14 9.9 percent. Canada, as a specific market, not
15 overseas, is down ten percent. Mexico,
16 interestingly, even with the currency exchange, is
17 up nearly eight percent. Total growth is 3.3
18 percent.

19 The targets that we were trying to hit,
20 in order for us to hit the 2021 goal, for this year,
21 2015, was 4.2 percent. So we didn't get there. So

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1 that makes our challenge even more significant as
2 we look beyond 2015.

3 When the goal was set in 2012, get to
4 100 million, the initial target compounded annual
5 growth was 4.6 percent. So obviously, we have had
6 some years of results since then.

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

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

20 And it's actually a really, really good
21 model. And what it does is it says, all right, with

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1 that end goal of 100 million, how are you going to
2 get there based on all these factors and headwinds
3 that are affecting that?

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

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

14 But what you'll see here that's
15 interesting is Canada was clearly our number one
16 market for a very long time. But because of the
17 currency exchange, it's actually coming back down
18 to Mexico, while Mexico has been on an upward path.
19 And they're even projecting, at some point in time,
20 maybe this year or next, that Mexico could actually
21 pass Canada as far as actual numbers.

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1 So when you look at everything else
2 other than Canada in our path to 100 million
3 visitors, this is what the rest of it looks like,
4 the UK, and Japan, and then all the rest. And this
5 line right here is China.

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

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

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1 percentage that each of those countries contribute
2 to that total of getting to 2021.

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

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

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

19 I think the number of 100 million is
20 still a really good number. It's very
21 aspirational. And I think it's a nice round

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1 target. It's going to take us longer to get there.

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

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

17 The plan is sound, the foundation of
18 support, the public/private partnership, this is
19 being a personification of the public/private
20 partnership with TPC being a personification of the
21 public/private partnership, the fact that we're

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1 all laser-focused on goals, and we're all rowing
2 in the right direction.

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

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

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

18 (Off microphone comments)

19 ACTING UNDER SECRETARY HYATT: I'm
20 sorry.

21 MS. CRAIGHEAD: I think we'll do

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1 questions all at the end --

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

4 MS. CRAIGHEAD: -- of the section.

5 CHAIR SPROULS: Yes. At the end, yes.

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

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

21 Two, in light of the headwinds and the

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

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

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

19 And so it's really in that context that
20 we look at kind of both at the beginning, is travel
21 and tourism a priority? Yes. Is the strategy

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1 helpful? Yes. And have we accomplished a great
2 deal? Absolutely. And I think you have a copy of
3 those accomplishments in detail.

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

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

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

21 And not only that, but in terms of its,

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1 you know, the five focus areas and the parts, the
2 strategy overall, the idea of us trying to get to
3 100 million, if not by '21 as soon as we can, how
4 we're going to get there, and all of the pieces that
5 fall below it, whether it's enhancing visas, et
6 cetera, et cetera, et cetera.

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

16 If we don't get the opportunity to have
17 the conversation, then all the other work that we
18 might do is going to fall short. So I'm going to
19 open the floor for a conversation. And it's really
20 not a conversation, because what we're going to do
21 between now and our next meeting is try to put some

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1 meat on the bones of how we do all of those things,
2 how we get to the administration.

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

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

18 So get them aware of what we do, and then
19 help them understand, from a TTAB point of view,
20 these are the things that are important to our
21 industry. These are how we would like you to think

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1 about them. These are how we would like you to
2 continue the work of the TPC, and the National
3 Travel and Tourism Office, to effectuate those
4 goals which ultimately are still about 100 million
5 visitors.

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

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

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

19 And it's just standing in front of the
20 right person who, obviously, we don't know who that
21 person is. But I think that having Isabel being

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1 able to help us to get there, and you, whoever else
2 sitting in front of that person and getting that
3 message across. This is what we did, this is what
4 propose in the future, and this is what travel and
5 tourism does for this country.

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

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

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

20 So it's pretty simple. It's not
21 capital intensive in the point of view of needing

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1 incremental capitol for infrastructure and things
2 like that.

