

LOS ANGELES , CALIFORNIA

MONDAY , APRIL 23 , 2012

THE TRAVEL AND TOURISM ADVISORY BOARD

9:30 A.M. - 11:30 A.M.

LOS ANGELES CONVENTION CENTER

ROOM 502A

REPORTED BY :

DARLENE LEWIS

CSR No. 13534

3 JOHN BRYSON, U.S. SECRETARY OF COMMERCE

4 TODD DAVIDSON, BOARD CHAIR, CHIEF EXECUTIVE OFFICER,
5 TRAVEL OREGON

6 SAM GILLILAND, BOARD VICE-CHAIR, CHAIRMAN AND CHIEF
7 EXECUTIVE OFFICER, SABRE HOLDINGS

8 JENNIFER PILAT, ACTING DIRECTOR, OFFICE OF ADVISORY
9 COMMITTEES

10 FRANCISCO SANCHEZ, UNDERSECRETARY FOR INTERNATIONAL
11 TRADE

12 NICOLE LAMB-HALE, ASSISTANT SECRETARY FOR MANUFACTURING
13 AND SERVICES

14 JULIE HEIZER, ACTING DIRECTOR OFFICE OF TRAVEL AND
15 TOURISM INDUSTRIES

16 SUSAN KURLAND, ASSISTANT SECRETARY FOR POLICY,
17 DEPARTMENT OF TRANSPORTATION

18 DOUGLAS SMITH, ASSISTANT SECRETARY FOR THE PRIVATE
19 SECTOR, DEPARTMENT OF HOMELAND SECURITY

20 DAVID DONAHUE, DEPUTY ASSISTANT SECRETARY FOR VISA
21 SERVICES, DEPARTMENT OF STATE

22 ANTONIO VILLARAIGOSA, MAYOR OF LOS ANGELES

23 HOLLY AGRA, PRESIDENT, CHICAGO'S FIRST LADY CRUISES

24 ROSEMARIE ANDOLINO, COMMISSIONER, CHICAGO AIRPORT
25 AUTHORITY

21 MAUREEN BAUSCH, EXECUTIVE VICE PRESIDENT OF BUSINESS
22 DEVELOPMENT, MALL OF AMERICA

23 LINDA CARLISLE, SECRETARY, NORTH CAROLINA DEPARTMENT OF
24 CULTURAL RESOURCES

25 MARYANN FERENC, FOUNDER, PRESIDENT AND CHIEF EXECUTIVE
OFFICER, MISE EN PLACE, INC.

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1 ELLIOTT FERGUSON, PRESIDENT AND CHIEF EXECUTIVE OFFICER,
2 DESTINATION DC

3 MICHAEL GIBBONS, PRESIDENT, MAINSTREET VENTURES

3 MARIO GONZALEZ-LAFUENTE, EXECUTIVE DIRECTOR, ROOSEVELT
4 ROADS LOCAL REDEVELOPMENT AUTHORITY

5 ROBIN HAYES, EXECUTIVE VICE PRESIDENT AND CHIEF
6 COMMERCIAL OFFICER, JETBLUE AIRWAYS

7 KIRK HOESSLE, PRESIDENT, ALASKA WILDLAND ADVENTURES

8 HOLLY ARNOLD KINNEY, EXECUTIVE DIRECTOR, THE FORT, LLC

9 ROBERT LYNCH, PRESIDENT, AMERICANS FOR THE ARTS

10 LAURA MANDALA, MANAGING DIRECTOR, MANDALA RESEARCH, LLC

11 KATHLEEN MATTHEWS, EXECUTIVE VICE PRESIDENT, MARRIOTT
12 INTERNATIONAL, INC.

13 CHANDRAKANT "C.K." PATEL, PRESIDENT, BVM HOLDINGS, INC.

14 J. STEPHEN PERRY, PRESIDENT AND CHIEF EXECUTIVE OFFICER,
15 NEW ORLEANS CONVENTION AND VISITORS BUREAU

16 ROSSI RALENKOTTER, PRESIDENT AND CHIEF EXECUTIVE
17 OFFICER, LAS VEGAS CONVENTION AND VISITORS AUTHORITY

18 OLGA RAMUDO, PRESIDENT AND CHIEF EXECUTIVE OFFICER,
19 EXPRESS TRAVEL OF MIAMI, INC.

20 RONALD SOLIMON, PRESIDENT AND CHIEF EXECUTIVE OFFICER,
21 INDIAN PUEBLO CULTURAL CENTER, INC., AND INDIAN PUEBLOS
22 MARKETING, INC.

23 JOHN SPROULS, CHIEF EXECUTIVE OFFICER, UNIVERSAL ORLANDO
24 RESORT AND EXECUTIVE VICE PRESIDENT, UNIVERSAL PARKS AND
25 RESORTS

CHRISTOPHER THOMPSON, PRESIDENT AND CHIEF EXECUTIVE
OFFICER, VISIT FLORIDA

STEVEN THOMPSON, CHIEF EXECUTIVE OFFICER, JOHNS HOPKINS
MEDICINE INTERNATIONAL

CAROL WALLACE, PRESIDENT AND CHIEF EXECUTIVE OFFICER,
SAN DIEGO CONVENTION CENTER CORPORATION

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1 ATTENDEES (CONTINUED)

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3 JONATHAN ZUK, FOUNDER, CHIEF EXECUTIVE OFFICER AND

PRESIDENT, AMADEO TRAVEL SOLUTIONS

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LOS ANGELES, CALIFORNIA; MONDAY, APRIL 23, 2012

9:30 A.M.

4 BOARD-CHAIR DAVIDSON: We'll get started.

5 What a great time and place for us to be
6 part of the major international trade show that happens
7 in the United States every year. It's estimated there
8 will be somewhere between \$3.5 and \$4 billion worth of
9 business transacted on the showroom floor over the next
10 72 hours.

11 This is going to be a significant event for
12 our country, but we are at a point where we're able to
13 recognize the momentum and these are truly historic and
14 unprecedented times for our country. As we're getting
15 to know each other at the Travel and Tourism Advisory
16 Board, I do want to take a moment and just reintroduce
17 myself to you, and we'll also go around and do some very
18 quick self-introductions.

19 Also, we have some of our very special
20 guests that are also on very tight time lines that are
21 connected to the work with the travel and tourism
22 industry and the commerce of the United States, and I
23 want to make sure that we do our level best to honor
24 their schedules as well.

25 My name is Todd Davidson and my day job is

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1 serving as the CEO of Travel Oregon, the official state
2 tourism office for the state of Oregon, and I have the
3 privilege and pleasure of also serving as the Chair of
4 the Travel and Tourism Advisory Board next to Secretary

5 John Bryson.

6 Mr. Secretary, I appreciate your confidence.

7 And I would like to, if we could, I would like to start
8 with Sam and go around and just introduce ourselves
9 quickly, your name and who you're with.

10 VICE-CHAIR GILLILAND: I'm Sam Gilliland,
11 Vice Chair of Travel and Tourism Board Advisory Board
12 and CEO of Sabre Holdings.

13 ROSSI RALENKOTTER: Rossi Ralenkotter,
14 President and CEO of the Las Vegas Convention and
15 Business Authority and the current Chair of the United
16 States Travel Association.

17 MAUREEN BAUSCH: Good morning. I'm Maureen
18 Bausch, Executive Vice President of Business
19 Development, Mall of America.

20 KIRK HOESSLE: Good morning. I'm Kirk
21 Hoessle, President of Alaska Wildland Adventures.

22 MIKE GIBBONS: Good morning. Mike Gibbons,
23 President of Mainstreet Ventures, a restaurant company
24 located in Ann Arbor, Michigan.

25 HOLLY AGRA: My name is Holly Agra. I'm the

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1 owner of Chicago's First Lady Cruises. We operate in
2 downtown Chicago.

3 STEPHEN PERRY: Stephen Perry, President and
4 CEO of the New Orleans Convention and Visitors Bureau.

5 MARIO GONZALEZ-LAFUENTE: Good morning. I'm
6 Mario Gonzalez. I'm the Executive Director, Roosevelt
7 Roads Local Redevelopment Authority.

8 HOLLY ARNOLD KINNEY: I'm Holly Arnold
9 Kinney. I'm the owner of The Fort Restaurant, an
10 historic replica of an 1830's fur trade fort, and the
11 Executive Director of the Tesoro Cultural Center.

12 ROBERT LYNCH: I'm Bob Lynch, President and
13 CEO of Americans For the Arts, which is a national
14 membership organization for all of the city arts
15 councils.

16 LAURA MANDALA: Laura Mandala, Managing
17 Director, Mandala Research, LLC, in Washington, D.C.

18 RONALD SOLIMON: Good morning. I'm Ron
19 Solimon. I'm the Executive Director for the Indian
20 Pueblo Cultural Center in Albuquerque, New Mexico and
21 the Vice President of the Board for the American Indian
22 Alaska Native.

23 JULIE HEIZER: Good morning, everyone.
24 Julie Heizer, Department of Commerce.

25 JENNIFER PILAT: Good morning. Jennifer

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1 Pilat, Acting Director, Office of Advisory Committees.

2 BRUCE ANDREWS: Bruce Andrews, Department of
3 Commerce.

4 NICOLE LAMB-HALE: Nicole Lamb-Hale,
5 Assistant Secretary for Industry & Analysis,

6 Department of Commerce.

7 SECRETARY BRYSON: I'll pass.

8 FRANCISCO SANCHEZ: Francisco Sanchez,

9 Undersecretary of Commerce for International Trade.

10 SUSAN KURLAND: Susan Kurland, Assistant

11 Secretary of Aviation and International Affairs,

12 Department of Transportation.

13 DAVID DONAHUE: I'm David Donahue. I'm with

14 the Department of State, Office of Visa Services.

15 DOUGLAS SMITH: Douglas Smith, Secretary,

16 Department of Homeland Security.

17 JOHN SPOURLS: John Spourls, Executive Vice

18 President, Universal Parks and Resorts.

19 CAROL WALLACE: Carol Wallace, President and

20 CEO, San Diego Convention Center Corporation.

21 STEVEN THOMPSON: Steve Thompson. I lead

22 the international activities for Johns Hopkins

23 University in about 75 countries.

24 CHRISTOPHER THOMPSON: Good morning,

25 everybody. Chris Thompson, President and CEO of Visit

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1 Florida.

2 KATHLEEN MATTHEWS: Kathleen Matthews,

3 Executive Vice President, Global Communications and

4 Public Affairs for Marriott International.

5 LINDA CARLISLE: Linda Carlisle, Secretary,

6 North Carolina Department of Cultural Resources, and we
7 have a focus on cultural and heritage tourism.

8 CHANDRAKANT PATEL: Good morning. C.K.
9 Patel. My real name is Chandrakant and it's pretty
10 long. I'm president of BVM Holdings, Inc.

11 JONATHAN ZUK: Good morning. I'm Jonathan
12 Zuk. I'm the President and CEO of Amadeo Travel
13 Solutions, and the chairman of the association of the
14 Receptive Services Association of America, RSAA.

15 OLGA RAMUDO: Good morning. Olga Ramudo,
16 Express Travel, Miami, Florida.

17 ROBIN HAYES: Good morning. Robin Hayes,
18 Chief Commercial Officer, JetBlue Airways.

19 ROSEMARIE ANDOLINO: Good morning.
20 Rosemarie Andolino. I'm the commissioner of the Chicago
21 Department of Aviation.

22 ELLIOTT FERGUSON: Good morning. Elliott
23 Ferguson. I'm the CEO of Destination D.C., the
24 Convention Bureau in Washington.

25 MARYANN FERENC: Good morning. Maryann

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1 Ferenc, CEO of Mise en Place, a restaurant and event
2 company in Tampa, Florida.

3 BOARD-CHAIR DAVIDSON: Thank you, everyone.
4 When we met in Orlando on January 19, a rather
5 auspicious day, we talked about how this board had a
6 legacy, had a legacy of being a real action-oriented,

7 task-oriented, policy-generating board.

