

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

The Travel and Tourism Advisory Board

July 13, 2012

8:30 a.m. - 10:30 a.m.

Dearborn, Michigan

The Dearborn Inn

Reported by: Shalaan K. Fisher, CSR 2284  
Reliance Court Reporting  
(313) 964-3611

1	TABLE OF CONTENTS	
2	SPEAKERS:	PAGE
3		
4	Todd Davidson, Chair	3
5	Dr. Rebecca Blank	9
6	Ken Hyatt	16
7	Hubert Joly	27
8	Ed Ramotowski	56
9	Robin Hayes	42
10	Susan Kurland	60
11	Laura Mandala	48
12	Rossi Ralenkotter	46
13	Douglas Smith	28
14	Gilliland	75
15	Robert Lynch (In place of Stephen Perry)	70
16	Maryann Ferenc	65
17	Robert Lynch	23
18		
19		
20		
21		
22		
23		
24		
25		

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Dearborn, Michigan

Friday, July 13, 2012

8:30 a.m.

- - -

MR. DAVIDSON: Well, I'm going to --  
just my quick rewind is to -- I want to be here, sure,  
and publicly thank all those that stepped up to our ship  
of seven committees and you are already at the meeting  
conference. You are already doing the work to keep our  
initiative moving forward outside of our regularly  
scheduled quarterly meetings. That's the legacy of this  
Board; it is a working Board. It is an engaged Board.  
None of us here will -- to add anything, because we truly  
believe, we help the people for this nation's economy.  
We do that through our Congress within the U.S. Travel  
and Tourism Industry. We are also blessed to have some  
dynamic federal partners who support us, actively engaged  
with us. You may recall, you know, last week when we  
were together, the Discover American Pow-wow, I made a  
comment having just returned from Japan and hoping that  
we could help, you know, move this idea of global entry  
reciprocity with the Japanese government forward. I said  
that in my opening remarks. We followed that with the  
objections. By the time we got down to Douglas, who if  
you don't know is the Department of Homeland Security, he

1 had already texted the Homeland Office and commented they  
2 should -- if it wasn't already in, they should find a way  
3 to feed this into the President's comments when he met  
4 with Prime Minister Noda that week, he did and those  
5 remarks were included and on Monday, Douglas -- Monday  
6 following their summit, he emailed me in the Minutes that  
7 and that President Obama President Noda had a reciprocity  
8 kind of support.

9 United States has not been resting on  
10 its laurels, either. I mean, I'm hearing all kinds of  
11 reports about how China, under a week, they processed 25%  
12 more visas to date than they did last year at this time.  
13 If I were to -- M-Visas have been -- I'm sure have been  
14 even more updates. As we move forward, they developed a  
15 50 States Promotional Campaign in the Department of State  
16 specifically designed to drive traffic, to drive  
17 U.S. Discover got coming. So, federal agency direct  
18 literally U.S., a non-profit direct marketing  
19 organization moving forward. I just could not be more  
20 excited for our work. It is just amazing energy. There  
21 is a lot of energy.

22 As we move forward, I want to make sure  
23 I've provided some information that will continue to be  
24 useful to you and continue to do that. So, as we move  
25 forward to do -- we will continue to start hearing

1 updates from our federal partners, but also start hearing  
2 subcommittees all informed of the work that's occurring  
3 there, here, as familiar with the opportunity to discuss  
4 those action plans as we discussed, as we -- too, I want  
5 to make sure, I -- (inaudible) -- USA, all of you are  
6 aware that Jim Evans has stepped down as CEO of Brand  
7 USA. Jim is an incredible CEO, great start-up guy for  
8 that corporation, help build the corporation, key  
9 organization. They are now in a period of transition.  
10 Carol Wallace, CEO of Visa, California Tourist commits --  
11 has assumed the role of Interim Director. She made it  
12 very clear, she was also selected Board Chair of USA  
13 Board. She has no desire to serve as both roles. I  
14 know, she told the group, they should be planning her  
15 farewell party. She's only going to be there for a  
16 couple months. To move this transition, they are  
17 undertaking an executive search, and so, we will all have  
18 the opportunity to stay informed on that as it moves  
19 forward, but I have great confidence, you don't know  
20 Carol Wallace. I have amazing confidence in Carolyn's  
21 abilities focused on the processes internally and  
22 relationships with Congress, Department of Congress and  
23 Commerce and our other federal agencies. She is very  
24 committed to fund raising. She is well aware the clock  
25 is ticking on this two for one match opportunity we have.

1 By the way, I would reinforce, again, to  
2 this group, it is an opportunity for us as TTAB to get  
3 that message out about opportunities to reference this  
4 match before September 30th, when we have this two for  
5 one match. So, anything you could do within that  
6 corporation, remember, we all represent constituents as  
7 FTTI. We are all representing constituents, have an  
8 opportunity to -- them to have opportunities to help  
9 reference supported brands of USA. Carol has also led  
10 the team, so, to what, I believe, some of you may be  
11 aware of already, comments and questions from  
12 Senator DeMint and a few other Senators regarding the  
13 commencers and at Brand USA. There were questions that  
14 have been raised. Carolyn has led that team in  
15 responding professionally, thoroughly, transparently and  
16 even deadlocked two Senators' comments. So, we are still  
17 waiting to hear back that Carolyn is going to be able to  
18 move that process forward and navigate any of the  
19 concerns that are there for the Senator and for any of  
20 his colleagues to (inaudible).

21 They also had great success in their  
22 initial launch of their advertising campaign, so, you  
23 know, early they launched three, VA, Canada and in Japan.  
24 What I've been told so far is intent to visit, you  
25 measure pre-launch and post-launch. Intent to visit in

1 Japan is now 59% to 67%. In the U.K., it is 51% to 57%.  
2 Canada found -- is in process right now. I don't have  
3 those views in Canada in terms of "intends to travel,"  
4 but if you look at some of the deeper subtle measures  
5 that already have been captured, we are seeing 5% to 11%,  
6 12% positive swings in, like, American Team Adventure,  
7 welcome in Werner (sic), Jetica (sic) (phonetic) may with  
8 limited possibilities, a place that has something for  
9 everyone.

10 So, we are seeing swings in 5% to 12% in  
11 terms of their image. This is an associated campaign.  
12 So, we feel very, very positive about the message of  
13 going to places on our behalf, truly increase and  
14 branding an umbrella campaign, all be in position in  
15 product destinations. Underneath, I'm very excited about  
16 it. 1.6 million care for people, 660,000 visitors on  
17 discover.com sends the launch of the advertising  
18 campaign, 14,000. Donald's land -- Treatsong (sic) is  
19 over 450,000 views on the Discovery American U-Tube  
20 Channel. There they have already 64,000 Facebook and  
21 following them on Twitter. Again, there is an another  
22 opportunity for TTAB to encourage our customers as well  
23 as our constituencies to engage with Brand USA on Twitter  
24 and help build that infrastructure as well. It is really  
25 awesome to be able to share these kinds of numbers with

1       you as a result of these 360 days of -- (inaudible) -- so  
2       far increasing.

3                       I would like to add a personal note of  
4       professional congratulations to Jenna, because Jenna as  
5       you may know now has been promoted to Director to Office  
6       of Advisory Counsel.

7                       Jenna, we are incredibly proud of you,  
8       working with you.

9                       (All in attendance clapped.)

10                      It is now my pleasure to turn the  
11       microphone to someone who is not a stranger to many of  
12       us. She has always worked the room and introduced  
13       herself to all of us, so, it is my pleasure to turn the  
14       microphone over to Dr. Blank.

15                      Dr. Blank is serving as Secretary to the  
16       Department of Commerce, and she is no stranger to that  
17       role. I let Dr. Blank -- when I served on the previous  
18       Advisory Board and under (inaudible) leadership and we  
19       were presenting our final batch of recommendations to the  
20       Secretary and Secretary Locke who has just been appointed  
21       recently to become Ambassador to China, Dr. Blank has  
22       assumed the role of that Secretary and was very engaged,  
23       very well briefed. She just knows, you will know and  
24       appreciate the role of Travel and Tourism Advisory in the  
25       U.S. and we are very honored to have you with us,



1 Dr. Blank; welcome to the Travel and Tourism Advisory  
2 Board.

3 DR. BLANK: Thank you.

4 Get this out of the way. It is  
5 dangerous.

6 Let me just start by saying, thank you  
7 to everyone here on the Board. I know, you have been  
8 doing excellent amount of work. We have been tutting  
9 (sic) together, travel and tourism strategy, folks, at  
10 the center and back, and I know, you do this -- well, we  
11 don't do it for pay, and I don't know, you don't do it  
12 for the wonderful meals and meetings that, that's coming  
13 to you, too. You come here because you are really  
14 committed to this whole area.

15 So, thanks for all your involvement, for  
16 what you have done and what you are going to do.

17 As some of you know, my dad actually  
18 spent, you know, 25 to 30 years in the travel and tourism  
19 industry, so, I sort of -- I -- it's really fun to be  
20 part of Commerce when we are writing travel and tourism  
21 strategy and drafts. I mean, I'm not sure, they expected  
22 me to take and -- and do a lot of realtime edit, so --  
23 But I hear a lot about this issue, and I'm delighted to  
24 see this ability, that it's getting even a -- Too few  
25 people in this country understand and realize the

1 importance of travel and tourism to our economy and  
2 that's one of the main messages that we, at Commerce,  
3 have to get out with your help. So, it is great to be  
4 here, in Dearborn. As a Commerce Congressman said, "I'm  
5 sort of at home." I spent almost ten years at University  
6 of Michigan. My daughter was in grade school. We came  
7 out to Henry Ford at least two or three times a year. It  
8 is so much fun to come here. I'm glad you all had a  
9 chance to visit. Come back. I know, you have a full  
10 agenda with a lot of stuff, full committee reports. Let  
11 me be relatively brief. Let me apologize in advance.  
12 I have to be over at the Grand Opening of our first  
13 satellite of U.S. Patent Office, in downtown Detroit.  
14 I'm going to be leaving mid-morning for that.

15 As you know, the strengthening of the  
16 economy and creating more jobs is the number one priority  
17 of President Obama, and all of us in the administration,  
18 we have had 28 straight months of private sector job  
19 growth and created 4.4 million new jobs, but we have a  
20 lot more work to do for our economy to get back to the  
21 same level of growth that it is at for -- and a group and  
22 levels of growth and activity that we really want to say,  
23 you know, "We really are back where we should be." One  
24 of our strongest sectors and it is one of the reasons I  
25 think that our activities of this area are paying so much

1 attention is the travel and tourism industry which does  
2 continue very strongly and playing a key role in economic  
3 growth and job region. So, I'm pleased to announce today  
4 that in May, this is the new date that has just been  
5 released; international spent nearly \$14 million in  
6 travel and tourism-related activities within the U.S.  
7 That's \$1 million, 8% more than in May of last year, and  
8 it marks 28, 29 straight months of growth in that data.  
9 That also means that you are on pace for a record setting  
10 year with international visitors having spent over  
11 \$68 million so far, up 12% here in the last year. We  
12 have already also recently announced that the actual  
13 amount of actual visitors to the U.S. is up from last  
14 year as well as those, again, are widespread: Eastern  
15 European visitors up 13%, African visitors up 20% and  
16 Asia up 26%. So, a time when a lot of U.S. industries  
17 are growing more slowly, tourism is really one of the  
18 high road, bright spots in the economy, that it's clear,  
19 that's one reason why we need to be moving forward with  
20 Brand USA and all of the earth, you -- all of you talked  
21 about in subcommittees yesterday, this is one of our  
22 clear national strengths. We have to find out how we  
23 build on that strength to help businesses create more  
24 just, therefore, work we are doing today is as important  
25 as anything that we have. I hope that all of you are as

1           excited as I am there for the potential where the  
2           National Travel and Tourism Strategy can lead.