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

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

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

18 So we've got to figure who in the
19 administration we need to talk to to make sure they
20 understand that Day 1, so that things don't start
21 rolling downhill before we even have a chance to

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1 explain that. Look at the program, don't look at
2 what it's called.

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

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

14 CHAIR SPROULS: Yes.

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

19 I will be transitioning the next
20 Commerce team, right. I'll be meeting in the next
21 -- because I'm also going to stay.

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1 MEMBER RAMUDO: Wonderful. So we have
2 two of the best men.

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

6 CHAIR SPROULS: Absolutely.

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

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

17 We're the largest retail employers in
18 the world, hotel and restaurant. We have more
19 minorities, more women, more entrepreneurs, more
20 upward mobility. And then you have the five
21 industries all put together. And we take care of

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1 the neediest of America in upward mobility without
2 taking one government subsidy.

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

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

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

18 CHAIR SPROULS: No, I agree. I think
19 there's enough career folks around in all of the
20 different areas that have been through this, and
21 have seen this invested, and have understood the

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1 argument. And first you have to understand the
2 argument.

3 MS. HILL: Right,

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

11 MS. HILL: No, exactly.

12 CHAIR SPROULS: That's not ---

13 MS. HILL: Exactly, exactly.

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

21 MS. HILL: Right.

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

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

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

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

20 CHAIR SPROULS: Correct.

21 MS. HILL: -- those of you in

1 public/private partnership and to have the
2 external stakeholders that ---

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

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

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

18 But I would not, and I don't think
19 anyone is, take it for granted. We could go back
20 to a place where, you know, there is an attitude
21 of not invented here and all of that. We need to

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1 continue that close collaboration with government
2 and particularly with the Secretary of Commerce and
3 the President.

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

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

14 So establishing our position as a
15 private sector advisor and encouraging that whole
16 of government approach, that has characterized the
17 last term or two of the TTAB, will be an
18 extraordinary accomplishment worth pursuing. And
19 I think it absolutely is essential that we make the
20 argument that we want to continue that as early as
21 we can.

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1 We can talk about when that moment is
2 when the new Secretary of Commerce is appointed,
3 perhaps even back a little earlier with the
4 transition team. But I suspect we'll have a name
5 soon. But I'd like to get in front of that person
6 to make a case for the TTAB as early as we can.

7 CHAIR SPROULS: I agree.

8 MEMBER PRIMROSE: I'd like to go back
9 to something Chris said, whether it's on the goal,
10 100 million, I love that number too, and I don't
11 think we should walk away from it, personally.

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

19 CHAIR SPROULS: Yes. I think, in
20 terms of the overarching priority, unfortunately
21 I don't think we have enough time to then dig into

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1 how that affects all the different pieces of the
2 strategy. And I think that's what we will,
3 hopefully within the subcommittees, do over the
4 next several months.

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

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

20 MEMBER BALESTRERI: I keep thinking
21 two to four years, 100 million. I think that 30

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1 million people, show a chart, 30 million people
2 come in, and how many votes rise, jobs, benefits,
3 just show them the value of that. You bring in 30
4 in your administration, and here's what's going to
5 happen.

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

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

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

21 MEMBER BALESTRERI: Well '20, it's the

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1 end of his administration, supposedly, four years.
2 So we kind of coincide. I mean, you know, give him
3 a goal.

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

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

14 MEMBER GALLAGHER: Right.

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

19 MR. THOMPSON: So of the 100 million
20 people, how many of them are going to go through
21 the airport, most of them, right?

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1 MEMBER GALLAGHER: Well, except for
2 the ones that are driving over the border.

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

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

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

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

12 FEMALE PARTICIPANT: 60/40, about.

13 CHAIR SPROULS: Yes, 60 drive, 40 fly?

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

20 And with the Delta-Aeromexico
21 partnership being approved and how many can get off

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1 the Mexico City gate, I think we'll see more low
2 cost carriers fly from the US to Mexico. So I think
3 that number might take care of itself from, you
4 know, the air perspective.