8 Now, folks weren't saying, yes, I would like
9 to be on the Travel and Tourism Advisory Board because
10 it looked great on their resume; they were saying they
11 wanted to serve on the Travel and Tourism Advisory Board
12 because they wanted to serve and they believed in the
13 power of the travel and tourism industry to help
14 transform this nation's economy.

15 And you responded. I mean, since our last
16 meeting, the way that you have stepped up as a group to
17 participate in conference calls as the national strategy
18 was being developed, when we reached out to Maryann and
19 to Greg and to Chris and to Brian and asked if, "By the
20 way, could you draft our letter of recommendation?" and
21 "By the way, you have about 24 hours to pull it
22 together, and we're going to be shoveling feedback on
23 you as you go," you still said "yes."

24 To Laura, who made a very, you know, just as
25 one example, you've made a tremendous effort, I know in

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1 reaching out through her e-mail lists to encourage
2 people to submit their comments. And I'm sure many of
3 you did the same, I just happen to be on Laura's e-mail
4 list so I know how often she was letting people know
5 about the opportunity to submit comments to be part of
6 this strategy.

7 To Holly, who made the effort to let folks
8 know in her corporate newsletter going out to consumers
9 how they could become part of the "Global Entry"
10 program.

11 You folks were recognizing that we're not
12 here to listen to reports from our federal partners, but
13 rather we're here to engage in the mutual work of making
14 travel matter to the United States, and that there's a
15 give-and-take, but there's obviously a tremendous amount
16 of synergy and collaboration.

17 As I said at the beginning, we know that
18 we're living in what are currently historic and
19 unprecedented times. Two examples for me, in the
20 President's executive order, he talked about exploring
21 Visa Waiver for Taiwan, and yet he did not miss the
22 opportunity when he met with the president of Brazil to
23 raise the same topic with him.

24 And we know the importance of Brazil as well
25 to this nation's tourism industry. Looking to the

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1 not-too-distant future, my second example would be the
2 efforts around Global Entry reciprocity. As we look at,
3 as a board, the successes that have been experienced in
4 visa processing so we're able to better facilitate folks
5 traveling to this country from Non-Visa Waiver
6 countries, and we see the global economy starting to
7 recover, we know Brand USA is going to be launching

8 their \$100 million-plus advertising campaign; we know
9 we're going to be creating more demand on customs and
10 border protection.

11 Global Entry reciprocity has the ability to
12 help us address that. We've already entered into
13 agreement for reciprocity, to my understanding, with
14 Canada, Mexico, and the Netherlands. We have joint
15 statements of cooperation with the UK, Germany, and
16 Korea to move forward with these conversations.

17 I was over in Japan last week and had the
18 opportunity to speak to some folks about Global Entry
19 reciprocity. I mean, they are still, even with some of
20 the decline in outbound visitation from Japan, they
21 continue to be Oregon's number one overseas market. I
22 believe that's true for many of you. And for the United
23 States, I believe they are number two in overseas
24 markets.

25 So knowing that they're sending nearly three

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1 million folks a year, being able to enter into a Global
2 Entry reciprocity agreement with Japan could be
3 significant. I think there are four different agencies
4 that are working with our folks at Homeland Security.
5 So we have one agency working on it, and they have four
6 agencies that are currently working on it.

7 And it seems to me that we have an

8 interesting opportunity coming up where on April 30th
9 President Obama will be meeting with Prime Minister
10 Noda. And in the say way, the President spoke to the
11 President of Brazil about Visa Waiver, there might be an
12 opportunity to share some interests in -- from those two
13 about their interests in the two countries entering into
14 a Global Entry reciprocity agreement.

15 So as we move forward today, we're going to
16 have the opportunity to hear from Secretary Bryson and
17 his vision and his priorities. We'll receive an update
18 on the National Export Initiative. We're going to hear
19 progress from our federal partners, and we're going to
20 begin that process of channeling your interests and your
21 energy as we begin to form the subcommittees, the real
22 heart of the work of this board.

23 It has proven to be a successful model for
24 us in the past, and I believe it will be as we move
25 forward as well.

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1 The identification of the various
2 subcommittees was driven by coalescing the ideas around
3 the issues that you submitted from the onset when we
4 first asked you what do you think are some of the top
5 issues that are currently facing this nation's tourism
6 industry. And we're putting those together with some of
7 the concepts that have formed within the national travel
8 and tourism strategy and other federal initiatives that

9 are occurring. And we're going to hear more on that
10 later when we have our discussion with Nicole.

11 Let's suffice it to say that with Brand USA
12 launching in Japan, Canada, and the UK on May 1st, that
13 our focus on advising Secretary Bryson of policy issues
14 that affect travel and tourism to and within the United
15 States will certainly assist in helping the Brand USA's
16 and this nation's tourism industry's ambitions towards
17 accomplishment.

18 I'm very excited to be at this point in time
19 with each and every one of you. It's been a little
20 hectic as we've all been queuing up not only for this
21 meeting, but also for "Pow Wow." There have been some
22 changes. I think you've all been made aware of some of
23 the changes that have occurred within the office with
24 Michael taking a new assignment within the Department of
25 Commerce.

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1 And I want to recognize Jenna for coming
2 into this role as our acting director and still serving
3 as our secretariat and still holding it all together,
4 getting the information out as quickly and as succinctly
5 as we can with all the frenetic energy around this
6 group, around the tourism industry, and certainly I know
7 right now within the Department of Commerce.

8 Jenna, thank you so much.

9 Mr. Secretary, we are so honored to have you
10 here with us this morning. We appreciate your time and
11 we appreciate your energy and your passion for the
12 nation's tourism industry. And it's my pleasure to
13 welcome you to your Travel and Tourism Advisory Board
14 meeting.

15 Thank you, sir, for being here today.

16 SECRETARY BRYSON: Well, it's a great, great
17 pleasure to be here. It's a great pleasure to see so
18 many of you who I became acquainted with at our meeting
19 in January. That was a spectacular meeting launched, of
20 course, by the President himself.

21 And most of us that day were at Walt Disney
22 World as the President set out both the vision, a set of
23 the commitments on visas, a full series of steps that I
24 thought he presented powerfully and effectively that
25 day. And we knew our work was cut out for us to follow

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1 up on what he set out.

2 And we have a national strategy. A national
3 tourism and travel strategy is now over in The White
4 House. We presented it. We grew very strongly. And I
5 went again this morning over the recommendations that
6 you made in each of your committees. And by the way, I
7 especially thank you for the clarity and the strength of
8 those recommendations.

9 And I'll tell you what I really want to do.

10 It's true, I'll touch on a very few things, but not a
11 lot this morning. What I want to do is capture the
12 time. I can be here until 10:30. At that point, with
13 apologies, I will have to leave.

14 Ah-ha, the mayor is with us, so I'm going to
15 stop. I'll tell you what I will do. I'll resume after
16 the mayor has given brief remarks.

17 This is Antonio Villaraigosa. Perhaps most
18 of you know him already, now the quite long-term mayor
19 of Los Angeles, an extraordinary mayor. A presence
20 across the country. Still the head of the Mayor's
21 Association across the entire United States, he's in
22 Washington, he's here.

23 He's vividly involved and deeply cares about
24 bringing people here to Los Angeles, and we all care a
25 lot about that. When he's done with his brief remarks,

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1 what we're going to do is I'm going to ask that we go
2 around the room. It doesn't have to be in order, but I
3 want to capture as much as I can of the ideas and points
4 that you would like to make.

5 Then I leave at 10:30. You go to 11:30, and
6 I know you're going to have your committee meetings.
7 I'm going to turn to Sam after Mayor Villaraigosa, and
8 we'll move quickly around after that.

9 Mr. Mayor, please introduce us and provide

10 your remarks.

11 MAYOR VILLARAIGOSA: Thank you, Secretary
12 Bryson. John and I have been friends for almost 20
13 years.

14 SECRETARY BRYSON: A very long time.

15 MAYOR VILLARAIGOSA: A very long time. From
16 the present CEO of Southern California Edison, and now
17 secretary. And we're very proud to have you here in
18 L.A. It seems that you're here every other week. And
19 along with Assistant Secretary Francisco Sanchez.

20 We were at an event at the City's initiative
21 just talking about exports and the need to be
22 export-ready in a world where 95 percent of the markets
23 are outside of the country. Welcome to L.A., and,
24 Mr. Secretary, I feel compelled. I am president of the
25 Conference of Mayors, but most importantly, the mayor of

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1 L.A.

2 I've noticed there isn't anybody from
3 Los Angeles on that advisory board, and we're going to
4 have to do something about that because L.A. is the
5 number two destination for international visitors, as
6 you all know. Every year but one in the middle of this
7 recession, tourism is up in L.A.

8 About 350,000 jobs were generated. We
9 opened up a tourism office in Beijing just in the last
10 year. We had a 151 percent increase in tourism from

11 that country, 72 percent since last year. I think they
12 provide 338,000 -- I'm not reading, so 338,000 visitors.
13 International visitors, almost six million from around
14 the world.

15 So tourism is very important to us, and I
16 was noticing that you all have put together a series of
17 recommendations. And what I'm going to do is I'm going
18 to take that to the U.S. Conference of Mayors so that
19 there's another entity that is getting behind this
20 notion that tourism is important to jobs, it's important
21 to our economy, and it's important to developing the
22 friendship in a world that needs much more friendship.
23 It's important for so many reasons, and we're going to
24 be in Orlando for the Mayors Annual Meeting, and I'm
25 going to put that on the agenda so that they adopt -- I

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1 was reading some of your recommendations -- so that they
2 adopt them.

3 We got behind, as an example, early on, I
4 think five years ago when I visited Korea for the first
5 time, the Korean "Visa Waiver Program." We got behind
6 the effort to streamline visas for the Chinese and now
7 the Brazilians. This city is focused on this issue in a
8 big way and we're real excited to have you all.

9 As the Secretary said, my comments would be
10 brief, and so they will be, and at his invitation. The

11 only thing I would say again is L.A. needs to see a
12 member from L.A. on this board. I mean, we are the
13 second largest city in the United States of America.

14 So it's just great to welcome you all. Let
15 me just say, I know that you're here first meeting for
16 the Pow Wow conference. Let everybody know that given
17 our financial situation, we want you to spend. You're
18 all on per diems, so go out to the restaurants, shop as
19 much as you can. We need the revenue. Thank you.

20 SECRETARY BRYSON: Mayor, we would be more
21 than delighted to have before us an absolutely fantastic
22 representative of the Greater Los Angeles area on this
23 board. That would be a big plus. So if you'll come
24 back in your mayoral --

25 MAYOR VILLARAIGOSA: All right. I thought

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1 you were saying --

2 SECRETARY BRYSON: These are two-year terms.
3 What we did in Orlando, as perhaps you've heard, we had
4 quite a number of people. This advisory board has been
5 a very strong advisory board going well into the past.
6 But we wanted to expand, for example, to the airlines,
7 and that was entirely new at that time, and there are a
8 whole series of things.

9 Because we can make this yet more vital,
10 providing more jobs, bringing more people to the United
11 States. And since it's literally one week ago that the

12 ninety days on the President's charter to us for this
13 task force report, which we've now put before him, and
14 that will be announced before very long.

15 I'll say a little more about it this
16 afternoon when I make brief remarks. But the big launch
17 will be with the President and a whole series of steps.
18 So I think people greatly underestimate the extent to
19 which the tourism world provides incredible jobs and
20 incredible revenues and export revenues and jobs, and
21 all that just means we become a healthier, more
22 competitive country when we do that. And I'm delighted
23 to know Los Angeles is second. That is terrific.

24 With that, I'm going to make these brief
25 remarks and I really am going to be quite concise. And

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1 then on to Sam, and then we'll work our way quickly
2 around the room.

3 Mr. Mayor, we would love to have you stay
4 with us as long as your schedule permits, but I tend to
5 know his schedule pretty well. My guess is he's got
6 something -- if it's now a little before 10:00, he has
7 something on the schedule for 10:00 or 10:15.

8 MAYOR VILLARAIGOSA: Very true and I'll be
9 getting on a plane to Sacramento, but I do want to
10 welcome you all to L.A.