3                       President Obama charged us with a goal  
4           that is ambitious and reachable, the 100 million annual  
5           visitors spend \$250 billion annual dollars in the U.S. by  
6           2021. I know when I first heard about that goal, I said,  
7           you know, "How crazy is this?"

8                       MR. HYATT: We are.

9                       DR. BLANK: I know. I don't mind  
10          ambitious goals. I want a goal. At least, you can do  
11          right and at least, you can do that, and you know, we  
12          talk some about it and it's intense, "We really can't do  
13          this!"

14                      Here is how you can put the numbers  
15          together. This is something not -- you know, there is no  
16          question that it will take work and focus on the part of  
17          many of us in the room and it is something I think, we've  
18          got and can be waiting for some -- I know, some register  
19          stress free, grossly, five elements promoting U.S. by  
20          encouraging travel and tourism from abroad as well as  
21          engaging more Americans to travel, enhancing travel and  
22          tourism increase with which visitors are greeted. The  
23          U.S. State Department is involved in that progress and  
24          offering greater in consumer service and visitors'  
25          experience to achieve a higher rate of customer

1 satisfaction. Coordinating cross agencies isn't -- to  
2 make the most of the federal government to the sourcings  
3 and I do say, I think, we are more doing some of that  
4 coordination much better than we have in the past, you  
5 know, as the strategy is moving forward.

6 Finally, measure the results such as the  
7 intent to travel that I talked about. That will empower  
8 all of us to talk about, you know, what we are doing, why  
9 we are doing it and what the successes are coming out of  
10 it. So, before I turn the floor over to Ken, and the  
11 others, let me hone in on the issue of exports. You all  
12 know what most people don't realize, that for visitors,  
13 increase America exports, because they are foreign  
14 respondents' goods. That's the definition of "exports,"  
15 especially for tourism. Tourism translates to reduce  
16 trade deficit and increase in export dollars. Everyone  
17 knows that, but almost no one else does realize the  
18 strategy.

19 I was doing some press interviews and it  
20 is always -- I sort of use that line, increases in  
21 foreign to tourism means foreigners find exports. That's  
22 good for U.S. You always get the journalists on the Hill  
23 on the other end of -- on the radio saying, "I never  
24 thought about it."

25 You know, it is something, you actually

1        need to talk about. It is an education. You need to be  
2        doing one of our priorities at the Commerce Department  
3        as, again, I heard about the -- go with the National  
4        Export Initiative. National Export Initiative said, the  
5        goal in 2009 is to double exports by 2014, and we have  
6        already made very strong progress on that last year. We  
7        had an all time record of \$2.1 million in U.S. exports  
8        and our services exports reached \$606 billion with travel  
9        and tourism-related exports representing one-fourth of  
10       that, biggest part of services exports. Most important,  
11       you have seen a number of exports that supported job  
12       increases by \$1.2 million between 2009 and 2011. This is  
13       one of the real drivers of the job growth given the  
14       economic slowdown in Europe and where it's going to be  
15       challenging growing as strongly, exports growing as  
16       strongly in the next year. That's time and energy in  
17       national tourism strategy, because this is one of the  
18       ways we can achieve not just one of the goals of travel  
19       and tourism strategy, but as well, by increasing foreign  
20       tourism even in the face of challenges such as the  
21       current crisis, tourism crisis.

22                    In addition, the work we are doing at  
23       TTAB is going -- in addition to the work as doing -- as  
24       house counsel going as federal government, it is our room  
25       that does the coordination across government.

1                   Next week, I'll be Chairing a meeting of  
2                   that council where the council agencies are going to  
3                   present updates on their progress and implementing the  
4                   "national strategy" in their agencies. They will then  
5                   organize Senators to what you have done here and then  
6                   focus on the strategy and we are going to pin down very  
7                   specific amendments from each agency as we move forward  
8                   in order to meet our goals. So, federal government side,  
9                   I hope, we will be working in close partnership with you  
10                  by September. Our expectations in each agency is going  
11                  to be action plan complete with deadlines and e-defined  
12                  metrics that's going to take us through the next fiscal  
13                  year, so, we will know what the federal government is  
14                  doing and how that will coordinate with the efforts of  
15                  you and other groups. It is critical of the groups that  
16                  all the subcommittees, boards that which have a lot of  
17                  overlapping interests work together.

18                         So, again, thank you in advance for what  
19                         you are going to do.

20                         Oh, thank you for being here in  
21                         Dearborn. Thank you for all the conversations in the  
22                         work moving forward. We all know how important travel  
23                         and tourism is for our economy and all we need to do is  
24                         get that message out to everyone out there who is not --

25                         So, let's be about doing that.

1 Thank you.

2 (All in attendance clap.)

3 MR. DAVIDSON: Dr. Blank, thank you,  
4 again, for joining us this morning in the Commerce by  
5 trade.

6 You've got to love her. She makes it  
7 all really understandable for those of us who are not in  
8 Commerce.

9 Thank you, Dr. Blank, for being here,  
10 for your enthusiasm.

11 And Mr. Hyatt, I will turn it over to  
12 you for you to go into more detail for us. So, how the  
13 National Travel and Tourism --

14 MR. HYATT: Great!

15 I'm happy to be here. I'm sorry, I  
16 missed many of you at the international pow-wow. I am  
17 given a choice by my wife attending the important  
18 personal meeting to which she needed to go which would be  
19 currently quarter of my marriage is very good about  
20 communicating to me, travel and tourism is the most  
21 important part of my life. I did not get actually to the  
22 pow-wow, so, I'm delighted to be here, back in the  
23 saddle, so to speak. So, let me give you just a brief  
24 update on both the strategy and also, the various  
25 activities of Commerce to travel and tourism interests.



1 Dr. Blank mentioned that travel and  
2 tourism is 25% service exports. I'm allegedly  
3 responsible for all the service exports. The reality is  
4 that I spend at least 75% of my time on travel and  
5 tourism. Those other services seem never to get much  
6 attention, but nevertheless, three, four or five  
7 different parts I'd likely -- just briefly, one, the  
8 implementation strategy, obviously, individual agencies  
9 continue to work implementing strategy; even while people  
10 are writing out section plans, you are going to hear  
11 around the table various activities which are under way.

12 We are meeting next Friday with a  
13 Tourism Council Meeting. For those of you who don't  
14 know, the Tourism Policy Council is this  
15 inter-governmental policy council that coordinates the  
16 activities of various agencies, and I think, leads  
17 strategically the efforts of the federal government. We  
18 have four working groups which, I think, mirror parts of  
19 what you are doing, ease of travel, more promotion,  
20 research. We are creating a new group, "Visitor Services  
21 Group" to pick up that part of "national strategy" and I  
22 think, what is most important is that as we staff the  
23 chair positions of those various groups, the people who  
24 volunteered were very senior people from around the  
25 government. So, Suzanne is going to be

1 Co-Chair and Douglas is going to be Co-Chairing. A  
2 number of Under-Secretaries are Co-Chairing and this is  
3 again, very light to us to see that the level of focus  
4 and the level of senior focus remains very high on this,  
5 because as you know, the strategy is an interesting  
6 document, but it is implementation of strategy is what it  
7 is all about. So, I think, from our perspective, we are  
8 seeing a very high level of energy and very high level of  
9 momentum to drive this forward, very committed about  
10 this.

11 Sitting in the meeting yesterday, the  
12 intersection about what a TTA Meeting will do and how it  
13 will feed into that, I think, it is again, the energy,  
14 enthusiasm. It is there. It is a strategy.

15 Second, we are as many, spending a  
16 tremendous amount of time in Commerce working on  
17 Brand USA. I think that coordination between Brand USA  
18 and the federal government continues to improve. We put  
19 in place over the last couple of months government-wide  
20 calls where different agencies are talking with Brand USA  
21 about what Brand USA's plans are, making coordinations,  
22 working very well with Carolyn as she assumes this  
23 interim CEO role. We have been working very closely with  
24 them on the development, or I should say, the  
25 finalization of some of the policies or contributions.

1       They came to us about four weeks ago with a set of new  
2       ideas, new marketing programs, asking, "How would you  
3       guys value these? How would these contributions be  
4       considered?"

5                       And over the past couple of weeks, with  
6       the assistance of a number of people from around the  
7       room, I think, we are at the final stage on those drafts  
8       and back and forth. Even we went back and forth even  
9       this morning and so, I think that Brand USA by Monday of  
10      next week will be able to come out with some final  
11      policies and I know, people have been remembering working  
12      on this. In addition, we are in the process of the  
13      appointments and/or reappointments of the four -- of four  
14      Board seats for Brand USA which will turn over in  
15      September of this year. We had a Federal Register Notice  
16      which again, some of you might know closed Tuesday of  
17      this week, three of the current Board Members asked to be  
18      reappointed, of course, very seriously considered their  
19      applications and we are likely to move very quickly to  
20      make the decisions about appointments, reappointments as  
21      expeditiously as we can and President Blank will make  
22      that decision with Department of State and Homeland  
23      Security. We are moving forward on those appointments.

24                      Third, this survey which again, I know  
25      some people are going to talk about later, the airline

1 survey, the in-flight service and let me give you an  
2 update on what we are doing with it; obviously,  
3 recognizing the importance of data and research, some of  
4 you might know, I used to be manager and consultant on  
5 sort of like, data and research. One of the things that  
6 we are exploring is, "Are there more technologically  
7 efficient ways of gathering the data in the survey?"

8 People survey is still a paper document  
9 handed out in a Departure Lounge, and people are filling  
10 them out in Departure Lounges and/or home planes.  
11 Obviously, as these developed, there is this question  
12 around and as the I-Pad developed, "How do we use  
13 technology to dramatically increasing data efficiency?"

14 It has efficiency benefits, but also,  
15 sample size potential benefits.

16 We are testing, starting within a week  
17 or two, the delivery of the survey through smart phones,  
18 through I-Pads, et cetera. We have taken it in both,  
19 English and in German. They've agreed to test it on a  
20 number of flights. Starting in two weeks from now, we  
21 will begin to explore how more effectively this  
22 technology can gather information. This is, again, a  
23 step, but it is really not the answer to the research  
24 problem, and so, we will -- I think, I will sort of say,  
25 we are delighted to be working with you on this issue and

1 I'll leave it to Rossi to talk a little bit about the  
2 TTA Meeting, what the role of TTA is going to play, but  
3 we are, again, looking forward to collaborating on a more  
4 fundamental rethinking of "What are the data research  
5 needs? What are the most effective ways to gather that  
6 data?"

7 Let me -- I'll sort of defer to you to  
8 talk about it a little bit more.

9 I guess, finally what I would just say  
10 is Dr. Blank was modest in her contribution to the  
11 strategy. I think, we, on the travel team, are delighted  
12 that she is now taking this forward, and also, I did  
13 offer to let her look at the strategy, you know, certain  
14 odd things that some very, very senior government  
15 officials do in which they say, "Don't wait until it is  
16 done to show it to me. I want to see it early so that I  
17 can have input into it, and then can actually change the  
18 direction of the strategy," and you know, I sent her an  
19 electronic copy, and again, you know, a time sheet, was  
20 not that busy, Deputy Secretary of Commerce, but what  
21 came back was a document with notes along columns with  
22 strategic advice about how to conceptualize the strategy.  
23 Of course, we had long conversations on the data itself,  
24 but I guess, what I am trying to communicate to you is  
25 her understanding of this, her commitment to this will

1 be, I think, an extraordinary benefit. I speak  
2 personally and for the team. We are delighted, and I  
3 think, all of us should be delighted that we will be  
4 working with Secretary Blank, that and -- and that will  
5 be my uptake.