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

8 MEMBER BECKER: Right.

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

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

14 (Simultaneous speaking)

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

19 And the feedback I'm getting from my
20 Mexican offices right now are very concerning.
21 Despite the recent agreement that was signed,

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1 travel agents, tour operators on the ground, are
2 very, very concerned about sending people to Los
3 Angeles and to America until this is all kind of
4 straightened out.

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

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

16 MEMBER DAVIDSON: Yes. I just want to
17 draft up off of what you said, Ted, and several,
18 actually, of the comments that have been made. I,
19 you know, when I recall the development of the
20 strategy back in 2012 and the President very
21 graciously giving the Department of Commerce and

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1 Interior 90 days to come up with a plan ---

2 (Laughter)

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

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

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

21 Because it's the folks that are sitting

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1 up here that are in those career positions that
2 we're all talking about that are going to bridge
3 us, from a federal government standpoint, to the
4 Trump administration.

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

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

18 ACTING UNDER SECRETARY HYATT: The
19 phone will ring.

20 MEMBER DAVIDSON: Yes. You know, and
21 when that happens, I could see you, and maybe Roger

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1 Dow, and Chris sitting down with that individual,
2 kind of like I was able to when Secretary Pritzker
3 was appointed, and talk about the priorities, you
4 know.

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

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

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

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

20 Instead, I think maybe I'd flip the
21 process and go to them and talk about the success

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1 of the strategy, the importance of the industry,
2 and then use this as a means to say, but we think
3 it warrants being revisited and look forward to
4 working with you to do that.

5 CHAIR SPROULS: Let us help you do
6 that.

7 MEMBER DAVIDSON: Yes.

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

12 MEMBER DAVIDSON: Oh, no.

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

21 MEMBER BALESTRERI: I think you'll

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1 have a lot less resistance now because of the Houses
2 are all controlled, and they want to show success.
3 And this is the easiest product, the least
4 controversial product to get through as fast as
5 possible.

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

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

15 CHAIR SPROULS: Correct.

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

21 I think you've hit on a point though

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1 that he and we should not overlook -- and that is
2 the fact that it shouldn't just be TTAB carrying
3 that ball. There are other partners that want and
4 need the same thing, obviously U.S. Travel, and
5 whether it's U.S. Travel Board, or the CEO,
6 Council, and other partners.

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

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

20 You know, whether it was to get Brand
21 USA authorized, re-authorized, et cetera. It's

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1 been attacking it from multiple priorities so
2 people can figure out that everybody in our
3 industry is on the same page. So we have to
4 continue to do that.

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

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

14 CHAIR SPROULS: Correct.

15 MEMBER BALESTRERI: That's your
16 problem.

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

19 MEMBER BALESTRERI: No, that was it.

20 VICE CHAIR STUBBLEFIELD: I agree
21 wholeheartedly that we have to coalesce together.

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1 I think one of the key things that's happened over
2 the four years is the 90-day message that the
3 administration said in 90 days we need X, Y, and
4 Z from you, okay. And so that was a forced movement
5 over a short period of time.

6 And I think, through this process, the
7 100 million is a great goal. And whether it's in
8 2021 or 2023, I think arguing that today is
9 confusing, okay. Because the administration, job
10 one is for us to educate them that this industry
11 is aligned, and it's working.

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

21 But we want to make sure we don't take

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1 any steps backward over that period of time. And
2 who would be the facilitator of making sure all the
3 stakeholders are in concert, if you will, over that
4 period of time, as opposed to, you know,
5 misalignment in terms of who everybody's talking
6 to and how they're doing it, but a very in concert
7 way of making sure we do job one.

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

10 (Laughter)

11 CHAIR SPROULS: -- it wouldn't be a bad
12 idea, as we go to the administration, is not only
13 convince them of, I think, what we've been talking
14 about, but tell them if you want to give us another
15 90 days we'll give you a revised strategy. We'll
16 be happy to show you this industry works and what
17 it does.

18 MS. CRAIGHEAD: So, John, I'm in and
19 out of my 25-year career, I've spent some time in
20 politics. And, you know, I think I agree with Brad
21 that, like no one's in this alone. Part of the kind

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1 of process of transitioning administrations is a
2 tremendous amount of work has already gone on from
3 the federal partner side of the effort.