11 Thank you, Mr. Secretary.

12 SECRETARY BRYSON: So I've touched on our
13 previous meeting and I would say it's been a wild and
14 intense world since that time, and I think in
15 substantially all positive respects. I'll touch on just
16 a view things that I've done and go quickly beyond that.
17 But what was it, about two weeks ago, I took a trade
18 mission to India. This was sixteen U.S. businesses, and
19 there were a very large number that traveled with us and
20 various federal governments joined our great mission.

21 And they're federal government arms and
22 these tend to be the ones that make financial
23 investments or encourage and provide financial support.
24 And we went from early to late every day. I found it
25 enormously exciting and there were just a few facts

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1 about that. One of the things we did in India was we
2 kicked off an effort called "Visit USA."

3 Visit USA was for the travel industry
4 leaders in India, and there had never been such a thing
5 previously created, and it was a moving event. It was
6 people from all over the cities of India. In all kinds
7 of capacities they reach out to tourism. And the
8 stunning effects of that now, we believe, going forward
9 are just representative of things that we can continue
10 to do.

11 So let me give you just a few facts. Last
12 year, America welcomed over 660,000 visitors from India

13 coming our way. As we know, there are a lot of
14 Indian-Americans that live here in the United States.
15 They have been particularly strong in many, many fields.
16 Silicon Valley is substantially driven by the
17 Indian-American delegation of people that are there.

18 So there are that number of visitors, but
19 this is increasingly a situation in which the Indian
20 people, Indian-heritage people or Indian-Americans, they
21 want to go home. They want to see their families. And
22 because India is becoming a middle class, substantially
23 more affluent, they want to come and visit here, so it's
24 more a huge opportunity.

25 It's representative of many around the

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1 world, and in your various ways, you know about that.
2 Total spending by Indians traveling to the U.S. was \$4.6
3 billion. That's up 15 percent from the previous. As
4 you know, this has happened in many other countries
5 around the world.

6 A few more facts. Last year, international
7 visitors to our country spent a record \$153 billion on
8 hotels, cars, food, entertainment, and more. That's
9 big. We're an affluent country and that is a big slice
10 of business, \$153 billion.

11 America had its largest trade surplus on
12 record for travel and tourism last year, nearly \$43

13 billion. That's the trade surplus. Obviously, what our
14 people going outside the United States provide elsewhere
15 and what people coming here provide, and it's a huge
16 surplus.

17 In addition, just last week our Department
18 of Commerce announced that international visitors spent
19 \$13.3 billion, 13.3. So that was just last week on
20 travel and tourism in the United States in February. So
21 you know, we do these monthly reports, and they keep
22 getting stronger.

23 That number, the 13.3, was up 14 percent
24 from one year ago. So our economy is showing signs of
25 life, and tourism is a big part of it. Lance, at lunch

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1 today, will announce at Pow Wow the new forecast that
2 will show continued growth through 2016. So clearly the
3 work we're doing here today has never been more
4 important.

5 I want to thank all of you for your input
6 into this National Travel and Tourism strategy, as I've
7 indicated, we've submitted to the President. I went
8 over your reports, and the clarity and the conciseness
9 and the simplicity and the strength, you will see and
10 you will be proud to see in the strategy that the
11 President ultimately says, "Yes, that's it."

12 Know that your priorities help us focus the
13 strategy on areas that have the greatest potential. I

14 believe this will help us build America's unique
15 strength in the industry, and that will mean more jobs
16 here at home.

17 So just a few things. We're proposing both
18 short- and long-term actions in a number of areas. We
19 have a one-year plan and we have a five-year plan, and
20 you'll see that as we set it out. Some of the areas of
21 continued improvement: Visa processing, helping small
22 business get tools and financing to tap further into
23 this market.

24 So we talked about that some in Orlando.
25 And the financing, particularly the smaller businesses

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1 in this field, small businesses across our country, we
2 have to find ways for them to have readily, properly
3 available financing. So the Small Business
4 Administration and other arms of the federal government
5 are focused on that.

6 Making our airports easier to navigate. We
7 talked a lot about that in Orlando. We have a long way
8 to go there.

9 Getting the word out about America's great
10 national parks, public lands, waters, and so on. It's
11 not that we don't know of these, but the opportunity is
12 so great to do so much more there. And so the
13 Department of Interior, Secretary Salazar has been

14 working a lot on that. It's really the Department of
15 Interior, I think, that is doing a great job. And we'll
16 intensify that a lot for this summer's and this fall's
17 tourism.

18 The challenge now is to actually implement
19 these strategy ideas and to develop specific
20 metrics-based ways to track our success through your
21 subcommittees. I want to thank you all in advance for
22 your continued partnership to help achieve these goals.

23 And what we'll do, my colleagues,
24 Undersecretary Sanchez, Assistant Secretary Lamb-Hale
25 will discuss that, but after I depart.

25

1 And now, Sam, I would like to turn the floor
2 over to you to discuss "Brand USA." Okay.

3 VICE-CHAIR GILLILAND: Well, thank you
4 Secretary Bryson for those remarks. And maybe just as a
5 reminder from the crew here, you may recall from the
6 January meeting that I was asked to act as the liaison
7 between the Travel and Tourism Advisory Board and
8 Brand USA.

9 So I want to provide an update on where we
10 are with Brand USA. I'll try to keep this concise given
11 a tight agenda. Secretary Bryson just commented on the
12 realities and also the opportunities to track
13 international visitors, and certainly that, as you know,
14 is what Brand USA is all about.

15 This is a very exciting day for Brand USA.
16 They will unveil their inaugural marketing campaign and
17 target markets. And Todd alluded to a few of those here
18 earlier in his remarks. But let me give you a little
19 bit of the details about what's been going on in the
20 fund-raising activities.

21 So as many of you will recall, the fund
22 raising goal for the fiscal year 2012 is to raise \$50
23 million from the private sector, \$10 million of that in
24 cash and \$40 million of that in in-kind contributions.
25 And in doing so, we qualify, or Brand USA would qualify

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1 for \$100 million in federal matching funds.

2 This would effectively then, if you do the
3 simple math, give us an operating budget of a \$150
4 million this year and based upon the two-for-one match
5 that remains in effect through October 1, 2012.

6 So the good news is that Brand USA has
7 already exceeded the cash fund-raising goals, so they're
8 a little over the \$10 million mark, and they estimate
9 that they have reached about halfway toward the \$40
10 million in-kind goal. And keep in mind that in-kind
11 investments from the private sector need to be developed
12 and executed before they can be submitted for the
13 matching ESTA funds.

14 So the Brand USA marketing campaign launches

15 in-market May 1st, as Todd had mentioned, in the United
16 Kingdom and Canada, and then May 7th in Japan, and that
17 will entail spending about \$12 million overall in those
18 markets for the first three months of the campaign.

19 And then they're looking to launch in a few
20 additional markets in the June-July time frame, so
21 Brazil and South Korea follow soon after by other
22 markets that are under consideration -- China, India,
23 Germany, Mexico, and Australia.

24 So, again, a very exciting day for Brand USA
25 and for the entire travel industry, and a huge

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1 opportunity to bring more of those international
2 visitors to the U.S. here in the coming years.

3 BOARD-CHAIR DAVIDSON: Thank you, Sam.

4 Francisco, it's great to see you again.
5 Thank you for joining us here today. I would like to
6 provide you an opportunity to share some remarks and
7 update us as well.

8 MR. SANCHEZ: Thank you very, very much.
9 It's great to see everyone. Let me first respond to
10 Mayor Villaraigosa's wanting to have a representative on
11 this board. I have to believe he knows that he has one
12 of the higher list advocates for this industry in the
13 Department of Commerce, and that's my new boss Secretary
14 John Bryson.

15 In the brief tenure that he has been here,

16 he has made a champion of this industry and he has made
17 it an absolute priority. So I know you know that, but I
18 needed to recognize it, and I will let the mayor know
19 he's got an ex-officio member of this board who has
20 pretty good connections into the federal government.

21 Let me also take a minute to thank the
22 entire board and particularly Todd and Sam for your
23 leadership. It has been a true honor to work with a
24 group of folks that take their role so responsibly. And
25 really, as the Secretary said, deliver valuable,

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1 valuable advice that we are taking to heart and that
2 we're going to work with.

3 And for those of you who are new to the
4 board, I look forward to working with you. This board
5 has done a lot, but there's more work to be done. As
6 Secretary Bryson mentioned, last week the Department of
7 Commerce announced some very encouraging data. In
8 February, international visitors spent roughly \$13.3
9 billion on travel and tourism activities in the United
10 States.

11 That is an increase of 14 percent from the
12 previous year, and this builds on the progress that we
13 made in 2010, when tourism spending increased by 8.1
14 percent. Today, we're releasing a report that breaks
15 down this 2011 data even further by highlighting the top

16 10 international markets in terms of visitors, where
17 they come from, and visitor spending.

18 And it provides further insight into this
19 industry, an industry that is supporting American jobs
20 and spurring growth throughout our economy. So this is
21 really a tribute to the work that you're doing, both on
22 this board and as an industry. It reaffirms the fact,
23 quite simply, that there is no place like the United
24 States with its unique sites, its culture, and its
25 history.

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1 And as my former boss President Clinton once
2 said, we even offer visitors the chance to leave the
3 planet because going to Washington, D.C. is like
4 visiting outer space, with all due respect.

5 MR. FERGUSON: No arguments from me.

6 MR. SANCHEZ: I should maybe limit it, not
7 Washington, D.C., but those federal government buildings
8 that represent the federal government. The Obama
9 administration is absolutely committed to continuing the
10 trend that we see. The Secretary briefly touched upon
11 the National Travel and Tourism strategy.

12 And I want to focus just for a little while
13 on efforts that we're doing at the local level. As we
14 look ahead to achieve the President's "National Export
15 Initiative," which calls for doubling exports by the end
16 of 2014, we recognize that Washington cannot do this

17 alone.

18 There are things happening that we don't see
19 with the nation's capital. And the truth is that
20 America is made up of communities with their own
21 character, their own unique set of assets, their own,
22 quite frankly, unique set of challenges but also
23 opportunities.

24 And regional leaders really have an
25 opportunity to address these issues, to take advantage

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1 of these opportunities in unique ways. So we have
2 partnered with the Brookings Institution in an effort
3 called the "Metropolitan Export Initiative." It's a
4 ground-up collaborative effort to help regional civic
5 business and political leaders create and implement
6 export promotion plans.

7 And basically, we want to be able to use
8 federal resources to help local leaders develop their
9 own export promotion strategies, and thus far we have
10 collaborated with Brookings to develop plans with
11 Minneapolis, Syracuse, Portland, and right here in
12 Los Angeles.

13 And I just want to call out to Mayor
14 Villaraigosa who has been a terrific partner in this
15 initiative and is taking it nationally to his leadership
16 role now with the Conference of Mayors. The travel and

17 tourism industry is going to be absolutely key to this
18 initiative.

19 You just have to take Los Angeles, which
20 released the "Los Angeles Regional Export Promotion
21 Plan" last month. And this city clearly has a lot of
22 desirable attractions. The mayor made a good point of
23 saying it's the number two most popular city visited by
24 overseas tourists.

25 But in addition to what we've done with

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1 Los Angeles and others, there's potential to do a lot
2 more. So we're going to be working with a number of
3 cities this year, along with Brookings. We look forward
4 to getting your input and seeing how we can work
5 together.

6 I am very confident that the partnership
7 between the Department of Commerce and this board will
8 also continue to pay big dividends. Together, we can
9 continue to boost U.S. exports, support jobs, strengthen
10 businesses, and help fuel economic growth.

11 This is very, very important work, as the
12 Secretary said, at a very important time in our nation's
13 history. Again, it has been an honor to work with you
14 thus far. I look forward to working with you throughout
15 this year to do many, many more good things. Thank you.

16 Thank you for letting me be with you here
17 this morning.

18 BOARD-CHAIR DAVIDSON: Thank you very much
19 for being here. I appreciate it. Mr. Secretary, we're
20 very sensitive to your schedule as well, sir. So we
21 will continue on with our updates.