6 MR. DAVIDSON: Thank you.

7 Any quick questions for Ken, so, we can  
8 complete --

9 MS. MATTHEWS: I think, more than a  
10 question is common for Dr. Blank, in addition, Ken.

11 MS. BLANK: In addition, thank you  
12 for what you are doing for the industry. There is an  
13 initiative that charges for services provided by the U.S.  
14 Commercial services abroad is going to increase between  
15 150% to 175%. I know that's one of the things my company  
16 does is trade missions for the state of Florida and used  
17 also for states all over and these services are mainly  
18 used by small businesses. Needless to say, that will  
19 impact travel and tourism as when these companies are not  
20 expending their services abroad, travel and tourism will  
21 be impacted. So, I just wanted you to be, you know,  
22 cognizant of that and it will affect travel and tourism.

23 MR. HYATT: I'll just say a word about  
24 that, so, our domestic service officers who work with  
25 companies to build exports continues to be completely

1       available to companies. We charge our foreign service,  
2       their commercial officers with this as well. If they are  
3       working on certain kinds of projects where someone comes  
4       to them and says, "Can you help us with this trip?"  
5       there are some charges that go in place. This -- I have  
6       to say, this is a -- purely a budget issue. We are in a  
7       situation where we are asked to do more and more, and we  
8       have less and less money to do it with and you are going  
9       to see this across the government of, you know, some  
10      place we are charging for services. I would wish that we  
11      were not doing that, and I do understand your concerns,  
12      but you know, it is unfortunately where we are.

13                   MS. BLANK: Yes.

14                   MR. DAVIDSON: Thank you very much.

15                   Next on agenda, we have a report from  
16      one of the more shy, retiring members of the Travel and  
17      Tourism Advisory Board, Robert Lynch, Chairing our Travel  
18      Subcommittee, leadership of this very important  
19      subcommittee.

20                   MR. LYNCH: Thank you, and, too, I want  
21      to recognize the members of the subcommittee, job post  
22      over the person (sic) -- Ms. Thompson of Florida,  
23      Elliott Ferguson of Destination DC and Kathleen Matthews  
24      of Marriott, both have -- (inaudible) -- Express Travel  
25      of Miami, Olga Ramudo. Tourism is a -- very good working

1 with them. We are working in the committee -- Travel  
2 Facilitation Subcommittee. We are working to develop a  
3 focus on Visa processing and the experience at the  
4 border, looking at the U.S. Since then, I have to  
5 highlight how we're impressed by the fact that the  
6 President issued an Executive Order of January. It was  
7 extraordinary, given the National Travel and Tourism  
8 Strategy couldn't be more happy about it. It is going to  
9 reach 100 million international visitors to the country  
10 and in the progress that has been made, here is what we  
11 have focused on is Twitter.

12 Why hide the mention?

13 These are the ways of the times today.

14 In Rio De Janeiro, wait time for an  
15 interview is one day. It was 150 days two years ago?

16 MR. S. THOMPSON: 120 days.

17 MR. LYNCH: 120 days. Another example  
18 is the number of people that have been involved in lower  
19 entry or similar programs which is now a success of the  
20 million members. So, a lot of credit goes to leaders is  
21 percentagely (sic) on all levels. Douglas Smith --  
22 (inaudible) -- mentioned a lot of friends in Commerce.  
23 It is ground striking!

24 The other thing that's striking is the  
25 celebration spirit. They share the same goals with



1           working together, too, is very -- quite remarkable.

2                       So, our work was built on the previous  
3           work, the Executive Order and "national strategy,"  
4           particularly, the goal of "national strategy" which is to  
5           label-enhance travel, tourism to U.S., today specifically  
6           focused on Visas and the experience at the border and to  
7           many of the strategies of the TTAB.

8                       We have had two conference calls and we  
9           met yesterday. I would like to speak in terms of our  
10          work, there's a couple of things. One is we have asked  
11          Jenna to help us with collecting data to look at the  
12          progress that has been made with many of these  
13          recommendations, and would be also to help, you know,  
14          spread the word about the immense progress that we made.  
15          So, Jenna helped with that, and today, we identified six  
16          priorities. I would like to list them for you,  
17          priorities where members collaborate.

18                      One is "report prognosis." There has  
19          been enormous progress in Orlando, specific progress and  
20          collaboration -- John, you have been involved and what we  
21          would like to do is speak three or four volumes based on  
22          size of international visitors and the wait times and for  
23          each of those, establish SWAT Team and Task Force  
24          involving representatives from the private sector, the  
25          Airport Authority and then the various agencies, of

1 course, the CBP, Homeland Security, so -- to see how we  
2 can improve this at the border.

3 Second, "international vision of global  
4 entry." The Secretary, you highlight the -- and talked  
5 about the importance of this program, so, working with  
6 some of these other countries and seeing how, as a  
7 private sector, we can -- I'm quite sure, I was going to  
8 say, government in other countries, so, that to address  
9 strictly, increase the number of members of this program  
10 that ties at the borders.

11 Third priority is I think, it's the  
12 "members of pre-check," again, a very, very good  
13 initiative. There is the opportunity to drastically  
14 increase the number of participants, pre-check to look at  
15 the website, looking at how web industry -- to accelerate  
16 this and gross number of participants, the Visa funds a  
17 front. There's a couple of topics which we think, we can  
18 score. One is critical, to increase the authority of the  
19 Secretary to waive the need for interviews. There has  
20 been some significant progress in this area, to see --  
21 let's see how we can continue to do that so as to reduce  
22 the size of the hay stack, I guess, as they say on the  
23 Visa Waiver Programming that had occurred from  
24 Secretary Batani that Brazil is focused on becoming a  
25 participant. We all know how drastically the inclusion

1 of new countries can increase the number of visitors to  
2 the country. We know, there's requirements and at this  
3 time, so, we get this done, but let's see how we can add  
4 countries, raise an act.

5 MR. JOLY: That would be a great help.

6 MR. LYNCH: You know, this could get --  
7 So, let's see how we can work together on moving forward  
8 with that.

9 And then the sixth priority is doing the  
10 funding. You know, funding is important for all of us,  
11 reduces the fees of the nation to learn. So, the Visa  
12 processing is \$134.50 per education, the mandate of  
13 airplane fees go to cover costs of the officers at CBP.  
14 We're asked by friends to help us in the development of  
15 all of these fees and see how, you know, we can make sure  
16 that they affect however the costs -- Douglas was saying,  
17 in addition, too, the \$2.00 per landing will help cover  
18 the need for additional officers to drastically reduce  
19 the wait times at the airports to see how, you know, the  
20 -- where the fees are ultimately as far as we can get.  
21 So, some of those.

22 So, these are the six priorities we have  
23 discussed yesterday with the -- we will be excited to  
24 have the opportunity to work on.

25 So, in closing, thank you for the

1 opportunity to make a difference for the country and  
2 thank you for coming and for --

3 (All in attendance laugh.)

4 MR. DAVIDSON: Great report, Bob, and  
5 comments on the record, but really, we are -- Really  
6 great report! Nice work!

7 Travel and Facilitation, before we  
8 start, are there any questions or anything, Madame,  
9 before the members of the subcommittee?

10 All right. Then we will move on to --  
11 in the spirit of saying "trying to hire," we will stay  
12 within the minutes then, and Department of Homeland  
13 Security, Douglas Smith, thanks for being here.

14 MR. SMITH: Thank you.

15 Couple -- just to be clear, my pleasure  
16 -- JetBlue, we were here. I will just add an idea, end  
17 of the idea of the \$2.00 fee, highly taxed industry must  
18 really be illustrative. My friends at O'Hare want to see  
19 a dramatic drop in wait times with quick way to fund it.  
20 It would be that, but I'm not here to try to tax anybody.

21 MR. C. THOMPSON: I would just like to  
22 make 17% of your tickets in taxes, and too, apologies,  
23 but also, 11%. So, thank you for making the alternative  
24 suggestion.

25 MR. SMITH: Just really being creative,

1 too. I just need to, like that champ (sic), I'd just  
2 like to go over a couple things, but perhaps, allow maybe  
3 half of my time. Before we do, we would just like to  
4 re-emphasize how Jenna is embarrassed. Um, great, great  
5 customer service. I heard customers say that and that  
6 was -- DLS was said everyday when I know how my money  
7 infrequently -- energy backs me up. You are lucky, you  
8 have two of the great saxons. I don't think my  
9 negotiation was going so well, but I think, we have made  
10 -- I was looking back to notes over in the last  
11 two-and-a-half plus years. We have been at this and  
12 things are moving and certainly various things are moving  
13 briskly and exciting.

14 Global entry, we are seeing close to a  
15 tripling every year of where we were not quite -- First  
16 quarter, January in 2010, we were averaging about 3,000  
17 enrollees a month. We have tripled it every year to the  
18 point now where we are in our TSAA rejects program 6F,  
19 low, low entry people are rolling in TSA, reject program.  
20 So, it is working. It is working for a couple of key  
21 reasons with global entry work, because Richard Anderson,  
22 CEO of Delta --

23 See why we are doing this?

24 Once Delta -- to believe what we are  
25 showing, the private sector are promoting, we saw almost

1 immediate 400% enrollments once the other partners are in  
2 here, taxed Marriott customers in here are out dramatic  
3 increase. What once Carlson had said, "dramatic  
4 increase," that's where we are continually approached.  
5 The only way we are going to see the growth we talked  
6 yesterday about, what the federal government is good at,  
7 what it is not good at, within Homeland Security, we are  
8 really good at security. We are real -- get good at --  
9 we don't put ourself up as marters. We don't profess it.  
10 That's where this war can be most effective is help to  
11 work some lower expective broker (sic), et cetera. I've  
12 talked to Sannell (phonetic) about it. I said something  
13 about 18 months ago, "Allow us to bring private sector in  
14 for rotation, stay on the payroll, stay on the payroll at  
15 Marriot, stay on the payroll at JetBlue, but come in for  
16 six months to a year rotation and help us through  
17 problems. We now have a COO of UPS who is just an expert  
18 and impeded DHS, Hang Seng (sic) global supply chain. I  
19 think, within the area shipments, CBP managing that whole  
20 estimate, whole porthole, whole port entry team. The  
21 programs are fantastic. We need outside help to make the  
22 world more customer-friendly. We are not in independent  
23 business like Carlson or Marriot or Expedia or John, at  
24 Universal is doing, so, I think, in the area of asks, I  
25 think, we should look at ways where we can on a short

1 term basis give us a little boost on how we get those  
2 easier to use. You know, I think, I can help almost all  
3 of you on my own personal customer service helpline.