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

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

19 But some of the specificity, part of,
20 you know, having strategy not launched until 2012,
21 it would take a lot of time to fill these jobs. And

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1 that's why it would be essential to kind of have
2 the top line narrative.

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

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

17 MS. HILL: Can I build on that a little
18 bit and amplify what Todd was saying? Because I
19 think that, when we wrote the strategy, there were
20 sort of two approaches. One is we've got 90 days.
21 Let's go in the back room, write a strategy, send

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1 it out to all the agencies, let them clear it and
2 be done.

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

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

15 But I do think that it is important to
16 pause for a moment until some of the leadership
17 comes, not only in Commerce but in some of those
18 agencies. Get them early on when they're coming
19 in, talk to them, but in terms of the government
20 strategy and getting the government agencies to sit
21 around the table, I think there really is

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1 significant value in the process of having them go
2 through it themselves.

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

6 CHAIR SPROULS: Sure.

7 MS. HILL: Oh, one other thing.

8 CHAIR SPROULS: Okay.

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

14 We've done some of this internally,
15 looking at about 2022, I think we come up at 2023.
16 But I think it really helps to have the intelligence
17 looking at some of the things you're saying when
18 you're concerned about Mexico, looking at the
19 qualitative and quantitative kind of information
20 that you have to come to some consensus idea of what
21 you think a good growth rate to project would be.

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1 MR. THOMPSON: And we've done the same.
2 I mean, we projected out. And I think we end up
3 close to the same place as far as what that goal
4 should be.

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

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

17 They have us so much further ahead than
18 we ever were prior to this. And that's just my
19 outside perspective looking in but are formed by
20 the relationships that we have, that I have, and
21 that my colleagues have, you know, in the agencies.

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1 It's a great place to be.

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

5 MS. HILL: Yes.

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

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

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

14 MS. HILL: That was 12 years ago.

15 MEMBER BALESTRERI: That's a pretty
16 good climb.

17 MS. HILL: Well, I think one of the
18 things about the projections of growth rates is
19 that it's cumulative. Because you're going off of
20 a bigger base. If you increase 17 percent, then
21 next year is from a higher base. So I think that

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1 we find that those longer term projections have a
2 ---

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

5 CHAIR SPROULS: All right.

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

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

10 (Laughter)

11 (Simultaneous speaking)

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

20 But the only problem is if we start to
21 get into individual pieces, we'll be here all day.

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1 And I apologize for cutting you off. But if we
2 don't stay where we're going, we're never going to
3 get there.

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

6 CHAIR SPROULS: Yes.

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

10 CHAIR SPROULS: I think it's both.

11 MEMBER CHARENDOFF: Both, okay.

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

16 MEMBER CHARENDOFF: Yes.

17 CHAIR SPROULS: Which may or may not
18 coincide with something from U.S. Travel, et
19 cetera. And we'll try to figure that out in the
20 next week or two, A. B, taking our lead from Ken
21 and from others, who are the people we need to speak

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1 to and when can we meet with them so that we can
2 start the dialogue at a good level.

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

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

19 And that's where I think the
20 subcommittees are going to be critical, in terms
21 of digging down, lowering down, getting into the

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1 details, looking at the numbers, figuring out
2 whether is 21 is not doable, what is it, and what
3 do we want to recommend. Is 100 still the right
4 thing.

5 But first, we've got to make sure that
6 this administration understands what's here. And
7 that's what I want to do in the next 90 days. Okay?
8 All right, so I have to apologize again to Mike for
9 cutting you off.

10 (Simultaneous speaking)

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

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

18 And one of the important considerations
19 of the Tourism Policy Council that met at the end
20 of October was ensuring continuity of operation to
21 really recognize that, you know, Thanksgiving, to

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1 Christmas, to the peak summer travel season, that
2 we had a set of priority or initiative areas in ten
3 different regards that should be maintained while
4 the transition was taking place.

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

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

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

21 So now I think we're going to start kind

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1 of at that high level. And Deputy Assistant
2 Secretary Sarah Morgenthau is here from DHS. And
3 I think, Sarah, you're starting.