22 SECRETARY BRYSON: Clearly, with regrets, I
23 will need to step away, but let's just keep right on the
24 program.

25 BOARD-CHAIR DAVIDSON: I wanted to give you

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1 an opportunity.

2 Next up on our agenda, I would like to ask
3 our federal partners to provide us with updates and
4 progress reports. David, we'll begin with, sir, from
5 the Department of State.

6 MR. DONAHUE: Thanks very much. It's really
7 good to be back with the TTAB today. I think everybody
8 knows we have some pretty good news to report on our
9 work we're doing on the executive order. So I would
10 like to very quickly go through where we are.

11 A lot of you were in Orlando and were there
12 when the President made his statement about visas. And
13 I think this is a very important statement because it
14 does point out that the reason we have visas is a
15 national security issue, and we're trying to do both.
16 And the President said we can do both, and we believe
17 that very strongly.

18 And we've gone a long way down the road.
19 We've added eight countries to Visa Waiver countries.
20 The Secretary of State nominated Taiwan this year or
21 last year, and the President and President Rousseff last
22 week also talked about visa waivers for Brazil. So
23 things are moving in that direction.

24 Remember that 65 percent of our visitors
25 come from visa waiver countries and that's a good place

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1 to market to. These are people who can come anytime
2 they want. There's another 30 percent that have visas
3 in their passport and they can come anytime they want,
4 and that's another group. I think we should call that a
5 loyalty program like you have at your hotels: You have
6 the visa, you can go anytime you want. And I think
7 that's what we're seeing from Brazil.

8 We had about 50 percent more visitors from
9 Brazil that didn't get new visas. These are people who
10 already had visas in their passport, so that's a good
11 market, but we will look at the visa issues. But the
12 newcomers, the people we want to bring into our fold, we
13 want them to come that first time so they'll keep coming
14 every year for their vacations.

15 So you'll see here that two of the things
16 that we agreed on in the President's executive order is
17 that we would increase our capacity for processing. We
18 can't make people come, but we can certainly increase

19 our capacity. And we increased it. We said we would do
20 it in Brazil and China by 40 percent and we would ensure
21 that 80 percent of the applicants are interviewed within
22 three weeks, and we're working very well to achieve
23 these goals.

24 You'll see in the next slide that this is
25 the wait times, and you can see it's not where you want

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1 your portfolio to go, but it's where we want wait times
2 to go. So they're all going down, and the good news, I
3 suppose, I always like to say this is good news, Sao
4 Paulo is still hanging in there at 35 days, and that
5 just means that lots of Brazilians in the Sao Paulo area
6 want to come here.

7 The rest of the places in Brazil are down
8 around seven days, and China is under three days
9 throughout China. So we'll talk a little bit about
10 space to do more visas in the future. The other part is
11 if we're going to get over 40 percent for the first half
12 of this year. We're 44 percent up in China. We've
13 processed cases.

14 And then in Brazil, we are hacking away at
15 what was a backlog, and we are up 59 percent for the
16 first six months of this fiscal year in Brazil. And I
17 know people who are in the industry are seeing lots of
18 Brazilians at their theme parks and their hotels.

19 What we're doing to accomplish this is we
20 are making huge expansions, putting a lot of cash, about
21 90 million, I think, total so far that we're pouring
22 into Brazil and China. We've brought in new consular
23 positions, more than a hundred. We're moving people
24 into China and Brazil. And we have a new program I
25 think that was suggested by this board to bring in

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1 people who have language skills. Because of the ramp-up
2 time, we started hiring in about October, and many of
3 those people are already out in the field using their
4 Portuguese or Mandarin on the visa applications, so
5 we're very excited about that.

6 Nineteen have gone out, and we have some in
7 class now that will be going out very soon. We're also
8 adding a lot of windows in China, 48 windows in China,
9 and we're adding a bunch more in Brazil. We are also
10 looking at new facilities. We want to be sure that our
11 program is safe. One of the other suggestions is that
12 people who we've already had come into our embassies,
13 we've already taken their biometrics, they've already
14 traveled to the United States, they know our country,
15 and we want to hit that market.

16 So what we've said is up to four years after
17 their visa expires, and we've worked closely with
18 Homeland Security on this, they can just send in their
19 passport. They don't need to come again. And the idea

20 is that you apply once, maybe, hopefully, in your whole
21 life you have to come down to the embassy and apply if
22 you're in a visa country, and then we'll keep that
23 record. As long as you don't misuse that visa, you can
24 do the rest of your applications through courier or the
25 mail, so that's a big goal for us.

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1 We think this program will free up about
2 100,000 interviews for first-timers, and that's a big
3 goal for us. The Visa Waiver Program, as I mentioned,
4 we've nominated Taiwan, and we want to work together.
5 We want to make sure this works. We're looking for new
6 ideas. We want to give everybody a positive impression
7 of the United States. And our officers in the field are
8 just having a great time, and I think Secretary Bryson
9 met some of those folks. They really feel the mission
10 of making jobs for Americans in everything they do every
11 day.

12 SECRETARY BRYSON: It was stunning. Each of
13 the cities we went in, people from the State Department
14 came to talk to us about those and they presented to
15 groups there. It makes a great deal of pride in moving
16 us along.

17 MR. DONAHUE: So what we ask of the board is
18 this is the time to go out and dispel a lot of those
19 myths. All it takes is one person who's had a rough

20 time and they remember it for life and they spread it.
21 You know, every bad story goes around a hundred times.
22 Our job is to say, "No, it's not that hard." People are
23 coming in large numbers and they're having a great time
24 in the United States, and you can help us communicate
25 that. We're here to help people get here.

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1 We want to debunk all the myths. We want to
2 work together with coordinating with Brand USA and with
3 the TTAB on our messaging. Our consular sections are
4 open to being platforms to reach out to people who are
5 coming by, and we're working with our embassies to see
6 how we can make those marketing platforms to bring
7 people to the United States.

8 Again, just a reminder that we do have to
9 continue to do security and that's why we're sending
10 more people out to places where we need to make sure
11 that we have the right applicants. We don't want
12 anything that will set us back as 9/11 did. So China,
13 big challenge. Anybody who knows how to get to the
14 Chinese government, I know the ambassador is working
15 very hard.

16 So we really need to get longer validity
17 there. That's holding us back. This four-year thing
18 will help quite a bit in China, but it would be great,
19 like the Brazilians, to be able to give the Chinese much
20 longer validity.

21 So we encourage people to go out when
22 they're traveling, visit our consular sections, get the
23 same experience that the Secretary had. We're trying to
24 use some of the business concepts that you've used.
25 We're always looking for ideas. I know that Disney has

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1 helped us on some of that, and we're looking for other
2 areas where we can go where people don't need to
3 physically come in.

4 Some of the other ideas that we've talked
5 about here, we don't feel they'll work, we don't feel
6 that it works into our model. We would rather find a
7 way not to have someone come in rather than try to guess
8 that we really have the person we have out there. We
9 have to collect the biometrics so we're not into video
10 interviewing. We don't think that will work.

11 Mobile interview units, our embassies, the
12 security situation overseas will not allow for that.
13 Wait time caps, my cap is the shortest possible, and
14 that's why we're at three days in China. We would like
15 to use the shortest possible wait time that you can have
16 rather than have some kind of artificial cap.

17 And premium processing, we want everybody to
18 get a short visa. We don't want to have people in
19 different queues, and we want every visitor we think
20 spends here, every visitor's money is just as good as

21 the other person's. We want everybody to have a short
22 wait time. We want to have a great partnership.
23 Continue the partnership. Come up with a lot of good
24 ideas, as we did last year, and we're ready to be your
25 partner.

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1 BOARD-CHAIR DAVIDSON: Sam just leaned over
2 and was whispering kind of what I was thinking, but it
3 was like, that is fantastic progress, David. Thank you
4 so much. I just want you to know how much I appreciate
5 the fact how obvious it is to me and to all the members
6 of this board how seriously you take the
7 recommendations, the way that you and your team go
8 through them and vet them and implement them as
9 appropriate and come back with, perhaps, counter
10 recommendations, if they don't.

11 So again, thank you very much for that and
12 for that spirit of collaboration. It means a lot.

13 Next up I would like to invite Susan Kurland
14 to provide us with an update from the Department of
15 Transportation. Susan.

16 MS. KURLAND: Thank you, Todd. Thank you
17 Secretary Bryson. I'm delighted to be here on behalf of
18 the Department of Transportation. We have had a long
19 relationship working with Secretary Bryson and Franciso,
20 and we just are delighted to be here.

21 Secretary Bryson has mentioned some very

22 important statistics and facts regarding the growth of
23 international and domestic travel within the United
24 States. And we would like to say at the Department of
25 Transportation, without transportation, you're not going

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1 to have any of this. So whether it's roads, rail, air,
2 or water, we need transportation. We need the
3 infrastructure to get folks to and from their
4 destination to where they want to go, to meet with
5 family, to do business, so on and so forth.

6 So what I would like to do this morning is
7 just to mention a few of our priorities and initiatives
8 and things that we've been working on with Secretary
9 Bryson, the Commerce Department as it relates to travel
10 and tourism, and then I'm going to be very interested in
11 hearing from you all on what we can be doing better and
12 how we can be more helpful to you as we move forward.

13 You know, safety, of course, is our top
14 priority. It's job one. Our transportation system is
15 the safest it's ever been, but we know that we cannot
16 rest. We have to keep working on it, so it will always
17 be our top priority. Moving on to -- just go through
18 some of our modes of transportation. In the area of
19 aviation, the administration, President Obama, Secretary
20 Hood, are very committed to our next generation security
21 control system which will increase flight safety and

22 improve the efficiency of air travel.

23 And by converting to a GPS-based air travel
24 system, sometimes it's a little bit hard. And we need
25 your help getting the word out to the public what this

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1 all means on a practical level. What it means is by
2 switching to this kind of system, we're going to have
3 more frequent takeoffs and landings, and we're going to
4 be further reducing fuel consumption, and it will be
5 helpful to the environment.

6 So with you as our partners in getting the
7 word out on why there's a good business case for it, why
8 it means something to you, our traveling public, to our
9 business folks, that would be very helpful. One of our
10 mainstay programs is our "Airport Improvement Grants
11 Program." We are continuing to fund major projects,
12 infrastructure at our major airports throughout the
13 country.

14 Rosie, from Chicago, the "O'Hare
15 Modernization Program" is one of the major funding
16 programs. So this makes a huge difference to our
17 communities because we help provide the seed money for
18 these communities to show that these are projects of
19 significance to the federal government, and it helps
20 them with the capital markets, it helps them raise other
21 types of funding as well.

22 In my area I focus a lot on international

23 travel and aviation, and we work very closely with the
24 State Department on our "Open Skies" program. Now, many
25 of you may not know this, but in 1992, we did not have

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1 any Open Skies programs. In 2012 -- and actually,
2 Francisco had my job during the Clinton administration
3 so he's very familiar with it as well.

4 But now we have 105 Open Skies partners.
5 And what this has done is it's liberalized air service
6 throughout the world and the United States. So it gives
7 our carriers the decision -- they can make the decision
8 on where does it make sense for them to fly. So it's
9 been a huge boom to our consumers, our travelers, our
10 shippers, and it's made a very big difference.

11 And we also, where it is appropriate,
12 approve antitrust community for our global alliances.
13 And what this has done is this provides then more
14 seamless transportation. We also see some of our
15 secondary hubs and secondary markets also benefiting
16 from this program. And also, then moving on to the
17 service side, we're making historic investments in
18 America's roads, bridges, buses, streetcar and light
19 rail systems and high-speed rail.

20 President Obama has set the goal of
21 connecting 80 percent of Americans with high-speed rail
22 within 25 years, and we're well on our way, and

23 California has been a major recipient of funds in this
24 arena, and they are moving forward. And just to give
25 you a couple of other examples. For example, our FTA,

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1 Federal Transit Administration, recently provided \$38
2 million to build a bus, ramp, and transit system in
3 Austin, Texas.

4 And what this is going to do is it's going
5 to make for easier access to downtown and connect all
6 sorts of other arenas, the State Capital, the University
7 of Texas at Austin, and by 2014, we are projecting that
8 there will be more than 20,000 daily riders through our
9 "TIGER" program which I'm sure many of you are familiar
10 with, the Transportation Investment Generating Economic
11 Recovery program.