4 How do I get global entry?

5 That's all well and good. You have my  
6 number, but we realize most of us have that. I think,  
7 everyone right now has posted on the web, much to my  
8 wife's shagrin on the area of Visa waiver. I think, we  
9 are making dramatic strides on that, just not to pour  
10 cold water on it, just my always words of caution there  
11 on -- there are a lot of things that can help increase  
12 the flows through. Obviously, the recent staff meeting,  
13 mutual recognition on public treatise, TSA if you will  
14 check the Visa waiting path is a long path. We are  
15 committed to working with Brazil, but as I would like to  
16 describe these waivers are two plus a step one. You have  
17 to ask for it. Then there's eight criteria you have to  
18 meet. Then the final criteria is evaluation of all the  
19 accurate words. That's one of Brazil's -- they finally  
20 asked. So, we now have a long period to get through the  
21 eight security reviews and then ultimately evaluation.  
22 So, even if -- and I think Congressman Dingell was being  
23 very polite in his assessment of his -- the progressive  
24 evening if the Kagome (sic) hit the room with  
25 administration. As you know, we support wholeheartedly --

1 we are not that optimistic, it is going to happen. There  
2 are quite a few members. You can decide what the -- in  
3 the senate, you have made it clear, we will not see this  
4 happen and so -- but even if it were to happen, it really  
5 -- the only country we would be doing the dealing with  
6 effectively would be Croatia, pretty close. Brazil is  
7 still a long way off.

8 So, I'll stop on that topic just to say,  
9 let's look at -- as we keep that work stream going as we  
10 can which is always to make sure we will -- we are  
11 doubling down in all the other areas in the commission,  
12 smoother world, how we get there smooth is their global  
13 entry.

14 South Korea went live a few weeks ago.  
15 So, we will do it. That's an area for those of you with  
16 international footprints. The Marriots and the Carlsons  
17 of the world, you are in-country. People can be very  
18 helpful in making it happen.

19 Germany only came up with global entry  
20 because of a conflict seal of Luftansa. Jim kept banging  
21 on the doors of Berlin and banging on the doors and  
22 banging on the doors, too. You are a great (inaudible).  
23 We are just not there, yet. Pressure needs to be  
24 continued. Continue to be kind, encouragement we have  
25 with our good friends.



1                   With the Japanese government, we are  
2           just not there, yet. Until they sign these insuring  
3           agreements, it's not going to happen. There is always so  
4           much we need to do. The last thing we will say about  
5           entry, we will have novelists all again for those of you  
6           who a -- I know, Kathleen, Marriott, when you are having  
7           large annual meetings, we will come to you. We will send  
8           CBP Teams to your locations and get you to enrolling for  
9           us. It is a whole lot easier to send the people to  
10          locations where there are 200, 300 people. We are going  
11          to start working with the Vegas Convention and Orlando  
12          Convention Bureaus. They are the two biggest footprints  
13          in international conventions. Don't worry. We will get  
14          to Chicago, pre-arrange the company to get involved. We  
15          tested it with Pow-wow. It worked. It better improved  
16          our concepts that if we can get groups hosting these  
17          conventions, get out early, we can enroll them sooner. I  
18          think, those are some of the significant highlights we  
19          will talk about. I think, though, for those of the two  
20          mentioned yesterday and specific questions or areas or  
21          ideas given the council, my coming back to the Chair for  
22          that --

23                   MR. DAVIDSON: Any questions for Douglas  
24          besides --

25                   MR. GILLILAND: Is there a rotation or a

1 constraint this summer given how much traffic is coming  
2 through various airports?

3 Is there in terms of getting those  
4 officers' help, entry sign-up?

5 Just I'm really talking about folks to  
6 sign up.

7 MR. SMITH: Short answer is "yes," but  
8 we are going to -- we will work through that. We are  
9 convinced to do that. This summer is going to be tough.  
10 It is going to be particularly at JFK and O'Hare. It is  
11 going to be a really, really tough summer. We try to  
12 work very, very close to all of our partners to carry --  
13 to spell out our -- the gap between visitors coming in  
14 and officers like this, officers are higher based on  
15 fees. When the economy was bad, we were flat on hiring.  
16 The work that you have got to do is so great, and there  
17 are a lot of times, you know, 18 to 20 months from the  
18 moment I put a new recruit to start the academy until the  
19 early front lines is 18 to 20 months. So, it takes time.  
20 I mean, it is why we want to see if we can't tackle that  
21 surplus. If we can start to, and not something that  
22 jerks 100 --

23 (All in attendance laughed and commented  
24 openly to one another.)

25 I think, we can get there. That's why

1 we are done quadrupling down, splitting our cars. We  
2 will do whatever we can on these trusted programs, and do  
3 so forth. We opened two more Boards this week in Tampa,  
4 and we did Charlotte, a big hub for U.S. Air. I'm very,  
5 very excited; numbers are going well. Most of the  
6 suppliers are doing a phenomenol job, close communication  
7 with European (sic) and Canada. This is very close, but  
8 quite exciting for you guys to enter an agreement with  
9 TSA, will work through every EU country.

10 In Canada, if you are U.S. citizen  
11 checking into Frankfurt, you wouldn't have to -- re-check  
12 privilege. You would get re-checked privileges in  
13 Frankfurt, et cetera. We are real excited -- way to help  
14 us once again through smart security-based screening as  
15 well, so -- but the numbers and number of officers,  
16 particularly on the CBP side, it is going to be a  
17 challenge and we are doing everything we can, because  
18 I don't like getting angry calls from my old friend,  
19 Mamayo (phonetic) on -- on wait times, but they are going  
20 to be what they are going to be until we can catch up.

21 MR. DAVIDSON: Holly?

22 MS. AGRA: Just talked briefly last year  
23 about potentially hiring some of the retired guys and our  
24 overtime agents.

25 Did that ever come up, again?

1 MR. SMITH: We continued to look at  
2 that. One of the challenges is as relates to these  
3 areas, lines they know nothing about. Some Union issues,  
4 so, that we are looking at that. We are looking at ways  
5 where we can bring more contractors on to back up ours.  
6 So, we can get officers, better law enforcement officers  
7 out of more administrative duties, more on the front  
8 lines. We have a work staff model that is not quite  
9 applicable. I think, we shared it surely with you.

10 DR. BLANK: Yes.

11 MR. SMITH: It is not quite ready. It  
12 will be a process. We have an absolute brilliant senior  
13 officer in the process who has an MBA law degree, and I  
14 think, it is going to be a great body of work to take and  
15 show what we need, but there is no -- no getting around  
16 -- the numbers are not great and there -- as travel for  
17 the public continues to go up and the numbers will be --  
18 on the front lines is not keeping pace, but yes, Holly,  
19 we are looking at every possible way to -- we can do  
20 this. I mean, that's why we are doing -- pushing the  
21 international re-clearance. We are getting busy on  
22 working on additional potential in the Middle East, so,  
23 more flights when they get here are more clear and  
24 already in the population which is a great security thing  
25 for us, a great thing for your wait times. It is also

1 quite costly. So, it is a balance.

2 DR. BLANK: Did he complete the report?

3 Is it public, yet?

4 MR. SMITH: It is not public, yet. We  
5 are in front of O & B for final interview, and as soon as  
6 they give -- sort of give us a blessing, it is my  
7 intension that we will do some private briefings with a  
8 leadership board, with your team at U.S. Travel and  
9 others and talk in very, very great detail. I think, it  
10 will be a great blueprint from which you will be able to  
11 go out there and talk to your various people on -- you  
12 know, I think, we are close in.

13 The second problem is for those of you  
14 that will be processed. No. Your hands are kind of tied  
15 until they give you the okay. You can talk about it.

16 DR. BLANK: One other question, you  
17 talked about -- one question about getting the CBP  
18 Officers to do the last interviews out. Those are the  
19 same officers that are processing people at our  
20 facilities.

21 Is there a way to make that process more  
22 an administrative role and so, you can keep the officers,  
23 because no one passed through that booth, so, the  
24 facilitation of the crowd management as well. Also, the  
25 sign-up having met before by someone outside of -- other

1       than a warrant officer will be so helpful for the limited  
2       resources.

3                     Can't that be something as well?

4                     MR. SMITH: In theory, yes. In  
5       practice, we will -- we are probably not quite there,  
6       yet, but what we are looking at very carefully is being  
7       smart on how we use -- you know, we are not going to --  
8       Don't worry. We are not going to have 250 too fewer  
9       booths open at O'Hare and opening -- we are talking about  
10      headquarters, who are not -- we are not taking  
11      necessarily front line people who are strike teams,  
12      sending them out. We have strike teams at headquarters,  
13      at front, global team.

14                    DR. BLANK: Comments?

15                    MR. SMITH: Well, here is -- to me, it  
16      is sort of an investment if we get them out and  
17      dramatically increase our numbers in using these Keosks.  
18      That would dramatically help your front line time more  
19      than just having them there. Every person we get out  
20      last year is as a result of where we are last year. That  
21      was 45,000 hours saved in front officer time. So, from  
22      return on your investment, you want to see us getting as  
23      many people in this program, because every person we get  
24      on the front lines will get them out a whole lot faster  
25      than us just having one or two officers there. This is a

1       worry. I don't have 100 people in my back pocket,  
2       sitting there. We have deployed every possible thing we  
3       can, particularly in the summer where at LAX for  
4       Los Angeles, we pulled our people, a whole group out of  
5       the seat boards that you know, there was a bit of just  
6       sort of monitoring traffic in the seat boards. We pulled  
7       out a number of inspectors. We transferred a whole lot  
8       of people from the seat boards to LAX. So. We do the  
9       surge in every way we can, just sort of run the body and  
10      run on the body. It is always money. Money is a  
11      challenge, but it's just sheer ability to -- you can only  
12      work people as many times a day as you can. You can't  
13      work them 24 hours a day, seven days a week. People have  
14      to have breaks, so, it remains a challenge.

15                   MS. MATTHEWS: Douglas, are all your  
16      people questioning like this, all your people in port  
17      servicing boards?

18                   That's one question.

19                   Second one is that it would be  
20      interesting to see more recently the hours for saved --

21                   MR. SMITH: 45,000 hours.

22                   MS. MATTHEWS: Interesting to see for  
23      every additional person involved in global entry, you  
24      saved this amount of time in the long run and every  
25      additional person that you have saved that is more

1 powerful for our ad agency and even in a campaign, maybe,  
2 to get -- and get -- maybe, award insiders, chat rooms,  
3 whatever, because when people equate, "I sign up at some  
4 cost, but this is what I am going to say," and then they  
5 get it, because it is talking about in terms of what they  
6 -- what would be to them as benefits to them as opposed  
7 to benefits -- 45,000 hours a benefit to you and your  
8 staff. It would be interesting to try to mentor.

9 MR. SMITH: That's a great point and we  
10 can actually help you with that. The big thing is the  
11 reality of the sure thing, global entry. You have done  
12 it a lot. So, we will get you there, and it is more  
13 practice, but it 30 to 45. So, you know, if you plan at  
14 international airport, the air immigration process is  
15 going to be 30 to 45 second guaranties where it is  
16 uncertain if you land how long it would take, so, we take  
17 it that, that's sort of how we base it. We base it on  
18 how we think. That's how we came up with 45,000. So,  
19 every person we take out return to -- return to officers.

20 MS. MATTHEWS: Airlines, all that, get  
21 that out to frequent flier members. We get that out to  
22 our world customers so that we had on staff to know the  
23 percentage global carrying, start loading this up, so, we  
24 can start.

25 MR. SMITH: I mean, that's another area



1           we can use. I think, it is getting better and better  
2           managing information for these programs.