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

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

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

21 But I think it might make sense to have

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1 some of you come in and speak with our Deputy
2 Commissioner and our Deputy Administrator at TSA,
3 who are both career folks, so that we can make sure
4 that the priorities are communicated.

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

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

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

19 And I did just write a note too, to a
20 career person who's been working on the transition
21 at the Department and just letting him know could

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1 we have some of you guys come in. So I think
2 there's a lot of avenues.

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

8 (Laughter)

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

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

18 First, we strengthened, for example,
19 this waiver program, including the changes
20 required by law. We've successfully partnered
21 with credit card companies and within airlines to

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1 promote a live reimbursement for traveler from
2 enrollments.

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

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

18 Developed CBP's resources and
19 optimization strategy based on three pillars,
20 workload, staffing model, business
21 transformation, and public/private partnerships.

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1 Improved CBP's National Targeting Center's
2 ability to identify and prevent travel of
3 individuals when they pose a risk to the United
4 States, and created 17 airport-specific action
5 plans for the National Travel and Tourism strategy.

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

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

17 A couple of weeks ago, Secretary
18 Johnson announced the opening of negotiations with
19 an additional nine countries and 11 airports to
20 expand trade clearance, which is a big priority for
21 him. And this is on top of the nine nations and

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1 ten airports we now, after the 2014 pre-clearance,
2 open season.

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

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

17 Looking forward to summer 2017,
18 currently DHS and other federal agencies are only
19 funded through December 9th, 2017. Congress is
20 debating extending funding and are currently in
21 duck session. Congress appears to be coalescing

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1 around a plan that extends funding through March
2 2017 rather than what would be the end of our next
3 fiscal year.

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

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

19 Both President Obama and Secretary
20 Johnson have sent a clear message that we'll do
21 everything in our power to make sure that the new

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1 team is ready to hit the ground running on their
2 first day.

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

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

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

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

21 Shortly thereafter, we find out that

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

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

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

18 So to the extent there are things that
19 we need to be supporting as individual companies,
20 or U.S. Travel, et cetera, we need to know that.
21 I think that was the reason behind my requirements.

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1 DEP. ASST. SEC. MORGENTHAU: Right.
2 And I think, John, that's, you know, a good reason,
3 to get you guys in and talk to the CBP folks
4 directly.

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

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

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

17 We've been operating on basically some
18 current resolutions, year, to year, to year for as
19 long as I've been in government. What that does
20 is it doesn't allow for plans long-term. You know,
21 you guys are in business, and you understand that.

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1 We have a capital allocation, we've got
2 to fund it. You can't fund it if you're just
3 spending the same as you spent last year, that you
4 spent the year before, that you spent the year
5 before.

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

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

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

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1 debate over the past year.

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

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

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

18 Do I think we're going to have the
19 budget? Yes. But a lot of the recruiting that we
20 did over the previous year, we need Congress to stay
21 onboard and continue to help us along in order to

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1 be able to do it for next summer.

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

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

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

20 So, you know, again, we've appreciated
21 all your support. Sarah, I think, had an excellent

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1 point about putting you guys together with Deputy
2 Commissioner McAleenan who, I think, many of you
3 already know. But he'll be the lead, from CBP's
4 standpoint, going forward.

5 CHAIR SPROULS: Thanks.

6 VICE CHAIR MCKEOUGH: I have a
7 question.

8 CHAIR SPROULS: Sure.

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

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

17 And, John, you know, I mean, the other
18 things that the new, you know, CBP Commissioner and
19 the DHS Secretary has had to wrestle with too, and
20 we don't know how it's all going to play out, is
21 we recently had to deploy, you know, a number of,

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1 you know, more border patrol folks out to the
2 borders, because of this immigration and the sense
3 of what's going to happen, and what's going to
4 happen in the next administration. So, of course,
5 there's many, you know, competing balances on the
6 next DHS Secretary, frankly.

7 CHAIR SPROULS: Okay. Thank you, Sarah.

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

10 (Off microphone comments)

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

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

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1 glad that others are sticking around.