12 This has provided us a unique investment
13 opportunity program whether it's to fund multi-level
14 projects or, for example, a modern streetcar line in
15 Tucson that's going to connect downtown employers, major
16 health facilities systems, and regional attractions.

17 I just want to mention one -- I know the
18 time is short, but I want to mention one project you
19 might not generally associate with the Department of
20 Transportation. Most of you are familiar with some of
21 our big grant programs, but we also do support and we
22 work very closely with the Department of Commerce, with
23 the Interior Department on the "America's Scenic Byways

24 Program" and with our parks.

25 And in particular, there is one project that

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1 the Yurok Tribe is developing, a Scenic Byways program
2 that will connect the history and culture of their
3 people and augment the traveler's experience at the
4 adjacent Redwood National and State Parks, which is a
5 world heritage site. Now, this cooperative and regional
6 effort includes partnerships with the National Parks
7 Service, the Forest Service, and the state of
8 California, and it's promoting sustainable, economic
9 growth and development not only for the tribe, but for
10 adjacent and smaller communities, Humboldt and Del Norte
11 counties in Northern California.

12 So I would like to close by saying I'm
13 delighted to be here today and look forward to working
14 with you all in the coming year.

15 BOARD-CHAIR DAVIDSON: Thank you very much.
16 I appreciate your report. I've been asked to let
17 everyone know that the mics are for the transcriber
18 who's capturing the notes, they're not for
19 amplification, so that's why you don't hear yourself
20 coming through the ceiling. But I just want to let you
21 know. So be sure to speak up or have a mic in front of
22 you as our conversation progresses.

23 Mr. Secretary, I know we've reached that

24 time. I just want to thank you again for being here
25 with us and for your ongoing vision and your passion for

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1 the travel and tourism industry here in the United
2 States. I wish you well. Safe travels.

3 SECRETARY BRYSON: So what I do now is I
4 walk around Pow Wow, which will be a great treat, then
5 I'll give brief remarks later on and I'll say a little
6 more about the national tourism strategy. These
7 presentations is what Susan and I, what all of us ought
8 to say is for the national tourism strategy. We've been
9 meeting once every two weeks in Washington, and the
10 participation has been stunning.

11 I mean, there are very few members of the
12 federal government that haven't been in at every one of
13 those meetings. And then between meetings, there's lots
14 of dialogue across all the federal departments because
15 we have to bring the whole together to be as effective
16 as we can. Anyway, I feel enormously optimistic about
17 our ability to take this.

18 You're the ones who are really doing it in
19 the field. We learn from you, but we're going to do
20 everything we can on the federal government side to help
21 take this substantially further. So many, many thanks,
22 and perhaps I'll see you as I'm doing my wandering
23 around the Pow Wow.

24 Then at 12:30, and the good thing about this

25 is my remarks are going to be six or seven minutes

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1 there, and then everybody gets to do what they really
2 want to do, which is talk with their counterparts in all
3 these fields in tourism. So thanks very much.

4 BOARD-CHAIR DAVIDSON: Well, now we need to
5 turn to one of the more shined retiring members of the
6 Travel and Tourism Advisory Board who doesn't need a mic
7 for amplification whatsoever. He asked me not to make
8 any jokes today, so I've refrained.

9 Douglas, I'll turn it over to you, sir.

10 MR. SMITH: Well, I am going to put
11 Secretary Bryson on the no-fly list for skipping my
12 presentation. Sorry about that, sir. I hope you used
13 Global Entry when you came out here.

14 First of all, Todd, thank you. These
15 meetings, it is amazing after looking back. I'm going
16 to rephrase that. I looked back at Adrian's amazing
17 notes from the last couple of years and all that we've
18 talked about since we've started -- Sam's kickoff a
19 couple years ago and now with you.

20 And really, it kind of brings it home that
21 things can change. The process of speed is continuing
22 to pick up. I didn't think two years ago that we would
23 be as far along as we are in terms of the waiver issues.
24 We will perhaps even now at Pow Wow -- I don't know if

25 you all went down and saw the great CBP booth, the

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1 Global Entry enrollment on-site right here.

2 With enough traffic, I think we could
3 potentially break a million people with Global Entry
4 benefits during Pow Wow. That started off -- as you
5 remember, Sam, when we first started talking, we were
6 around the 75,000 or 80,000 number. In the last two
7 years we've seen tremendous growth in that with the
8 passage of our appropriations, and with support we're
9 now at 24 airports with Global Entry. That captures
10 about 98 percent of all international travelers.

11 Yes, we're working on Portland. We'll get
12 there, but we do have 98 percent of all international
13 travelers, which I think is a big deal. I know at LAX
14 and at O'Hare and at Miami and some of our other key
15 airports, JFK, we do continue at certain times -- and I
16 will say certain times -- to have issues with getting
17 people through, but it's a good new story so far.

18 I mean, right now we are looking at our
19 latest numbers and we now have a dashboard internally
20 that we track on a constant basis, and I just wrote them
21 down so I don't get them wrong because the men and woman
22 of CBP deserve the credit on this: 88 percent of all
23 international, not just U.S. citizens, but 88 percent,
24 we're processing in 45 minutes or less.

25 Is it perfect; no. Can we improve;

1 absolutely. But compared to where we were two years
2 ago, it's a staggering improvement. Seventy-two percent
3 are in under 30 minutes. The name of the game on this
4 and, Todd, thank you for your comments on Japan. Deputy
5 Commissioner Wachowski (phonetic) is actually covering a
6 meeting for me in Tokyo, I guess Monday Tokyo time, on
7 Global Entry. We're really trying to get them on board.

8 In South Korea, we're hoping it goes live
9 May 1st. I think that's going to help push the Japanese
10 to pick up the pace. I think once they see the benefits
11 that South Korean travelers get, it's going to inspire
12 them to pick up the pace. As you were talking, I did
13 shoot an e-mail to Prad (phonetic), my colleague on the
14 National Security staff, about making sure this is in
15 the President's one-on-one meetings with the prime
16 minister of Japan.

17 It is the name of the game, though, these
18 "Trusted Traveler Programs" is the only way we're going
19 to keep up. It's the only way we're going to keep up
20 with the growing traffic at O'Hare, at LAX, all of our
21 key ports. We now have, as you know, TSA PreCheck
22 online at O'Hare. We'll open 36 airports by the end of
23 this calendar year, and it's really helping, but we need
24 people in it.

25 We need you every time you e-mail out to the

1 Marriott frequent traveler or the Sabre list, all of
2 your lists, we have got to push people into these
3 programs, because it doesn't do us any good if you walk
4 through the terminal at O'Hare and there's no one in
5 that line. I need people in those PreCheck lines
6 because that takes people out of the main line, and it's
7 easy to get done. I just brought Susan downstairs. We
8 got Susan enrolled in Global Entry in about four and a
9 half minutes.

10 But whatever you can do to continue to push
11 on the board and you're amazing lists to encourage
12 people to get into Global Entry so that they can take
13 advantage of this benefit, it's really going to help
14 what we need to do.

15 For the corporate guys here, we always like
16 to talk about money, so I will say that to date through
17 the ESTA fees collection we have brought in \$232 million
18 for the corporation, so we are \$32 million ahead of
19 schedule. Actually, we're more than that because we're
20 only halfway through the fiscal year, so it is working
21 really, really well.

22 I know that the Brand USA folks are going to
23 brief later, but they have been wonderful in helping us
24 to provide experts on Web site redesign, so they are
25 working behind the scenes to help us. Let me rephrase

1 that, to spruce up our ESTA sites. I think the ESTA
2 site has come a million miles from where it was, but
3 we're sensitive that it could be better. And they have
4 been incredibly generous in working with us to lend
5 their experts on technology developments that we just
6 don't have in-house.

7 We're making huge progress. The challenges
8 that we will continue to need help with -- and that is
9 why I think a lot of your airports that were on with me
10 last week when I had a conference call with 22 airports
11 on our "Ambassador's Program," is how do we continue to
12 close that gap on the wait times.

13 I flew in yesterday from Delhi because I
14 really wanted to get the experience of traveling. So I
15 decided I should fly for 24 hours, landed at LAX at
16 12:30 to make a 1:30 meeting here. But we're sensitive
17 to that. We're sensitive, but we need help. Our
18 staffing, unfortunately right now, it is where it is.

19 And we are working with Congress and our
20 appropriators to try to figure out ways to grow that.
21 As you all know, and for those taking very careful
22 notes, I'll be quick to say that we are not allowed to
23 lobby. We are not allowed to go to the Hill and lobby
24 people to do things, but you all are.

25 And if there was one area that I said we

1 need help on is the way you were so vocal in helping to
2 gain greater support for David's field operations, we
3 need that for CBP's field operations. The work you're
4 doing is fantastic. That's the great news. The bad
5 news is, the better you do, the more angry calls I'm
6 going to be getting from Rosie and all sorts of other
7 people at their airports when they look at wait times
8 peaking up again.

9 The staffing that we have in place right now
10 is where we're going to be for the foreseeable future
11 without help. So unless we can make relief through
12 increased participation in our Trusted Traveler Programs
13 and unless we can get more bodies, it is where it is.
14 Are we happy; no, we're not.

15 You have in Cal Wakowski our deputy
16 commissioner, a 37-year veteran of doing this. This guy
17 is amazing. He is a machine. He's probably the only
18 person who sleeps less than I do. We were just in India
19 negotiating with our Indian counterparts on a variety of
20 issues. He and I spent the ten-hour or so flight over
21 with the deputy going through the work staffing model.

22 And they are tweaking it, they are pushing
23 it, they are finding every efficiency they possibly can,
24 but it's going to come down to bodies. And while I
25 promise you we will do everything we can and we will

1 continue to push our Trusted Traveler Programs, and you
2 know the numbers, so we need that.

3 And I'll close on that topic. Not for
4 today, but for you, Todd, and for your team, I would
5 like to schedule in the very near future a private
6 briefing on that work staffing model. I think
7 particularly I would like to lean on Sam's guy's
8 expertise at Sabre, who are so great at crunching
9 numbers, to check our work and see if we're doing it the
10 best we can. I think we are.

11 We have put a tremendous amount of
12 methodology behind it, but we're hurting and we're going
13 to need the collective good to help us pull us on our
14 way.

15 With that, so I don't go over my time and
16 not make too many jokes today, I will stop, but I do
17 look forward to any questions or thoughts you have. I
18 think many of you are joining us on the port tour over
19 at CBP following lunch. Any questions that you have,
20 I'll be delighted to answer.

21 BOARD-CHAIR DAVIDSON: Douglas, thank you
22 very much. And seriously, all you need to do is ask.
23 You've been great to work with. When I was headed to
24 Japan and we were talking about this particular issue,
25 about global entry reciprocity, Douglas was able to get

1 me to the folks that I needed to be able to speak with
2 while I was over there to make sure I was getting
3 connected to the right folks to convey this message
4 about the importance to both countries that we enter
5 into a mutual Trusted Traveler Program.

6 And your success is certainly our success,
7 and I could almost audibly hear you as David was going
8 through his report and every one of his successes became
9 a choke point for you. So it's like, "Oh, dang it." So
10 we know what you're up against, and we realize that it's
11 all part of that visitor experience. So anything that
12 any of us can do to support you in that as you go
13 through that model, we want to help you do it.

14 VICE-CHAIR GILLILAND: There's one thing I
15 might add and that is that in the last Travel and
16 Tourism Advisory Board there was certainly, as David
17 knows well, a lot of focus on visa processing, the Visa
18 Waiver Program, but also recognition of the CBP, that
19 that was an area that travel facilitation really wanted
20 to spend more time on and really just started
21 understanding where the opportunities were.

22 So I think you'll see a lot of engagement on
23 that with this Travel and Tourism Advisory Board.
24 Certainly I know Hugh Bergerolie (phonetic), who wasn't
25 able to join us here today, recognized, as did that

1 whole subcommittee, that we could be helpful there and
2 we certainly want to be. So I think that briefing will
3 be helpful.