3                       Do you need some men on that and we need  
4           help on the industry, Chairman, and now it is here, but  
5           if we don't use it, the challenge of re-check is those  
6           lines are -- those officers' management lines are top  
7           100% performance. They are the highest skilled screeners  
8           we have. We put them in, because they are doing more  
9           difficult tasks. Everything is in bags. Those of you  
10          that have done it, if there is no one in line, we don't  
11          put general population on that line, especially security  
12          clean line, and so, if we don't have a constant group,  
13          would we now have a highly skilled team just sitting  
14          there, just watching the other lines building up?

15                      So, whatever we can do to increase it,  
16          some of the -- Darius (sic) at Delta, in particular, I  
17          think, it is 75% all their eligible people. Some of the  
18          other air carriers have not quite caught up to that, but  
19          getting that message out there, I mean, it is how many  
20          have actually taken advantage of re-check here?

21                      MR. KURLAND: You know, you don't need  
22          to be more educated to -- they don't tell you, you have  
23          to still take on, because you don't want them to start  
24          yelling at you and saying --

25                      (Speaker System Defective - Inaudible.)

1 proceedings.)

2 MR. SMITH: (Inaudible.)

3 MS. AGRA: (Inaudible.)

4 MR. DAVIDSON: -- Madame --

5 (Court Reporter repositioned her chair

6 to attempt to hear proceedings

7 and asked speaker to speak louder, but

8 she still could not hear properly.)

9 MR. HAYES: Robin Hayes of Jet Blue.

10 I would agree with, I think, more than

11 speech -- one of the -- one of the questions -- I

12 thought, I got a couple questions. This is "How quickly

13 do you think, you can change the qualifying reject to

14 inform people?"

15 Because you jet Southwest and some of

16 these larger airlines, we have a lot of people that fly

17 and you have -- obviously, have the same profile at Delta

18 and you have a lot of frequent fliers. So, we can bring

19 a lot of people into the program at the moment they go by

20 customers qualifying according to the --

21 So, I think, you know, in terms of what

22 is -- like, what we do and how the airlines are, if there

23 is a menu change there, there is a lot of people very

24 quickly (inaudible) --

25 Secondly, one of the -- is TSA point of

1 view, one of these changes that we hold is performances,  
2 the quality of the ship at the airport. You know, even  
3 in retail, the saying -- So, just I don't know. In terms  
4 of how do you feel about front line supervisors, the  
5 issue of training TSA to, you know, make sure, like, what  
6 we have -- Start there. -- you know is sufficient to --

7 MR. SMITH: That is a great point! I'll  
8 start with the second one first. That is a huge priority  
9 for John. He has done -- it was a challenge to get our  
10 TSA in there, but it was -- he has recognized that he is  
11 always -- workforce is one of the things he is trying to  
12 get in there is get on-board support. He actually wants  
13 to potentially shrink the number of employees by  
14 increasing -- he really wants to make it a career path,  
15 so, training is becoming massive priority for them. I'm  
16 sure, you saw in the New York market last week, we fired  
17 seven people, quality control on how you are -- you know,  
18 our front line officers is the highest priority. So, we  
19 hear that loud and clear.

20 As to criteria in precheck, we are  
21 probably not there, yet, but the biggest news around  
22 there is that we need to increase volume, so, we need to  
23 understand how it is working with the population we put  
24 in so far. So, whatever you can all do to get American  
25 and United and everyone to maximize the people going

1 through, we need more data points to see, you know, how  
2 it is all working and I think, once we have those data  
3 points, we will be able to continue to use more sort of  
4 smart security-based analysis to adjust it orderly. Now,  
5 that all being said, I fly JetBlue, so, they are there.  
6 I would immediately be a customer on that line. I think,  
7 you will find it, even with criteria you have right now  
8 while you have customers, I'll bet, you would be  
9 surprised how many of your current customers drew,  
10 whether it is military or car programming, the ones you  
11 set on things that we have here, that you and Southwest  
12 would immediately see on that, but to get us where I want  
13 to be, we just have to increase the populations going  
14 through, so, you continue to analyse that data. This  
15 isn't done just, "Oh, hey, guys, you know, with beard and  
16 red hair." I mean, there's a lot of analytics that go  
17 into how they picked the people and get privileged to go  
18 through it, but to really measure that, if we need a  
19 larger sample base and while we are now over -- we wrote  
20 over 100 million people advantage checked so far, it's  
21 not a lead to show that group in there and the biggest  
22 reason for that is, you know, sampling VFW, he goes to --  
23 go through the precheck line there and there is one or  
24 two people in it and they are all in -- the other lines  
25 are way backed up. I mean, they are looking at "What the

1 hell is that about?"

2 You know, so, how -- and it just creates  
3 havoc when the carriers and other people -- So, we just  
4 need to get the word out there, so, as many possible  
5 people as we can to take advantage of that.

6 You know, Portland is now online, so,  
7 advantage of going online in Portland, we've got to  
8 maximize groups.

9 In Alaska, amazing partner, they  
10 probably went from zero to where they are faster than any  
11 carrier to date, what they did to target their members.  
12 We have got to increase global output, too. So, I  
13 understand and your security, carriers --

14 MR. DAVIDSON: Kind of sort of breaks my  
15 heart flying in the red eye, and IP, they will open that  
16 precheck line for me. They will have it closed. They  
17 will have other people working on the line. So, the  
18 other line, they have substantial there. So, it is -- it  
19 is closed off. So, when I go through and it is -- it is  
20 -- it is three Bs which I love, they will call me over.

21 MR. SMITH: The three Bs?

22 MR. DAVIDSON: The magic three Bs, if I  
23 -- here is the three Bs I hear. I will just -- actually,  
24 I have been waiting for them to bring people over to  
25 goals, to advantage. So, you are definitely right. We

1 definitely need to work together to increase that input,  
2 just -- not just for me and it is no problem to train the  
3 line, so, one thing I do want to say about research  
4 reports is just, again, in the spirit of working with --  
5 between protocol for me with Secretary Napolitano, just  
6 so the Secretary had an opportunity to call me and flex  
7 her support to the successful Travel and Tourism  
8 Strategy, and so, she -- again -- so, again just speaking  
9 to the awareness and energy and level of engagement that  
10 this Board has helped bring to you, the U.S. Travel and  
11 Tourism industry is outstanding. So, thank you, Douglas,  
12 for -- thank you very much for that influence.

13 Mr. Ralenkotter, I'll turn it over to  
14 you, sir, and give us research updates.

15 MR. RALENKOTTER: Thanks to Don, Laura  
16 and I had a subcommittee and have seen -- subcommittee  
17 for the research, and it -- really, the genesis of this  
18 was because of the fact that Brand USA needs to be able  
19 to identify how their metrics are, how to improve  
20 successfully to collecting data, successfully reflecting  
21 data for the numbers side as well as on the visitor  
22 characteristics.

23 There's a couple of things that also  
24 have occurred which we did not address immediately. I'll  
25 just kind of touch on that, then I'll turn it over to

1 Laura for some additional comments.

2 In the fiscal year '13 becoming Net Jet,  
3 the VBA is not funded, so, we need to get funding for  
4 that in place, because we can't afford to lose the data  
5 that we currently are obtaining while we are going to go  
6 on the backside of how we improve the methodology or how  
7 do we make the data more meaningful. We also have to  
8 make sure that we continue to collect, so, Valerie  
9 passing around a letter. I would send it to Roger Dow  
10 over at U.S. Travel and the intent is to allow  
11 U.S. Travel to start the advocacy activities to make sure  
12 that the funding is in place. What we will do and what  
13 I'll ask Roger to do, this same kind of strategy in that  
14 we had incorporated meetings and travel, incorporate --  
15 industry was being attacked and we had to marshall our  
16 forces together to get one voice to talk about the  
17 importance of that issue being meeting the -- being the  
18 same thing, here. So, all the different organizations we  
19 belong to, both of -- on the leisure side as well as the  
20 meeting side, we will engage you to do that. So, just so  
21 you know, because Congress can do that, my role as Chair  
22 of new travel, we have got to be engaging the industry  
23 before, got to have the information in going forward.  
24 The other two or three parts of it is -- generally, we  
25 are going to talk about is how we attain the information

1       technology and so forth, and then the last part is once  
2       we come up with recommendation, one of the things that  
3       will be included in that is how do we fund this?

4               I firmly believe that the data check  
5       collection should stay in Commerce. That's where it  
6       should reside. That is where it should go, but in  
7       addition to that, we know there is going to be an  
8       increased cost in how we expand and attain the  
9       information and so, that will be the last part of what we  
10      do. So, that's will -- with that, Laura?

11             MS. MANDALA: Thank you.

12             As many of you know, because it is  
13      information that many of your constituents travel to the  
14      traffic performance based on the amount of international  
15      travelling at the same time, it had instant travelers.  
16      It is not being, you know, objective. It is not being  
17      the most classification way of data. So, we are two  
18      tracks lower, see, one growth is as Rossi said, belies  
19      individuals on this Board. You can't add to the -- you  
20      can't add to the individuals to lobby to your own  
21      staplers, your own ends, under-sitters to safe bonding  
22      for the Midwest's survey, and secondly, concurrently we  
23      want to convene a committee of both, representatives of  
24      and representatives outside of our industry to understand  
25      what kind of options we have and looked at similar needs



1       to be and happy with bar from them as well as looking at  
2       our corporate numbers and our endemic members of travel,  
3       tourism to really understanding, progressing and going  
4       forward. So, we need to keep this funding and I  
5       encourage all of you as individuals to contact your  
6       Senators, because right now, we depend on the second we  
7       vote in the Senate in October to reinstate funding to  
8       budget. So, it's now critical to now, from now to  
9       october and the same time, we ask you to consider joining  
10      us in this committee to evaluate the program is that we  
11      are all -- and recommend parties even also coming to  
12      researches are just having to get some data and so, all  
13      the ministry and I have been looking at this for the long  
14      time on the serve side, their variety of their -- "What  
15      is the methodology used? What is the methodology? How  
16      do we funds this to get a better partnership? Are there  
17      tools in the our way?"

18                   Some of you suggested Visa, stress that  
19      could be incorporated in a model so that all these need  
20      to be put on the table and evaluated by a very educated  
21      group in industry who understands what's needed and  
22      evaluate it so that we can go forward. So, Rossi and I  
23      are going to start convening this group. We ask for  
24      names and in going forward ourselves and by -- you know,  
25      that proceeds to improve this, keep it -- keep the price

1           in place over in -- keep the place over in this  
2           approximately \$1.2 million. Keep that budget, because if  
3           we lose it, then we start from zero. We lose all the  
4           store that we have. What we have isn't perfect, but it  
5           is --

6                         MR. DAVIDSON: Thank you.

7                         Will Kathleen Matthews, Marriott  
8           International --

9                         Can you hear me down there, Kathleen?

10                        MS. MATTHEWS: I'm a big fan of  
11           consolidation of data and the sharing and consolidation  
12           of data gathering and sharing. I feel like we are an  
13           industry where too many a -- plenty gathering data, some  
14           of the industry, oftentimes, they -- we get duplicate  
15           data and because of Brand USA is charged with measuring  
16           the effectiveness of their campaigns, it seems to me that  
17           -- and because data gathering and research is something  
18           that is very easy in kind, contribution for companies  
19           that do a lot of that, to do -- and that's a model of  
20           Brand USA. I'm just wondering if consolidation of this  
21           in Brand USA is a strategy, because if they are going to  
22           try to measure the way our commercials are working,  
23           shouldn't they also measure whether -- the fact that the  
24           Visa wait times were formed, shortened or currency  
25           exchanges were better or wait time was better for

1           whatever reason?