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

6 CHAIR SPROULS: Thank you, Steve.

7 David?

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

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

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

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1 performance behavior.

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

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

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

19 So we actually have added, since May,
20 1,400 new transportation security officers.
21 We've converted 2,000 from part-time to full-time.

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1 So we are almost completely fully staffed at this
2 point and have been for some time. Deployment of
3 additional K-9 teams, K-9 teams are actually highly
4 effective and efficient. And we've added 50 to 60
5 of those.

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

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

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

21 So if you think about it, you know, if we're

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

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

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

20 So on that note, let me just say that
21 our industry partners, which is all of you and

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1 others outside this room, really collectively
2 deliver hundreds of millions of advertising
3 questions that we would never be able to reach that
4 audience, not just in the targeted audience, the
5 number and the, you know, advertising budget
6 associated with that.

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

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

20 So in other words, it's good for
21 everybody's business, but it's also good for

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1 national security. And that message, I think, has
2 gotten through to all of our partners as evidenced
3 by some of the things I'll talk about in a minute.

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

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

18 So you're taking the risk and having to
19 buy at full rate. Because in the early discussion
20 there was, oh, we need a discount, because we're
21 going to fly a lot of these. And we say, we're

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1 government, it's \$85.

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

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

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

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

21 But the fact that JetBlue has that

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

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

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

19 So there's a couple of things. Number
20 one, it's a gift that's actually relevant and
21 valuable. Number two, it gives for five years.

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1 And number three, I don't have to pay for anything
2 out of my pocket, right, so just miles.

3 American Airlines is currently showing our
4 30-second video. American Express, VISA, and
5 MasterCard, combined is about 12 credits, so like
6 credit cards that offer a statement credit for TSA
7 PreCheck and Global Entry.

8 Starwood Hotels are showing our
9 30-second video in 103,000 of their rooms in North
10 America. And Enterprise, I'm happy to always say
11 Enterprise was the first in the car category to
12 offer TSA PreCheck in redemption items, and was
13 going to, you know, work with Greg's group. They
14 made it a point to say we are their only non-car
15 redemption. And that's a big deal in the royalty
16 space. So thank you all for that.

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

21 The other thing I just want to talk

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1 about is in that point where Secretary Johnson says
2 we want to enroll more people. Secretary Johnson
3 and Secretary Pritzker co-signed a letter to the
4 CEOs of the top 100 companies, top 100 companies
5 ranked based on spending.

6 So again, you think about who our target
7 it, it's frequent travelers. It's not the Fortune
8 100, although there's a lot of Fortune 100 in there.
9 It's the top 100 corporations who spend the most,
10 right.

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

18 One comment, just an interesting side
19 note, the way it came up was their CEO who is trying
20 to expense TSA PreCheck was rejected. So as I
21 spoke to TravelMatch, I said who was that person

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1 that rejected it and when did they leave the
2 building? I said, no, no, no. We're a very
3 democratic organization.

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

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

16 So just a quick factoid about the month
17 of October. In October, 96.7 percent of TSA
18 travelers waited less than five minutes, 98.6
19 percent of standard line travelers waited less than
20 20 minutes. And that's probably fairly indicative
21 of the last couple of months.

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1 So just a quick update on TSA PreCheck
2 in particular. You may have heard that we have
3 surpassed the four million mark in enrollments.
4 But I will say we don't like to talk about just TSA
5 PreCheck. We like to talk about DHS Trusted
6 Traveler program. So the number really is 12
7 million.

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

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

21 So between AskTSA, which was launched

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

6 As mentioned earlier, you know, you all
7 delivered the highest impact. But we also -- we
8 measured that with an internal scorecard that we
9 have. So we have been focused, at least in the last
10 12 months, specifically in four industry
11 verticals, airlines, travel management companies,
12 hotels, and banks.

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

19 And one last thing, so we have a paid,
20 a modest paid digital advertising campaign that ran
21 from May through November. I will tell you, for

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1 those of you who actually, in the advertising
2 space, performance has been overwhelming.