4 MR. SMITH: One thing on that, one of the
5 areas where we pushed, thanks to your help, is that at
6 our top 20 ports we have designated full-time customer
7 service representatives from CBP, the uniformed officers
8 that have enhanced training on problem solving and in a
9 variety of other areas to do it.

10 Todd, I would be remiss -- and just once
11 again much how David said, getting the right facts out
12 is always so important. And are there issues that came
13 up? Yeah, every single day there are issues that come
14 up, but I can't tell you how proud I am of those
15 officers that go to work every single day, whether it's
16 CBP, with Homeland Security investigations.

17 These guys have really, really hard jobs and
18 they have to make really, really tough calls every
19 single day, dozens and dozens of times a day. And I
20 think in working so well with your group and with our
21 communication strike team, I think we're ahead of the
22 curve now. We're getting that right story out. But
23 tamping down through the false reports when -- "I was
24 stuck in secondary for three hours."

25 Those are rare. They're very, very rare,

1 and I can tell you because I get the reports every day
2 and I read through them what happens. Ninety-nine point
3 nine percent of the time, that front line officer did
4 make the right call. There was something that wasn't
5 quite right, and rather than slow the whole line down,
6 we put them in secondary. So when I'm asking David
7 additional questions on why he didn't declare his Cuban
8 cigars, I'm not embarrassing him in front of everybody.
9 Just kidding.

10 It's important that we all work together to
11 get on top of it and get ahead of it and not to wait.
12 I'm going to be out at O'Hare next week doing a meeting
13 with all of the O'Hare folks and what we can do there.
14 But obviously also the upcoming NATO Summit. As our
15 secretary likes to say, "If you see something, say
16 something." Don't wait.

17 John McReynolds and the guys at Orlando were
18 not shy about picking up the phone and calling real
19 quick, "Hey, we're having issues with flights coming
20 from TAM, what can we do to fix it?" And we were able
21 to fix. Either Susan's team at DOT or David's team or
22 our team at DHS, we can only fix what we know. So by
23 the time it has spread across falsely in newspapers,
24 it's too late.

25 I encourage you, and as you all know in

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1 dealing with me over the last few years, we're anxious

2 to help. But we need, you know, the input and the
3 thoughts. And when John's team came to us and said here
4 are the numbers for adding the TAM flight to Orlando, we
5 made it happen, but we wouldn't have known if they
6 hadn't picked up the phone and called us. We would have
7 just looked at increased wait times, but with the great
8 work they did in working with the folks in Orlando, we
9 were able to make it happen.

10 But I know at times we don't always give you
11 the answers you want, but we're anxious to try to get as
12 close as we possibly can.

13 BOARD-CHAIR DAVIDSON: Thank you, Douglas,
14 very, very much.

15 Next for those of you on the board that have
16 not had a chance to be here, I'm going to take a quick
17 second to introduce Nicole to you. She is the Assistant
18 Secretary of Commerce for Industry & Analysis.
19 And tourism in our nation's economy is seen as a
20 service.

21 We are the largest services export, and we
22 all heard about the amazing trade surplus that we
23 reached last year, the record surplus, \$43 billion
24 record surplus that the Secretary shared with us earlier
25 today. So for everything she manages, we know tourism

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1 is her favorite, though, and that's why she's here with

2 us today.

3 Nicole, it's great to see you again. Thank
4 you for joining us today. Nicole is going to lead us in
5 discussion on our priority issues and our subcommittees.

6 Nicole, thank you.

7 VICE-CHAIR GILLILAND: Thank you, Todd, and
8 thank you, Sam, Mr. Vice-Chair, we appreciate you as
9 well. And I want to thank my colleagues from State
10 Transportation and Homeland Security for being here and
11 sharing their updates on the progress of the agencies
12 that they work in are making in support of expanding
13 travel and tourism.

14 The favorite part of my job is to
15 collaborate with the 24 private sector committees that
16 are in my portfolio covering substantially all of U.S.
17 industry, but, of course, the TTAB is the most special
18 one, it's one of my favorites. And it's so good to see
19 the returning members of the board. I was not able to
20 be in Orlando with you in January.

21 So this is my first time seeing the
22 returning members and the new members. It's great to
23 put faces with names. Our office puts in a great deal
24 of work to make sure that we have the right mix of
25 people on the board. Of course, Jenna has the laboring

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1 oar on this, so thank you so much.

2 We really want to make sure that we have the

3 right mix of professionals that will help us to drive
4 tourism to our country. So thank you so much for your
5 service, and I look forward to getting to know everyone.
6 My job, like the Secretary's and the Undersecretary's
7 and I bet many of yours, keeps me on the road quite a
8 bit.

9 Last week I was in Saudi Arabia leading a
10 "Clean Energy and Energy Efficiency Trade Mission," and
11 I also had a women's entrepreneurship event, which was
12 fascinating. I would like to tell you guys about that
13 trip at another point.

14 It was a successful and rewarding trip, but
15 there's nothing like coming home, especially when you've
16 been in Saudi Arabia for an extended period, and I know
17 that it's a sentiment that you all share, and it's
18 really the source of tremendous energy and commitment
19 that you guys bring to the efforts that really makes it
20 worthwhile.

21 It's been an exciting few months for the
22 travel and tourism industry and for your partners in
23 government. For those of you that were members during
24 the board's last term and for those of you that were in
25 Orlando for the President's announcement, you know that

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1 the work of this board can really drive administration
2 policy and programs in a way that makes a real

3 difference to industry and creates jobs and to do it in
4 a way that focuses the collective energies of the
5 private and public sector stakeholders on a common goal.

6 So thank you so much. Thank you for all the
7 work and input on the strategy that we've been working
8 on pretty hard. I know I've talked to a few of you
9 individually about that. So thank you so much for all
10 of that. The President set a very aggressive timetable
11 appropriate to the urgent need to capture the many
12 opportunities that this industry offers for our economy
13 and our workers.

14 It was a tight time frame and intensive
15 process, and your involvement in bringing us input on
16 what the work of the task force should be is greatly
17 appreciated. The enthusiasm and eagerness by all
18 parties involved, both public and private, has helped to
19 shed light on the many opportunities that exist to make
20 meaningful progress for the industry and for our
21 economy.

22 From your earlier conversations with
23 Secretary Bryson in January and your input to the
24 strategy, we have a really good sense of your priorities
25 which include continued progress in travel facilitation,

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1 support of "next gen" investments and infrastructure and
2 work force, and expansion of Trusted Traveler Programs.

3 On the government side, we have identified

4 several areas where we believe our involvement can
5 really make a difference, and that would be in work
6 force development, bringing our data into the digital
7 age, USG coordination with Brand USA, and public-private
8 partnerships. It is clear that there are tremendous
9 synergies between the two lists that we have and the one
10 that you have, and we would like the board to consider
11 how we can work most efficiently to achieve these common
12 goals.

13 As you know, since day one, the Obama
14 Administration has been steadfast in its focus on the
15 jobs and the economy. Your industry has a major role to
16 play in both of these areas, and this board is a
17 critical link to the partnerships that we have that can
18 yield results. So I would like to open up a discussion
19 on some of these issues.

20 I would like to start with Work Force
21 Development. I know Carol Wallace is working this
22 issue. There's Carol. I know this is an issue that
23 you've worked on, and I would like you to share some
24 thoughts for us on workforce development.

25 MS. WALLACE: Thank you very much. As we

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1 had our conference call, I looked around at what the
2 government was already doing and looking at how we could
3 capture what is already -- I'll speak into the

4 microphone.

5 As I mentioned, the government already
6 spends \$10 billion annually in workforce development
7 programming. And already existing throughout the United
8 States in every state and most cities and counties,
9 there are already workforce development Programs.

10 And I know from my own county, San Diego, in
11 my own city there's a partnership of the City League and
12 the county to receive these federal dollars for job
13 training and retraining. Again, knowing in my own city
14 that the county and city have partnered to contract with
15 an agency that already does training. They have
16 training centers located throughout the county, five or
17 six throughout the county.

18 So knowing that this model exists throughout
19 the United States, I suggested we look at how we can use
20 that infrastructure already in place to work with this
21 board to develop a model training program for people who
22 are -- who are either unemployed, underemployed or need
23 to be reemployed, who have been laid off, or whatever,
24 to train them for our industry.

25 Again, use the infrastructure. If you look

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1 at many of the people already in this room, several
2 programs, Disney has a fantastic training program,
3 Marriott does. I know Hyatt does. I'm sure Universal
4 does. We already have training programs existing in our

5 various entities, whether it's a convention center or a
6 convention bureau, theme parks, whatever, can we not
7 create some kind of overall basic training program that
8 could be worked through the "Workforce Partnership
9 Program," that they would contract with an agency to
10 train, use our system to train people, and then those
11 same people would be available to be employed by the
12 various entities.

13 Our hotels exist throughout the United
14 States. We have convention centers. We have visitors
15 bureaus. We have theme parks. So who better to work
16 with our local entities already in place to develop a
17 program so they can train the people that we need in our
18 industry, so that as you have the increase in tourism
19 and increased sales in travel and you need employees,
20 where best to look but where the people you have trained
21 the way you need them to be trained.

22 So I haven't put anything in writing yet,
23 but I would be glad to do so and look through some more
24 research on that. But again, it's using what's already
25 in place. Another idea I had is that coming to the U.S.

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1 Travel Association meeting today, this is only my second
2 time at Pow Wow. I was here many years ago when I ran
3 the Denver, Colorado, Convention Center.

4 But looking at what the Travel Association

5 does, wouldn't this be an ideal place to create a train
6 the trainer program where, again, if we have a model
7 program that could be used throughout the country, could
8 not the CBPs who are in every country bring their staff
9 reps here to learn how to apply for the program
10 implemented through their local agencies so you have a
11 model that you can just replicate from city to city to
12 city, from agency to agency to agency.

13 You have some of this consistent throughout
14 the United States, but again, it's funded and driven
15 from a top level. So I think that looking at the
16 one-year program and the five-year program, maybe the
17 goal for this first year would be to develop an outline
18 for the program and how it would be implemented, and
19 then look at five years, how it could be implemented.

20 MS. LAMB-HALE: Are there any other comments
21 on the topic from other members of the board?

22 MS. MATTHEWS: Can you give me a sense of
23 the types of training in particular you see the greatest
24 need for?

25 MS. WALLACE: I know here in my own

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1 industry, customer service is the biggest one we need,
2 how to treat our customers, how to handle our customers.
3 And for the convention center, we have a whole training
4 department that does everything from customer service to
5 training how to handle our systems, computer training,

6 working with our bureau. We train also on how to get
7 throughout the city. There are all sorts of things that
8 we do, but primarily customer service and computer
9 training and that type of thing and using our systems.

10 MS. MATTHEWS: And, Douglas, are we doing
11 anything across the industry in terms of customer
12 service training, because this has been talked about for
13 years with your Customs and Border Patrol or your TSA
14 agents right now?

15 MR. SMITH: Could you repeat that.

16 MS. MATTHEWS: My question is whether we are
17 doing any partnerships with the industry right now, in
18 particular with customer service, for example, training
19 with TSA or Customs and Border Patrol?

20 MR. SMITH: A lot of the training that's
21 going on is based on what you guys have developed for
22 us. I don't think we brought anything new out, but the
23 curriculum that we're doing at the academy and
24 post-education is all from what was originally created
25 by Disney and by Marriott and the other partners.

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1 I'm delighted for us to continue to look at
2 it and tweak it. We now have 20 customer service reps
3 at each of the airports to do the same thing for TSA.
4 Do we think we need a refresher; absolutely, but the
5 curriculum that they're using, they were using down at

6 "FLEXI" (phonetic) was based off of all of that original
7 stuff.

8 MS. MATTHEWS: Which was ten years ago, so
9 there might be an opportunity there, right?

10 UNIDENTIFIED SPEAKER: We just did a
11 refresher to all the folks to remind them to say,
12 "Welcome home" and "Welcome to the USA," and to remind
13 them how much of an impact they have on the travel and
14 tourism, that they're the first person that they see
15 when they come to the United States. I just went back
16 out last week as a reminder.