2                       Wouldn't you want to get all that  
3           together and bring USA's -- their data and bring it  
4           together on J. Walter Thompson commercial and as they  
5           struggle with trying to figure out what legitimate wait  
6           time contributions seems to me, that would be a perfect  
7           one for the American Expresses or the VISAs or you know,  
8           data intensive industries to give to them and maybe --  
9           maybe, by not holding government and by shifting  
10          government data banks over, you know, this is a better  
11          solution.

12                      Now, I guess, the only thing is  
13          precariousness of the Brand USA's funding an entity, but  
14          I just think from a political standpoint activating all  
15          this and collecting it all in one place makes a lot of  
16          sense.

17                      MR. RALENKOTTER: I think, an issue --  
18          this is an opportunity for us to discuss all of those  
19          issues, but I think, from the Brand USA's standpoint, a  
20          lot of the things you just mentioned are the  
21          effectiveness of the ad campaigns and determine whether  
22          or not it did move people. We are talking about the  
23          basic ads, the numbers -- the numbers of people coming in  
24          which we did have the drilling down to the destinations  
25          we talked about, Brazil and importance of Brazil, I can't

1 give you a hard number of Brazilians went to Las Vegas  
2 and other destinations, it's that -- and other  
3 characteristics, it is that part of it we don't want to  
4 cross the lines with marketing effectively with the  
5 numbers of economic impact and other characteristics.  
6 Those are things we have to talk about.

7 The other side of this happening, there  
8 is a lot of dialogue going on about, "Well, let's just go  
9 American Express or Visa, Master Card."

10 We will go -- that I have seen numbers,  
11 international stores are -- half of the spending is card  
12 dollars. It is not charged.

13 Are you not getting all of that data?

14 So, from the standpoint of research, we  
15 need to see how we can improve the information that we  
16 have and then see where it truly should be fit. The  
17 other one is that you also have that same thing of, you  
18 know, why you want the Good Housekeeping seal of approval  
19 versus in Brand USA. There could be something suspect as  
20 they are evaluating themselves. You have to -- we have  
21 to figure out -- all of that out. It is a great  
22 opportunity. We have never been able to say, "Okay.  
23 What should be on the survey? What should be  
24 characteristics we all need to have, so, we will all have  
25 not only needs to take care of that analogise size of

1 techniques, size of sample, but what questionnaire?"

2 So, we want to throw -- I think, we --  
3 Laura suggested earlier in one of our discussions, we  
4 need to get some people outside of our travel industry,  
5 research experts, have them take a look at the data. So,  
6 I think, it is an opportunity. Got to keep the funding  
7 in place, primarily, goal number one, and then second,  
8 airlines, the dated information, research back advocates  
9 for this. I just think, as we figure out how hard should  
10 we fight for the Visa waiver, let's find out if Visa  
11 waiver is really the issue. If we fight hard for two day  
12 wait times, is it really two day wait times or model  
13 ports of entry or 45 -- 20 minutes versus 45 minutes  
14 versus a two hour wait difference?

15 It would be great to know whether we are  
16 as a group, here, advocating for the right kinds of  
17 things as part of that survey; not just sort of how many,  
18 where they go, you know, to broaden what we are learning  
19 to, you know, go where we are at, getting in government.  
20 We should shift -- If we talk to Brazil, for example,  
21 they will tell you, "Wait times don't matter. They want  
22 to come to American."

23 How long they wait for a Visa and how  
24 long they wait in line, is that true?

25 Well, Brazil has to let us know if

1           that's true or not, you know?

2                       MR. SMITH: I think, the one shot where  
3           there are just importance of according "X" where -- go to  
4           Cameroon, there are a lot of different interests,  
5           obviously. The hotel industry looks at it in a different  
6           way than aviation industry, airlines for American is  
7           going to look at things a little differently than U.S.  
8           travel. I tried to work very, very closely with Calley  
9           over at there, over at America as well as lodger. We  
10          have to narrow down the tasks that make them very  
11          specific and very coordinating the challenges is going to  
12          be through the months very, very incredibly difficult if  
13          you have go with nine things. They don't have too band  
14          width the focus. You are going to have to go one or two  
15          and think to yourself, "Boy, Kathleen, what are your --  
16          are the biggest impacts? Is it, we need a budget, just  
17          making it up, a 3% increase in budget. Council officers,  
18          that's the one -- make that one or two things, asked the  
19          challenge of getting anything through this Congress is  
20          going to be daunting and if we confuse it either to them  
21          or to all the travel associations, because they fight  
22          each other, it is going to be even more --

23                     MR. DAVIDSON: Mickey?

24                     MR. RALENKOTTER: The other thing that  
25          asks is one voice in the industry. We have never had

1           that. That's why we are so fragmented. Everyone in the  
2           organization in the Alphabet Soup have their own  
3           particular issue, so, we did see in the challenging, in  
4           the corporate meetings, we were able to get and one time  
5           it was U.S. Travel had a travel data center where it was  
6           supposed to be for research issue as well as research and  
7           as well as market segmentation. So, we -- that has gone  
8           away, so, we looked at U.S. Travel to be the organization  
9           that goes after particular issues that will be a bi-part  
10          -- hopefully will -- We will have some discussion, but  
11          right wherever we go that we ask, that speech may be  
12          --

13                       MR. DAVIDSON: Did you have a question,  
14          too, Bob?

15                       MR. LYNCH: -- (inaudible) -- exchange  
16          to Rossi.

17                       Who makes the decision on this?

18                       What subcommittee is Chair of that?

19                       MR. RALENKOTTER: This is one of the  
20          budgets, the whole budget for the Commerce. So, we can  
21          get the list. What we need to do is get all of our  
22          (inaudible) together from each state. That is what we do  
23          for U.S. Travel. Get them focused on, but by the issues.

24                       MR. LYNCH: Thanks.

25                       MR. DAVIDSON: Thanks, Bob.

1 Ed, updates from the State Department?

2 MR. RAMOTOWSKI: All right. And I would  
3 like to thank him personally, and members of the group,  
4 because for the past two years, we had an extremely  
5 productive relationship with the whole award subcommittee  
6 and they were very pleased. Now, we are in the year or  
7 two to be -- so, when we're high on figures, plans up by  
8 over 24 percent this year over last; in Brazil, it was up  
9 about 38%; in China, 48%; in Mexico, it was a larger -- a  
10 35% and in India, which is good for about 4.7% and in  
11 Brazil, in wait time for Visa appointments is all less  
12 than a week and as they pointed out one day and sometimes  
13 it is two days. That's an enormous achievement to meet  
14 your goal.

15 (All in attendance clapped.)

16 MR. RAMOTOWSKI: Argentina, here, for  
17 the past five years, Visa all glad 97%. A year ago,  
18 we were at wait time -- now, it is three days. So,  
19 marketing, we can at the highest level of improvement to  
20 wait times that some -- all the money invested -- why  
21 the department in personnel infrastructure, and it also  
22 involves lifting and policy, the Entry Waiver Pilot  
23 Program is introduced this --

24 MR. HAYES: (Inaudible.)

25 (Defective Speaker System - Inaudible.)



1                   MR. HAYES: The interviewer will waive  
2                   -- pilot Program has stayed -- emerged now in terms of  
3                   productivity, especially China, also in the mainland  
4                   Russia, Mexico and Brazil and that's an area as we  
5                   mentioned, where the departments -- we are partners in  
6                   departments of Homeland Security would like to have more  
7                   massivity in terms of waivers which is the most time  
8                   consuming, expensive partnering where cases -- where we  
9                   are going to see an elevated security risk. That  
10                  isolation will take from industry, from travel  
11                  association, from Congress, not all of whom are missed  
12                  way to go, but community has planned for travel and  
13                  demand for increases. We are not going to be able to  
14                  maintain current business model in that indefinitely. We  
15                  are going to place the men we have got. Other options I  
16                  just want to mention, I think, we are going --  
17                  (inaudible) -- So, well, many of you know the China and  
18                  you ask are packages of Greece, reciprocity of the Visa  
19                  issue and Visas. The Chinese government has not been  
20                  well to make a sense of progress on this issue. We --  
21                  deep motion in June of this year, consular job --  
22                  (inaudible) -- the Chinese government has committed to  
23                  set up working with will be sworn, extending really Visa  
24                  reciprocity. So, we all got that out of the way. I  
25                  don't have any input that (inaudible) with relations with

1 China are, but we are committed to pursuing that last  
2 year almost exactly a year ago, Senator -- Russia in  
3 counterparts, Visa Group with extend Visa for 36 months  
4 Visa and Russian basis, I have to hear Russian products.  
5 There are a couple of admission steps they need to take  
6 before they go to President Putin for signature, but we  
7 don't see that. Later this year, I'll make an important  
8 difference in travel for Russians for travel.

9 Finally, I just want to say that we feel  
10 committed to public relation's efforts to say, market in  
11 the country worldwide. I see set 50 days and I want to  
12 go private. Some of you may seem sort of sums up the  
13 process of taking some successions of view process; this  
14 is the English version that it will buoy in all of the  
15 (inaudible) -- Wildlife Adventures, so, we go to --  
16 (inaudible) -- Rone, who is public spokesman and is  
17 not here, so, travel solutions, so, what we have decided  
18 to do without is to go -- sort of three entities.

19 First one instruction here. Second one,  
20 instruction on the ground, and third is the  
21 sustainability. I'm not going to talk about -- very much  
22 about sustainability today. Our group is really is to  
23 focus on the instruction and the instruction of us, of  
24 air and ground, first. A lot of -- at work will then go  
25 to two days, so, we -- (inaudible) --

1                   What we had to divide in two groups off  
2       83 and see, come back -- come back to data as we need to  
3       do. Let's talk about the structure of the air briefly  
4       and South, so much great to see you and see re --  
5       fabulous transportation adding through the air, we know  
6       tend to spend, spent, spend a lot of time. So many  
7       groups -- last name, it is a great partnership and really  
8       needs comments, instruction there, because the answers.  
9       we -- their answers exchange, and I think, one of the  
10      main themes last -- yesterday is that last year, just an  
11      appraising house was benefits, cost benefits, resource  
12      benefits and base. I mean, if we were able to just shave  
13      a few minutes off every flight in the U.S., even now, our  
14      airlines, hundreds of additional flights, really, all --  
15      most costs we got carry all this. You know, we have this  
16      block time, so much money to smash air and of course, it  
17      is a lot longer than needs to plan delays and so -- so,  
18      we start to very cost effective for allowing it to  
19      growing flags which is really so-called to business and  
20      we think -- No. I think, a lot of good work has been  
21      done appraising progress. It is really called last week,  
22      looking at it, we -- I work at Votan Trunk (sic). We  
23      look at some approaches can --(inaudible) day and pass on  
24      it some. It is really important to see how they get  
25      started and --(inaudible). So, what we are going to do

1 is going to be appraising them, stay on the group news  
2 clear, so, ministry. So, one of our actions is to go  
3 away and get stay groups who -- the compassion used,  
4 SDAFA. It is very sort of airline FAA initiative here.  
5 If we are honest, we need those public. So, you know,  
6 all things sort of -- I've had all believe sort of a blow  
7 to get that next much better so that we can --  
8 (inaudible) -- one of the northern.