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

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

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

18 (Video played)

19 MR. LIM: Okay, I want to thank Mary.
20 You probably don't know this, but we filmed this
21 in Dulles, at the lower level. And Mary has

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1 dominant advertising at Dulles Airport in the
2 streaming lane. And so when he's sitting with the
3 cup of coffee, we were trying to go upstairs to try
4 to find a place. And so it's your red couch, no
5 Mary branding, right. And it looks like he's in an
6 airport lounge. So thank you, Mary.

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

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

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

20 VICE CHAIR MCKEOUGH: Right. We have
21 --- it presents another challenge to us. But we'll

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1 take that challenge. We'll figure it out.

2 (Laughter)

3 MR. LIM: Thank you.

4 CHAIR SPROULS: Thank you, David.

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

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

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

20 DEP. ASST. SEC. RAMOTOWSKI: Sure.
21 Thank you very much, Kelly. I'll be brief, a

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1 couple of brief points on where we are, and then
2 a few more on where we might be going.

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

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

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

18 Speaking of China, there's a record
19 number of Chinese citizens with valid US travel
20 documents now, 3.9 million. That's three times
21 more than ever before in history. Those are

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1 individuals with a valid visa who can travel to this
2 country, you know, tomorrow, if they so desire. So
3 it's up to the marketing people to convince them
4 to do that if they don't have a visa, obviously.

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

7 DEP. ASST. SEC. RAMOTOWSKI: Not yet,
8 but I'll get back to that. And wait times, despite
9 a very challenging summer, have remained within the
10 executive order guidelines for the big four, which
11 is China, Mexico, Brazil, and India. That's about
12 48 percent of our total visa workload. They're all
13 in single digits now.

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

19 They finally agreed to do so. We have
20 approval to send 11 additional consulate officers
21 to India. One of them is already there. The other

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1 ten are finishing up their training and will be
2 there in early 2017.

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

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

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

20 There are waivers to the visa waiver
21 restrictions. But they are somewhat complex, and

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1 they're still being approved, personally, by the
2 Secretary of Homeland Security. So our advice to
3 everyone who asks is, if you have travel plans, and
4 especially urgent travel, apply for a visa. And
5 we're equipped to handle that.

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

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

20 We'll see what happens. We're not
21 overly concerned about it. Because in the final

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1 analysis, individual members of the E.U. can set
2 their immigration policy bilaterally if they so
3 chose.

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

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

16 But I agree 100 percent with what John
17 said in his opening remarks that there will be
18 renewed focus on security. That's a given. And
19 also not to forget about Congress because, while
20 the new President-elect is from the tourism
21 industry, there are indeed folks there who are

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1 dusting off old projects and plans. And we need
2 to be alert to that, and you all do as well.

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

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

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

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1 them come to the embassy and have another
2 interview.

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

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

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

17 So there's a move in Congress, and there
18 is existing law that would allow for visa sanctions
19 to be imposed on countries that are uncooperative.
20 So that's out there. The sanctions have been used.
21 They were most recently used against Gambia earlier

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1 this year. That's not a country that registers on
2 the tourism side, but the principle of sanctions,
3 you know, could be scaled up. So I put that out
4 just as something to watch for.

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

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

19 Finally, as veteran members know but,
20 again, new members might not, we're delighted to
21 host members of the Tourism and Travel Advisory

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1 Board at our embassies and consulates abroad. So
2 if you're traveling overseas, and you would like
3 to see the business end of a US embassy, let me know.
4 And with advance notice, we can set something up,
5 and I think you would find that very enlightening
6 to see how we handle visa work overseas.

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

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

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

18 And once you ladle on enough
19 restrictions it becomes, you know, essentially the
20 same as applying for a visa or even worse. So, for
21 example, requiring people to give fingerprints

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1 before they travel, there's no logistical
2 apparatus in our embassies, and consulates, or
3 anywhere else, quite frankly, that could collect
4 1,800 fingerprints in advance of traveling to the
5 United States. So something like that, you know,
6 it wouldn't end the program, per se, but it would
7 make it almost impossible to administer.

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

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

19 So we are prepared to brief the
20 transition team, and the new President, and members
21 of Congress on the very intensive vetting that we

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1 already do and show that, you know, security is job
2 one for us.