17 MS. MATTHEWS: And how about with Consular
18 Affairs officers as you're expanding those? I know
19 we've had conversations about that customer service
20 training as well.

21 MR. DONAHUE: Certainly it's a big issue.
22 It's part of our training from the very beginning, and I
23 think it's been enhanced with the push. I think there
24 is this sense that the officers, as Secretary Bryson was
25 saying, a sense that the officers feel that they're

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1 playing a major role. Like I said, they have brothers
2 and sisters who are unemployed and are looking for jobs.
3 They understand the situation in the United States and
4 they all want to contribute to that.

5 I've heard good stories from the field on
6 that. We are starting to do a lot of surveys and find

7 out how people are feeling. The key thing we're trying
8 to do, and a lot of polls -- I know India is a leader in
9 getting people in and out very quickly. I think they're
10 well under an hour. We're doing an off-site preservice
11 that will mean that when they come in, all they have to
12 do is meet with the officer and everything else has
13 already been done.

14 Taking the biometrics off-site, so that when
15 they come in, it's a very quick interview and they can
16 be on their way. Of course, not having people come in
17 at all is the best way you can do it. So everything is
18 based on the idea that these are real people that have
19 real lives and this is an inconvenience, but a necessary
20 one so we try to make it as pleasant as possible.

21 MS. WALLACE: It goes beyond customer
22 service. I'll just give you an example over my career.
23 For example, when I was in Dallas -- this is now over
24 twenty years ago -- there was a lady who was a homeless
25 person who would come as a day laborer to work at our

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1 convention center. She was very loyal, very energetic,
2 so we tapped her to come in as an entry-level employee
3 to teach her our industry. I will tell you today that
4 lady is one of the assistant directors at the Fort Worth
5 Convention Center who came in at that level.

6 When I worked in Denver, Colorado, they were

7 laying off a person who had been in charge of
8 negotiating contracts for that city. Again, a good
9 person who didn't understand our industry. We brought
10 that person into the industry who went to be the
11 Assistant Director of the Colorado Convention Center and
12 even moved to San Diego to head our expansion project on
13 projects.

14 We brought in a person who was a geologist
15 who, again, had an interest in finance, who today serves
16 as the VP of finance at a major convention center.

17 We tapped a telephone operator who was being
18 laid off who had an interest in events and taught her
19 our industry. She today serves as the Director of Event
20 Services at the Washington, D.C. Convention Center.

21 So I'm talking about people who have great
22 skills, who can be retrained for our industry if they're
23 identified. They're going to these career centers and
24 you can tap those skills and abilities and retrain those
25 people for our industry and then bring them into our

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1 industry, and I think there's an ability to do that and
2 they're already reaching out to these work force
3 training centers because they are unemployed or
4 underemployed or laid off. And you can grab people,
5 identify those skills, and then transition them into our
6 industry at various levels.

7 So we're not talking about just the lowest

8 levels, but people who are underemployed or unemployed
9 who have been laid off that we're trying to capture and
10 get into our industry. And there's customer service and
11 all sorts of industries that we can use those people in.

12 MS. ANDOLINO: There's one thing I would
13 like to ask Kathleen. You mentioned about that you
14 developed this product and -- Doug, you said maybe it
15 was ten years ago -- if that could be refreshed, I think
16 that would be a great thing especially because there is
17 more and more of a focus on international markets.

18 So that would be a great opportunity to
19 enhance that product. And then, if there is also an
20 opportunity, as when you talked about refreshing and
21 bringing in for our purpose, because our teams work
22 collaboratively at our airport environment, but bring in
23 our airport personnel as well so we can train our entire
24 community -- kind of the same best practices.

25 That is something I think would be a great

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1 way to best utilize resources and have them all kind of
2 singing from the same piece of music from the same music
3 sheet. So that would be a great thing, and we would
4 like to partner with that and roll that out
5 collaboratively with you.

6 In addition, in terms of job training, I
7 think another way to partner for Chicago would be Mayor

8 Emanuel is retooling our Chicago city colleges because
9 not everyone is going to go to a four-year university.
10 And he's working with the city colleges to give people a
11 skill set, and then working with our business groups.
12 So in the manufacturing end, getting people trained and
13 bringing in our stakeholders to help train them, in a
14 sense, to your point, train the trainer.

15 So we're developing curriculums that best
16 serve the end user for that employment so they can then
17 tap those individuals and put them right to work. And
18 we have both on the logistics side, which again is one
19 of the new programs, but there's also the hospitality
20 side which also deals with hotel service, catering,
21 et cetera.

22 So we've got some infrastructure there that,
23 to Carol's point, would be great to tap into and then
24 expand and build and use those resources there. So we
25 in Chicago would love to continue that effort and try

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1 to, because there are a lot of people unemployed or with
2 the wrong skill set or not enough. Then if we can get
3 them and match them with the proper skill set with the
4 proper job, that would be a great opportunity. So I
5 think there's a great opportunity.

6 MR. SMITH: I don't know if it's too late --
7 when I'm out there next week, TSA, we started in
8 Orlando. We have a phenomenal program where we go to

9 community colleges on creating a career path. Adrian is
10 going to stick a knife in my back because I don't know
11 how crazy my schedule is already. But if there's
12 someone you know, I could swing by City Hall real quick
13 next week and chat with real briefly.

14 The community college push for the
15 administration as a whole is a massive priority. I
16 didn't realize he was doing that. So if there's an
17 opportunity there, maybe we do need to bring the small
18 core team together, compare notes on where we are with
19 the latest on training and all of that, and figure out
20 do we need a refresher here or opportunities.

21 If somebody gets me on the books, even if
22 it's a conference call or a video, that would be
23 helpful.

24 MS. ANDOLINO: It's just a constant
25 reminder. Even if you do for our purposes -- like I

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1 said, I would love to partake with doing that and
2 getting all of our -- as many of our stakeholders
3 involved as possible. We have 45,000 badged employees
4 at our airport and most likely at least probably half of
5 them are making contact with people. So if even the
6 custodians or whomever it is, the electrician walking
7 through the airport, has that focus on greeting and
8 saying hello. So as much as we can do to utilize

9 basically a program that has been built on by some of
10 the best organizations in the country that provide
11 customer service, that would be great for us.

12 MS. LAMB-HALE: At this time, we're going to
13 take Elliott's comments and move on to the next topic.

14 MR. FERGUSON: Thank you. To the points
15 that are made, we in Washington, just out of necessity,
16 we had a meeting with the National Parks Service and
17 U.S. Park Police. As you can imagine, in a city like
18 Washington, D.C., most of all of the attractions we
19 have, for the most part, or at least the green space, is
20 under their purview.

21 And there was a lot of concern in terms of
22 them focusing on them doing the job in which they are
23 trained to do, but also on the importance of the
24 visitors coming to our parks and their experience. So
25 instead of, you know, talking amongst ourselves, we

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1 brought them all together and had some conversations
2 about understanding the importance of their job and also
3 allowing us to develop some curriculum with them that is
4 specific to the visitor.

5 Because there's nothing worse than the bus
6 operators that come to us and say, "We don't like coming
7 to Washington, D.C. because we get \$500 tickets every
8 time." Again, we realize they have to do their jobs,
9 but there are some other things in which we also focus

10 on.

11 To the point of work force development, we
12 also just had a meeting with United Way, with our
13 colleges, and with members of the hospitality industry
14 specifically because of employment numbers in
15 Washington, D.C., and the fact that the hospitality
16 industry continues to be the strongest growing industry
17 in Washington, D.C., and there are a lot of
18 opportunities.

19 But more importantly, getting people to
20 understand beyond, with all due respect to restaurants
21 and working in hotels, what the hospitality industry
22 entails and how can we make sure that there is a
23 curriculum developed to expand people's knowledge of
24 hospitality. Because usually when you think of it, the
25 first thing people think of is, "I don't want to work as

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1 a waiter in a restaurant." And there's nothing wrong
2 with that, but there are so many other opportunities.
3 So we started that dialogue with United Way, with the
4 mayor, and with a lot of your community colleges to
5 start that curriculum simply because it's so important
6 and there are so many opportunities that are coming
7 online within our industry.

8 MS. LAMB-HALE: Why don't we turn to travel
9 facilitation. I know there are a number of you that are

10 working that issue. We've heard from Deputy Assistant
11 Secretary Donahue. What are your thoughts in terms of
12 supporting their efforts. I know, Holly, you've worked
13 on that, Sam, and others. Let's talk about that a
14 little bit.

15 MS. ANDOLINO: I will say that I just came
16 back from China and talking with the head of the Chinese
17 Captain Holding Company which manages like 40 airports,
18 and then as well as the Chairman of Beijing Airport
19 itself, they said the process is getting better for
20 visas. However, there is still probably going to be
21 some tweaks to be made, from their point. I'm asking
22 them to put that in writing for us.

23 Part of their question or concern was
24 location. It's very small. Having to stand in multiple
25 lines, potentially three hours, in terms of time. And

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1 especially people who had visas or work in this
2 industry. So I'm glad to see that you're looking for or
3 working with the government to get a longer time frame,
4 or if they've been approved, to see that you don't have
5 to come back and go through that process again.

6 MR. DONAHUE: It's about 30 or 40 percent.
7 About 30 percent are being done without people coming
8 in. In Beijing, it's hard to believe, it has a very
9 tiny consular section, and we're going to -- we're
10 opening up the old consular section, so we'll have two

11 locations in Beijing and build a new building in Wenzhou
12 (phonetic) which opens next year, two thousand -- that's
13 this year.

14 We are doubling our space in Shanghai, and
15 we're looking to open in Weihai (phonetic), so that will
16 be our first to the West. And China is going to be
17 challenging. There are so many cities with over a
18 million people, and trying to get in all those markets.

19 MS. ANDOLINO: Well, I think trying to
20 expedite the process for those who A), already had
21 visas; and B), have traveled here before.

22 MR. DONAHUE: That's the point of them not
23 having to travel. They can send it in, get processing
24 quickly, and their wait times are three days.

25 MS. ANDOLINO: So we can help try to

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1 communicate that as well, and how that starts to be
2 implemented, we would be happy to do that with our
3 partners. We have partnerships with Beijing and
4 Shanghai. And so we would be happy to assist. Because
5 getting rid of that stigma will help actually get more
6 passengers, more travelers.

7 MR. DONAHUE: They did a big press release
8 on the "Interview Waiver Program," and we can get you a
9 copy of that which gives a lot of details.

10 MS. MATTHEWS: I've talked to Secretary Locke

11 (phonetic) about this. It seems like Universal or
12 Disney could give maybe some consulting advice on line
13 management. Again, that was done maybe ten years ago,
14 but it was really done more vis-a-vis the entry
15 experience rather than the consular affairs experience,
16 but that's a good case.

17 And I know that Marriott has done that in
18 India with some advice on how to manage the consular
19 affairs experience in India. I think we're doing it in
20 Bangalore. You'll be able to maybe deflect some of the
21 people, but you're still going to have -- you have a
22 picture in your presentation here of that lobby in
23 Beijing.

24 MR. DONAHUE: It's the craziest thing.

25 MS. MATTHEWS: So how do you manage those

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1 three-hour wait times in maybe some of the theme parks
2 that do this all the time.

3 MR. DONAHUE: I know they had people from
4 Disneyland come over to the conference and meet with our
5 people both on the customer service type of things but
6 also on the partnership.

7 MR. SMITH: That's another great example
8 where your in-country people can be helpful. Because
9 ultimately, the problem is real estate. And our hosts
10 in China have not always been so great in allowing us to
11 expand in the areas that we want to go and such like

12 that, and that creates this bottleneck. That's the same
13 situation in Brazil for those of you who have been to
14 our consulate in Rio. That was supposed to be closed
15 after the Kenyan bombings ten years ago, but it's still
16 there.

17 That's where I think those companies with
18 significant presence in those host countries could weigh
19 in and just sort of say, "Whatever you can do to help."
20 Because when our team goes over there to try to get
21 space, they continually get pushed back and blocked and
22 they're not able to acquire the work space that they
23 need to make it a better facility.