9 MS. KURLAND: For years of knowing, you  
10 know, what's going to be happening. Predictability is a  
11 very important thing. You know, reauthorizations for 60  
12 days, it isn't that helpful and then getting Map 21 for  
13 two years, my bi-partisan bill, we are in the faces of  
14 the reviewing what it actually means to us, and you know,  
15 Robin, held a really robust discussion yesterday and  
16 Jenna had asked us to get -- put together a next year  
17 presentation for the committee in October, but hearing  
18 from the infrastructure committee and also, from the  
19 advocacy committee during the day, what we thought we  
20 would do is driven during the summer, set up either a  
21 conference call, if you will, when you come to D.C. --  
22 We would be happy to set that up earlier, you know,  
23 whichever is -- we wanted to, and the other thing we can  
24 do as well then, so many people, different aspects of the  
25 Department of Transportation touched, you know, tourism,

1       you know, whether it would be rallying, whether it would  
2       be transit, whether it would be gross or see something  
3       perhaps, we would be happy to September, the days and  
4       different methods to disagreements for you, you know,  
5       whether or not we do it by phone, we do it in person, I  
6       will work with Jenna and see about getting the Department  
7       of the Interior, Commerce as well. We would be happy to  
8       do that.

9                       You know, a couple of points, I think,  
10       you are familiar with there are no guys' program working  
11       very closely with the State Department and negotiating.  
12       Delighted to tell you that we are just leaving 107 of  
13       overskies wise. That's important to you. It is  
14       important to you from a practical standpoint as we have  
15       seen from the Visas and then industry and soon Kathleen  
16       and the rest of you will be making that. International  
17       travelers is about money, and so, having equalized market  
18       for our airlines, you know, for our airports are all out  
19       there self-serving convention and tourism bureaus  
20       themselves. This is all very helpful to you. There are  
21       ways that some of the doing business issues that you are  
22       seeing, you know, not from stating partners, from DHS's  
23       perspective re-go through the airlines in terms of other  
24       airports, you know, around the world. Please, we have  
25       talked with you on that as well. Internal tourism is an

1       important piece. We have conversation structures of  
2       committee and a lot of the funds go by, but there are  
3       ways to think about it creatively and Department of  
4       Transportation is interested in doing Secretary of HUD  
5       and feature communication advisory committee which I  
6       shared for him one of the recommendations as we fit  
7       mobile living. We do have internal task force looking at  
8       it and we were -- title program, we have funded a number  
9       of travel projects, but as Douglas suggested, you know,  
10      you come up with recommendations being focused on what is  
11      really important, too, in tracking biggest  
12      recommendations, I think, will be important for  
13      transportation's side as well.

14                   One point that I would like to make to  
15      you from the students, tourism side is a lot of -- you  
16      are familiar with a number of our programs such as  
17      Senior Bi-ways Program, transit parks, tribal programs  
18      and while those have been funded directly, grants from  
19      D.O.T. Before what has happened in Map 21 is a lot of  
20      those programs have been consolidated. They will be  
21      block funded block grants to the grants to the states.  
22      Again, I don't have all the details in looking at this,  
23      so, you all, in giving you more information on that, you  
24      all may be wanting to talk to your states for and setting  
25      new priorities on -- you want to recommend that bad arm,

1 high speed rail California just improved there has to be  
2 rail in and that, that's -- really in a nutshell, we  
3 would be happy to have further conversations, you know,  
4 with you on drill down and particularly, interests in the  
5 other programs.

6 MR. DAVIDSON: Susan, thank you very  
7 much.

8 Any quick questions received while she  
9 is --

10 MS. MANDALA: I have a question. I  
11 forgot to ask you the question yesterday.

12 Are there any countries that are faster  
13 in technology than the U.S. is?

14 MS. KURLAND: You know. It is  
15 interesting, the FAA and our aviation is simply a gold  
16 standard. FAA works very closely with EAU in working  
17 with China. We have what we call "Aviation Cooperative  
18 Partnerships" with China which is sign one Brazil. So,  
19 it is everybody. Everybody is working on Canada, working  
20 on, but that's a good question, and we can certainly go  
21 through that and to the point on next generous point you  
22 need to sell it, the FAA really does get the department  
23 -- do get the past out. I think, a getting ahead smarter  
24 how we talk about it. So, you know, you -- oh, we will  
25 want to work with you on that as well. Talk about this

1 travel Secretary LaHood, and just spoke with travel in  
2 Washington. So, you get -- look for ways to engage us,  
3 but why can't we promote sometimes the way that you all  
4 do because we are -- safety regulatory agencies there are  
5 certified in ways, we can do advocacy. Some of us can go  
6 KFC, permitted by -- permitted by Commerce Department.  
7 Also got assistance from the country speculation. I'll  
8 let you know airspace. So, you know, think of it. Help  
9 us to create ways that we can work through this problem.

10 MR. DAVIDSON: Susan, I truly appreciate  
11 it a little bit of the subcommittee yesterday, your  
12 extreme willingness to set up the issue, the subcommittee  
13 can get that information, Rob Benson discovery phase. So  
14 that we can -- Secretary of Commerce that, that's more  
15 recommendations obviously most of the information from  
16 the -- from Frost that points, great! We appreciate it.  
17 Okay. Thank you, Susan very, very much.

18 Is there another progression?

19 MS. KURLAND: I just have a question  
20 about tribal tourism or the Department of Transportation.

21 We have to take a look and see how it is  
22 going to be funneled back, okay?

23 I --

24 MR. HYATT: She is there.

25 MS. KURLAND: I believe that's part of



1 the consolidated programs. We have to see how that  
2 works. It has been tremendously successful program.

3 Are you familiar with the Yurok Tribe  
4 and we have proceeded in California, and you know, it is  
5 -- we do, do the drill now to really interesting for the  
6 rest of the committee to really -- because I was  
7 surprised to see how much we have done in the  
8 international tourism department to give you more  
9 information on that. It is one of the things that we  
10 have truly done to find out how it actually is going to  
11 be.

12 VIDEO TECHNICIAN: Thank you, Susan,  
13 certainly we will be finding out more, will be interested  
14 in finding out things. They are --

15 Maryann, I'll turn it over to you. You  
16 will give us an update on the business climate you will  
17 top.

18 MS. FERENC: Thank you. Thanks to  
19 Dr. Blank and Jenna and members of the Business Climate  
20 Subcommittee. Our Chair was unable to be here with us  
21 today and particular, thanks to Brian Robb on the staff  
22 who has really helped to lead in the Business Climate  
23 Committee after a round, we have joined us often titled  
24 Business Climate to provide a broad umbrella to assess a  
25 range of habits, an ability to go back to work, to

1       taxation and many subjects in between. We have organized  
2       out initial approach to the organization of three initial  
3       projects, initially being a fourth committee. As we exit  
4       areas to the next stage, we are open to other business  
5       climate issues, too, that are colleagues and other  
6       subcommittees going forward.

7                       The three areas we are beginning with  
8       are Workforce Development, Small Business and Taxes  
9       affecting our industry and potential growth in our  
10      initial evaluation of the current business climate and we  
11      are finding an issue which affects all of our aspects of  
12      our work. It is one we have spoken of before this Board,  
13      one that is all committees on one that has been very  
14      positively affected by Presidential Order and Commerce,  
15      Department of the Interior and other departments in this  
16      room today; that is the progression of our institute by  
17      the business community at large, by Congress members,  
18      government, our Senators and local community leaders. We  
19      believe that -- understand that hurdles continue to exist  
20      and incorporating tragedies, overcoming them appears to  
21      be handiwork in these areas.

22                      Beginning with Workforce Development, we  
23      find no, that there's a lot of work that is being done in  
24      this area, but states low at the level, so, in continuing  
25      the work, this work earlier this year, it is our

1 contribution to national strategy and in turn, support  
2 the strategy of tourism, we are focusing on this  
3 workforce development issues and small business  
4 development issues, first, and as far as issue developing  
5 as many of the subcommittees are looking at landscape  
6 currently and doing the necessary research, looking at  
7 the scale of education and looking at current landscape  
8 uses. Travel is already done, the first stage,  
9 substantial work in this area, so, we are going to go to  
10 what they have already done and how we use that as well  
11 as what their next steps are and how we are able to use  
12 that evaluation in evaluating the workforce landscape.  
13 That work and our conversation in the first couple of  
14 meetings have made us quickly realize, we want to enhance  
15 our cooperation with this work, Department of Labor  
16 through Department of Commerce and Department of  
17 Education as well as -- and we looked toward other that  
18 we have seen in the past with the various parts.

19 We are here today and hope for some of  
20 that collaboration with the Department of Labor and  
21 Department of Education as we try to work on the  
22 Workforce Development issue. We also will be looking at  
23 other models, some as the (inaudible) model as we do our  
24 research, the outcome of this, what we truly hope will  
25 happen is that our industry, travel and tourism industry

1 can tell our story. Possibility in employment programs  
2 go to the future of many of this. Sam pointed out today  
3 is a dynamo and no longer see themselves as unemployable,  
4 no longer see ourselves as in this country where we can  
5 carry on and lead a life and maintain a life and a family  
6 here, that this industry -- that this industry thought  
7 before our future, as we get that message, we can also  
8 increase our employment and industry and at that time,  
9 status of our industries at the same time.

10 In going to our next area of small  
11 business, the past work this Board has already done on  
12 the present strategy and present street strategy itself.  
13 We looked at number three of that street strategy which  
14 is support small business and travelling, tourism,  
15 looking at SBA updates on that strategy. There are a  
16 variety of areas in that strategy that are expanding,  
17 obviously, education, promoting committing small  
18 businesses, creating whole market campaigns, increasing  
19 counselling and mentorship and expanding access to  
20 capital and in our conversation yesterday, one of the  
21 things we quickly realized in talking to us, the SBA, how  
22 can we most effectively and expeditiously affect this  
23 strategy in the public/private sector partnership, again,  
24 and how can the private sector commence on getting out  
25 the word on these programs that are already in place or

1       being developed and as we have heard on the table many  
2       times, marketing is not the main goal or even in the  
3       realm of some of these parties, "So, how can we bouy in  
4       the private sector help?"

5                   The message to get out and then also,  
6       that we have some credible network VMOs and stated there  
7       that are seen as experts and are seen as experts to  
8       listen to in various communities. So, we really need the  
9       help to get that word out to the small businesses,  
10      marauding the effects of these programs.

11                   The last item is the taxes industry and  
12      I'm sort of -- even conversations today that we had  
13      reduced my comments to some of the subjects, cost is  
14      \$2.00 a table. It is visitors, travelers are taxed in a  
15      variety of ways, taxes local to the federal, "What does  
16      that mean to our business?" is really "What does it mean  
17      to our business?" is starting our additional question.  
18      That is our first -- going to understand this, "What are  
19      these things?" "What does that mean to our business?"  
20      "Where will it be headed?" Then we can determine from  
21      that where it is possible to address, "Can the secondary  
22      do anything?" Contact role there, we will determine that  
23      later. That should be our role.

24                   MR. DAVIDSON: Very good, Maryann.  
25      Thank you very, very much.

1                   Because you were over two minutes, I  
2           will lead to us Doug. You got it. Good work,  
3           subcommittee!