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

8 MEMBER GALLAGHER: Thank you, Ed.

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

11 DEP. ASST. SEC. RAMOTOWSKI: Yes.

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

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

21 MEMBER BALESTRERI: What happens if

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1 they don't take them back? What do we do?

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

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

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

18 MEMBER BALESTRERI: Every task order
19 is different?

20 DEP. ASST. SEC. RAMOTOWSKI: What?

21 MEMBER BALESTRERI: Cutting their

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1 visas off is one of the first things.

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

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

7 (Simultaneous speaking.)

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

11 It's something that, at one point, was
12 being talked about as far as the political agenda.
13 Obviously a lot of us have made a lot of investments
14 in Cuba, including my friend, Mr. Morrissey. And
15 I'm just curious, like, what the rumor mill is
16 saying about that.

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

21 There's nothing, so ---

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1 MEMBER ST. GEORGE: Nothing.

2 MEMBER MORRISSEY: Just real quick on
3 --- someone mentioned the electronic visa update
4 system for China to -- enforcement starts November
5 29th.

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

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

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

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1 effort.

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

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

14 MEMBER MORRISSEY: Anything we can do
15 to ---

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

18 MEMBER MORRISSEY: -- get those
19 numbers down.

20 DEP. ASST. SEC. RAMOTOWSKI: Exactly.

21 CHAIR SPROULS: So by way of wrap-up,

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1 I would just ask Ken if he had any other comments
2 with respect to the transition, et cetera, and how
3 that might influence the work that moves forward.

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

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

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

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

21 MS. CRAIGHEAD: And let me just talk on

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1 that point. The letters that you've sent forward
2 for the TPC's consideration at the end of October
3 were shared with those agencies for that meeting.
4 They are formulating their responses and could be
5 to you as early as your next meeting or could be
6 later.

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

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

19 The one thing I would probably ask you
20 not to do is say you'll revise it immediately, only
21 because it's an interesting question about, in the

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1 absence of senior politicals, whether it's
2 plausible. Meaning a Secretary of Commerce might
3 want to have a political under secretary before you
4 revise. So I would be thoughtful about the when.

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

9 (Laughter)

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

17 I would add something probably
18 explicitly on Brand USA. Because we haven't
19 talked about that. And it would seem to me that
20 industry, opining on Brand USA, I think that's a
21 good thing to add.

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1 The last thing is, I think it's an
2 interesting question what the subcommittees do
3 other than that larger level thinking. And maybe
4 we'll send you some additional thoughts.

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

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

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

21 And we should just think about whether,

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

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

14 (Applause)

15 MR. THOMPSON: So if you could allow me
16 just to comment on that last point, for a government
17 that does not have a tourism minister, and long to
18 have contemplated that need, and then creating the
19 National Travel and Tourism Office, and creating
20 an executive director position who's -- I know I'm
21 probably simplifying this and maybe understating

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1 it, but who's responsible for implementation of the
2 Travel and Tourism strategy across the whole of
3 government, and as importantly representing the
4 government of the United States as a de facto
5 tourism administrator at the highest levels of
6 Cabinet level people all around the world, and
7 having been privileged to be at her side and
8 actually watch her in that capacity, she's
9 performed amazingly.

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

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

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1 individuals, is a couple of things.

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

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

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

20 But all those conversations we've had
21 over the last five, six, eight, ten years with

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1 respect to our industry, nothing's going to change,
2 even though the administration is changing with
3 respect to our industry.

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

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

20 So I would ask you all, if you're going
21 to spend time other than celebrating the holidays,

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1 is make a phone call, or make a visit, and get people
2 to understand that we're going to come talking to
3 them once we understand exactly the way forward.

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

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

21 So we will commit to getting, as

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

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

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

20 VICE CHAIR STUBBLEFIELD: No.

21 MS. CRAIGHEAD: And I think this is

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1 your last meeting as well. So, on behalf of the
2 whole Board and the leadership team, we wanted to
3 say thank you to you as well for all your support
4 and accomplishments.

5 CHAIR SPROULS: Thank you.

6 (Applause)

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

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

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