4                   MR. LYNCH: Stephen Perry, the  
5           honorable -- on agenda person today, he is the Chair of  
6           the committee, but held out last night in the New Orleans  
7           Airport and couldn't make it, so, he was not in our  
8           subcommittee meeting yesterday as well. So, I will give  
9           you a report on behalf, but I'll just give you names of  
10          all the folks on the committee and not all of them will  
11          be with us, because they don't Chair and go Chairing  
12          other committees, so, Stephen Perry, Kenny, Lauren Nettle  
13          (phonetic), Maryann Ferenc, Rossi Ralenkotter, Steve  
14          Thompson, Linda Kurland, so, those are the folks that  
15          have been on the phone calls now and then; in this  
16          meeting, a couple of things first of all: I would like  
17          to thank you for sharing and Jenna, too. I just want to  
18          point out, this is the Advocacy Committee. It is great  
19          to have Congressman Dingell here in -- he's in the house,  
20          is sorry to have left, and also just from coming to you  
21          from culture center, which I represent, we range and  
22          grade every member of Congress when we go insist 100%  
23          world record which is great. It is also an advocacy  
24          thought somewhere in our system for how we might comply  
25          that kind of technique to some of the issues we are

1        talking about here. I know that we can do some of the  
2        proper can-opening already. It is hugely effective.  
3        Committee is actually called "Advocacy," but it is also  
4        subheaded "Communications and Engagement" and an awful  
5        lot of what we talked about were in these areas,  
6        communications, engagement, different kinds of  
7        partnerships and also, it is really important for our  
8        community to lastly presented here, because what we do  
9        based upon all this is growth and even in the year I've  
10       heard of lots of things that we didn't discuss as to  
11       priorities. Number one, some of the business priorities.  
12       Last in the report, for example, I think, you want to put  
13       some finish, too. So, what we denied was that we wanted  
14       to -- our recommendations have to be advocacy about  
15       policy, some of the different policies that we want to  
16       see happen and how did that happen to see -- put it in  
17       place, who actually does that Advocacy Department?

18                        Second part of our mandate is  
19       communication of value of those policies. In some ways,  
20       it almost seems like a genre in that communicating about  
21       a lot of the good things we have already put in place,  
22       accomplished in the past, so, we want to get in the next  
23       month some clarity on some of the basics.

24                        What are the key policy areas that we  
25       can help in?

1                   Of all the different things we have  
2                   heard today, how should we prioritize ones for the most  
3                   advocacy suggested in here?

4                   I see a couple of different kinds of  
5                   committees see-saw a couple of different kinds of areas  
6                   that we are talking about. One is the area of obstacles.  
7                   Obstacles to getting this travel and tourism working,  
8                   happening like keys of entry. That, too, the previous  
9                   committee, the previous committee -- subcommittee was  
10                  terrific on the -- giving us some information reports on  
11                  that energy policy was one great one and for the security  
12                  policy was another. We were fortunate on our committee  
13                  to have Sam Hill and Voils (sic) Stern join us and give  
14                  us some basis on what has already been accomplished, some  
15                  of the successes and how we can better communicate all  
16                  those successes.

17                  The second part of what we talked about  
18                  has to do more with destination and progress, how do we  
19                  let people know better what kind of policies should be in  
20                  -- to let people know better about what it is to come  
21                  here for. That's kind of like, what issue of the film  
22                  states Brand USA is doing. So, our committee want to go  
23                  more on those -- some of those kinds of issues for that,  
24                  for authentic front nontraditional, rural, tribal  
25                  experience. That, for us, is a partner strategy. No one



1 can do that alone. In partnership with other  
2 organizations is how to do that. So, that's the clarity  
3 on that.

4 Then there is the clarity on whom to  
5 advocate and communicate common government agencies.  
6 Yes. But not just federal government. It is states and  
7 local government as well. It is one of the things that  
8 my organization was able to do. We bring policy  
9 recommendations to other entities, like, United States  
10 Conference of Mayors this year. We brought policy  
11 recommendation that's related to the travel and tourism  
12 work. That's all together, and so, U.S. Council of  
13 Mayors passed a resolution and resolved that they were  
14 going to go Mayors across the country to work on  
15 implementation of recommendations contained in the U.S.  
16 National Travel and Tourism Strategy that we all put  
17 together. So, we have more opportunities to do that kind  
18 of empowering on a -- to whole parts that government --  
19 We also talk about industry itself, how industry is fired  
20 up about successes that are put in place and use  
21 nonindustry partners who -- but who are partners of in  
22 flux, like, for example, entire national nonprofit  
23 networks, all of whom are involved in some way or another  
24 with that and tourism. We want to handle the  
25 infrastructure committee and travel and facilitations

1 Committee. Some of the things that we are coming up with  
2 are really key, like, federal programs of the last  
3 several years put in place, global entry, the crew  
4 precheck program, the next check program, and the Visa.  
5 Those are some of the ones we talked about today.

6                   There are a half dozen ones we talked  
7 about today, each one of these things partially we have a  
8 prioritization drawing with you. Another part, some of  
9 those have advocacy aspects to them. Some of them have  
10 communication aspects to them. We want to talk about how  
11 to set up recommendations and clarity of one -- of each  
12 one of those things and on the contents side, we want to  
13 better integrate existing systems of contents, whether it  
14 is culture, all of the different pieces of what is around  
15 the room, here, culture community, arts community,  
16 shopping community, native culture community, restaurant  
17 community. We feel that there there is unbounding  
18 information that can be put together to network better as  
19 a whole on the industry and also, the federal agencies  
20 that support and affect the success of these continents.  
21 As an example for me is that you can talk forever about  
22 travel and tourism to culture destinations and support  
23 mechanisms being loaded for these organizations that are  
24 having the current problem. That's part of the Advocacy  
25 Group. We want to harness the nationwide system at the

1 local level of local businesses that are out there,  
2 authentic businesses that are end of Detroit and come up  
3 with a series of policy recommendations to leadership  
4 entities; not just at the federal legislation place, but  
5 local and state level and national.

6 Lieutenant-governor has a situation in  
7 independent sector, American Association of Museums. All  
8 are powerful, talk about a year, then finally  
9 recommendations on better source. This came up with much  
10 news that we are talking about here. This is why there  
11 is a Brand USA. This is why the State Department did  
12 that. We want to have a more connected lending approach  
13 to that sort of and that recommendation and about U.S.  
14 contents and I hope that was under ten minutes.

15 MR. DAVIDSON: Thank you, Bob, very,  
16 very much for that report. I'm going to defer to Sam as  
17 our Vice Chair to provide some closing thoughts and then  
18 to Jenna to ride out.

19 MR. GILLILAND: Okay. I will keep it  
20 brief. I know, we are running over and people have to  
21 keep flights. All the subcommittees, I'm sure have  
22 observed that Todd and I were sitting in on several of  
23 the subcommittees at this time, and at one, a few of the  
24 conference calls we have decided at the outset, we  
25 thought, it would be helpful for each of us to split up

1 and participate in two subcommittees each, so, that's  
2 what we have been doing. So, if you are wondering,  
3 "Why is Todd here? Why is Sam here?" It is really to  
4 facilitate the connect point between the -- across the  
5 subcommittee, because we can all tell as we sit at these  
6 meetings today, there is a lot of commonality, certainly  
7 in purpose of what we are trying to accomplish.

8 I want to try to comment, first of all,  
9 on the observations. I think that Todd and we -- as we  
10 sat on this committee, just continued enthusiasm, energy,  
11 everybody that's sitting in these meetings certainly in  
12 private sector and public sector, so, we have got -- you  
13 know, we have got Commerce and states and DHS and D.O.T.  
14 and I'm just anticipating this meeting and opportunities  
15 to talk about and engage with other agencies. They want  
16 our help, and we have heard -- we clearly need their  
17 help. It is a great opportunity for collaboration. I  
18 think, what we all hope to see is further engagement  
19 going forward, really taking the engagement to the next  
20 level. We see a lot of attachment and fantastic success  
21 through engaged at the last TTA meeting, seeing that  
22 going forward thing that we find out as that engagement  
23 occurs is that in much cases, there is significant  
24 alignment between goals in a private and public sector.  
25 So, I was really encouraged by that as well. I think, at

1       this point, we have heard the reports of each group and  
2       there race, next steps or early nemesis, important to  
3       continue to make progress between now and next meeting  
4       which is October 2nd. So, we'll want to just continue to  
5       progress these things, make sure that if you are talking  
6       advantage of those agencies, public sector, but also  
7       taking advantage of other things, tanks around  
8       Washington, be helpful with the work that we are trying  
9       to accomplish, so, I really appreciate the minutes and it  
10      is time to go, get it done already.

11                   MS. PILAT: So, first and foremost to  
12      thank you to each and every one of you committee people  
13      to join us here, really great day yesterday, really  
14      excitinging to see you. Thank you for your continuing to  
15      serve on this Board.

16                   Next meeting, like Sam said, is  
17      October 2nd which will be in Washington D.C. at the  
18      Department of Commerce. We are looking at a late  
19      morning, probably, 9:30 to 11:30, 12:00, in that range.  
20      We are go going to get a detailed itinerary out, detailed  
21      other state meetings and while you are in town in  
22      addition to your separate meetings, I think, it is fair  
23      to assume October 1st, in the afternoon, we will meet and  
24      have our meeting October second. I want to fly to dates  
25      for August of -- It is coming up, August 1st, our team,

1        we are planning -- we are leading for planning for the  
2        Whitehouse and states convenience for travel and tourism  
3        industry. We just got the date confirmed Wednesday  
4        evening and so, you all will be invited to participate in  
5        this meeting. I will save on Monday, being -- going to  
6        be a larger economic meeting for travel and tourism and  
7        you folks will want to be sure, you send those to me  
8        before you test involved. Also, next meeting, we will  
9        sent out a recap of some of the meetings and this  
10       meeting, a summary of, as well as first full calendar  
11       between this and the next meeting as well as  
12       teleconference.

13                        What we are planning on doing, D.O.T. --  
14       Department of Interior is interested in briefing. We  
15       will make sure that you get all of those dates on the  
16       calendar leading to the October 2nd meeting. You should  
17       be thinking toward -- if you will be ready to give  
18       recommendations, your subcommittee is welcome to give  
19       recommendations. If something is ready to want to start  
20       looking at immediately, think of practical, you are not  
21       expected to have recommendations at each meeting, but we  
22       would like to have some to discuss, so, keep that in the  
23       back of your mind. About two weeks after that meeting,  
24       we will have the phone calls to review any meeting and  
25       recommendation letters we have and drafts, so, make sure

1           taht we have recommendations and discussion.

2                               Lastly, we had a fun conversation last  
3           night about the nine meetings we will have in 2013, and  
4           all the investigations across the country, but we will  
5           work the next few weeks to really set the calendar for  
6           2013 as much as we are able to get those dates on the  
7           calendars with locations and so, we can plan with your  
8           schedules. So, on that, if those of you have any  
9           questions for me, I'll take it.

10                           If you have to fly, just thank you very  
11           much.

12                           MR. DAVIDSON: Thank you very much,  
13           Jenna.

14

15

16

17

18

19

20

21

22

23

24

25

1                   Certified Shorthand Reporter (CSR)

2

3

4                   Because of technical difficulties with the  
5   microphones, which were not under my supervision or control,  
6   I cannot certify that this transcript, consisting of  
7   80 pages, is a complete, true, and correct record of  
8   The Travel and Tourism Advisory Board held in this case on  
9   July 13, 2012.

10

11   August 6, 2012

12

13                   \_\_\_\_\_  
14                   SHALAAN K. FISHER CSR-2284  
15                   Certified Shorthand Reporter  
16                   Notary Public, County of Wayne, MI  
17                   (Acting in Wayne County, MI)  
18                   My Commission Expires: 5/7/12

19

20

21

22

23

24

25

26

27

28

29