24 VICE-CHAIR GILLILAND: As I think about
25 travel facilitation, it seems to touch -- and we've had

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1 some discussion about this, that we have subcommittees
2 that are now reasonably well-structured and I'm sure
3 there will still be more work that will be done there.

4 But as I look across and listen to the
5 updates here today, travel facilitation seems to touch
6 even across subcommittees, and clearly, it's across the
7 departments that have provided reports today.

8 So think about Douglas and the opportunities
9 to continue to improve and streamline the airport
10 security process, CBP, and entry into the U.S., exit
11 through airports as you look then to State and the work

12 that they're doing on visa and visa processing, Visa
13 Waiver programs, and all of the progress and the
14 stunning graphs that we saw earlier, and yet the
15 continued emphasis and advocacy and support we can
16 provide for those efforts.

17 And then Brand USA and State, and how can
18 Brand USA and State work together to promote and target
19 the right travel audiences within a country that we're
20 marketing, that we're spending our marketing, our Brand
21 USA dollars in.

22 And then, and again, this doesn't
23 specifically fall within travel facilitation, but I
24 still think travel facilitation touches "next gen" air
25 traffic control and, you know, shorter hold times, more

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1 frequency between airports, more fuel efficiency, and
2 therefore, theoretically more affordability in air fares
3 and such.

4 So I think there's a lot of opportunity that
5 travel facilitation touches, and it really spans a lot
6 of the subcommittees, so I think we have a lot of
7 opportunity there.

8 MS. KURLAND: And one more important point
9 on that too, aside from the issues with visas and the
10 CBP issues, many of us, we do travel across the board to
11 other countries. And to the extent that you all are
12 having other facilitation issues in doing business in

13 other countries, let us know. Many of our stakeholders
14 let us know, but there are ways we can be helpful, and
15 we are having meetings with some of our colleagues
16 abroad, and that's important for us to know.

17 MS. MATTHEWS: I think one of the points you
18 made David was that you can't lobby foreign governments,
19 but perhaps we can. And your point that we should urge
20 Chinese officials to increase the validity of visas, we
21 really haven't talked about what that strategy looks
22 like because we've been so focused on the U.S. piece of
23 it.

24 But you have the World Travel Tourism
25 Conference, you've got the World Economic Forum. They

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1 are all very focused on this issue in some of their
2 subcommittees. I think we could be very helpful telling
3 them what they could do on behalf of the U.S. travel
4 industry right now. Because there is conversation
5 around on mobility of travel. How do you take it from a
6 U.S. conversation, where we've had a lot of progress in
7 the last year, to a global conversation so that the
8 right conversations are happening in China, in India, in
9 Brazil, where there may be even less appetite because
10 they're sending more people here than we're sending over
11 there at this point?

12 MS. LAMB-HALE: We have about seven minutes

13 before the next part of the meeting, I think, according
14 to the schedule. I did want to raise one more point
15 that I really would love your input on. And I know I
16 have talked to some of you individually about it, and
17 it's the government's interaction and coordination with
18 Brand USA.

19 I know that, Sam, that it's great that you
20 are the link between the TTAB and the CBP. I would love
21 your thoughts on just with this kind of novel, new,
22 public-private partnership, ideas you have for us on how
23 the USG should interact with Brand USA. I think we've
24 been figuring it out as we've gone along. I think that
25 we've made a lot of progress, but with anything new, it

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1 can be challenging sometimes.

2 So I would love your thoughts, your
3 perspectives on how you think we can get the most out of
4 that relationship. And then there are a number of other
5 topics as well that I know that will be spoken about in
6 the subcommittees that will follow. But I didn't want
7 to lose this opportunity to have you all together to
8 talk about Brand USA and how we can most effectively
9 work with them. I'll just open it up generally.

10 MS. AGRA: I have a comment on that. I
11 think if you can work with Brand USA, giving them
12 advance notice of new visa waiver country agreements
13 that are about to come online before they are made

14 public, that way Brand USA can have the time necessary
15 to plan advertising and marketing in that specific
16 country and let them know it's now easier to get to the
17 United States, and the United States has so much to
18 offer, we welcome you.

19 But that all takes time and planning, so any
20 advance notice you can offer, I think would be helpful.

21 MS. LAMB-HALE: Great.

22 MS. MATTHEWS: And to that point, I think
23 one of the best advertising campaigns is: "Visa wait
24 times, visa interview times are down," as opposed to,
25 "Come to the USA." They already want to come to the

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1 USA, but if they know that it's not 100 days in Sao
2 Paulo, but it's 30 days. Unfortunately, that's going to
3 put more pressure, that kind of a campaign will put more
4 pressure on all of you.

5 MS. LAMB-HALE: We want that kind of
6 pressure.

7 MS. MATTHEWS: But it is the way to let
8 people know and demystify all those urban myths that you
9 say are out there about the process. So they need that
10 material, but they also need to know what the impact of
11 that would be on you.

12 MR. DONAHUE: Secretary Lock reminds most
13 people, 90 percent of Chinese get visas, which the myth

14 is ten years ago and maybe fifty percent got visas.

15 MS. MATTHEWS: That's an important marketing
16 message.

17 MR. DONAHUE: Ninety percent of Brazilians
18 get.

19 MS. LAMB-HALE: Rossi, did you want to say
20 something?

21 MR. RALENKOTTER: Just three quick comments.

22 One, I think it's a great opportunity
23 because of what's happened, and with Brand USA launching
24 today that we could clearly define the roles of TTAB,
25 U.S. Travel, and Brand USA. So that's a communication

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1 function. TTAB, we're a policy, U.S. Travel is advocacy
2 and domestic infrastructure and travel issues, and then
3 Brand USA is our brand marketer internationally. So I
4 think that's probably the key thing, that we all carry
5 that same message so that we don't cross over into the
6 other areas so it's more effective that way.

7 The second is the research information.
8 Because when Brand USA had their press conference this
9 morning, one of the parameters of what they're going to
10 do for their success is determining the metrics. We've
11 always talked about -- I'll bring up my issue again of
12 the in-flight survey and how we're going to determine
13 the impact and the effectiveness of the campaigns that
14 they are launching. So we need to make sure that we

15 address that collectively because all three of the
16 organizations have a vested interest in that.

17 So whether it's on the funding side or how
18 we obtain the information, maybe we redesign the survey,
19 the data acquisition points; so that needs to come down.
20 And I think the discussion about how we can partner in
21 with some things, because this is the first time I've
22 ever actually heard a request for us to provide the
23 offices that represent us as destinations and states, as
24 well as Brand USA, to be more effective within the
25 country.

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1 Because I can give directions to the
2 representatives that Las Vegas has across the world to
3 do the different things in the consulates or in those
4 countries, but maybe collectively this is an issue for
5 Commerce to pull all of us together and get our
6 representation offices in those countries to deliver the
7 message or to say, "What can we do to help?" Brand USA
8 is going to be doing the same thing. So if we have one
9 voice in-market talking about that, it can be very
10 effective, but I think it's really more of the
11 communication between all three groups.

12 MS. MATTHEWS: Make sure that if we do do
13 that, that we're all saying the same thing, the same
14 numbers, and asking for the same thing as opposed to

15 acting independently.

16 MR. THOMPSON: And coming from a
17 public-private sector environment that we've been
18 working in for 15 years and a great report from Douglas
19 as it relates to the funding source performing so well
20 and a lot of the resources being there, I know that
21 there is a real strong initiative right now on the
22 public side of the equation being good fiduciaries for
23 the funding.

24 But I think we need to try to balance that
25 concern to be good stewards and fiduciaries and do it in

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1 a way so that everybody is comfortable, but also make
2 sure that they have access to those funds. Because the
3 only way that they're going to be able to do what we all
4 want them to do is to be able to have access to those
5 resources. So the ability for them to generate the
6 match, what counts as a match, and all those kinds of
7 things are very important to allow them to be able to do
8 what they need to do.

9 MS. LAMB-HALE: Right. And we've worked
10 really hard on that. Again, as we've started, of
11 course, we've figured out some things along the way,
12 right, that work, that don't work. So I think we're in
13 a better place as it relates to that.

14 VICE-CHAIR GILLILAND: I would just second
15 that. I think there's been a lot of progress in just

16 the last couple of weeks in that regard and a lot of
17 collaboration between Commerce and Brand USA.

18 MS. LAMB-HALE: I think there was a comment
19 from Laura.

20 MS. MANDALA: In several of our
21 subcommittees, the topics have been raised where there
22 are ideal opportunities for public and private
23 partnerships, and research and metrics is clearly one of
24 those. The in-flight survey, quite controversial. It
25 has been slated for elimination under the budget,

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1 excluding thirteen. And so we really need to pay
2 attention to that.

3 And it does make a lot of sense to have a
4 public-private partnership to make this the best tool
5 that it can be. And Brand USA seems like a logical
6 place for that to reside. I agree with that, but the
7 point I want to make here is that with uncertain funding
8 moving forward, we have to be careful about where we put
9 this critical tool. So on one hand I'm saying it sounds
10 like a great place for it. And secondly, we don't have
11 guaranteed funding in this partnership, so I don't know
12 how we would approach that.

13 MS. LAMB-HALE: Are you talking about the
14 in-flight survey or are you talking about just random?

15 MS. MANDALA: In-flight survey and other

16 metrics that can be established in order to determine
17 the success of Brand USA's efforts. Because the entire
18 industry is going to come to rely on this as they rely
19 now on the in-flight survey. So we have to make sure
20 that we have a solid -- you know, institutional
21 structure to support that.

22 MS. LAMB-HALE: I think we're right on time,
23 Mr. Chair. It's 11:20.

24 BOARD-CHAIR DAVIDSON: Thank you, Nicole.

25 But most importantly, thank you to all of

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1 you. That was great. That was just the kind of
2 conversation that I think is going to serve to grease
3 the skids now as we go into our subcommittee work from
4 this meeting. And we'll spend the next hour together in
5 our various subcommittees before we head down to lunch.
6 I say, "Head down to the lunch," it's literally just
7 right below us here. You probably saw it as you were
8 coming over to the West Hall here.

9 So it's very close, just so you know. But I
10 would like to ask Jenna if she would just walk us
11 through the subcommittee rooms and the room assignments
12 and the subcommittee agendas, if you would, please.

13 MS. PILAT: Thanks, Todd. I just want to
14 remind you of where you're going, and if you don't know
15 what subcommittee you're on, I have a list. If you want
16 to talk about your subcommittee assignment, I'm here.

17 You will have a member of the Commerce team in your
18 subcommittee room to help facilitate discussions.

19 The most important things we want to focus on
20 and there are two things: First, is that this board
21 produces in the past, and we would like them to continue
22 to produce specific, actionable, and measurable
23 recommendations. So as you're thinking about the areas
24 you want to attack, it's very important to think about
25 how to do that, and then what would a success be for

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1 that issue and how would we measure it.

2 Beyond that, just keep in mind our time
3 frame for our next meetings. Our next meeting is on
4 July 13, the location to be disclosed very shortly. And
5 the meeting following that on October 2, in Washington,
6 D.C., so we'll have additional meetings in 2013;
7 however, with those two meetings that we know of that
8 are scheduled, think about what can be ready in these
9 areas both for July and October to make sure we're
10 carrying on our momentum.

11 So travel facilitation will meet in 501A,
12 Advocacy in 501B, Business Climates in 501C, and
13 Sustainability and Infrastructure in 506.

14 BOARD-CHAIR DAVIDSON: There you go,
15 specific, actionable, and measurable. And those are the
16 side boards that we're asking you to really work within.

17 Aside from that, within your respective subcommittee
18 work, it is about identifying what those priority issues
19 are that you want to address and what recommendations
20 you want to put against them that are specific,
21 actionable, and measurable.

22 And I know every time I say "measurable,"
23 Laura gets excited because that means research. But
24 seriously, folks, I'm excited for this work and plan to
25 visit each of you as you're going about your

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1 subcommittee work from here. So if there are no
2 questions or anything at this point. If you have a
3 specific question you want to ask Jenna. Jenna, do you
4 have question.

5 MS. PILAT: I have a point of order, a
6 reminder from Douglas. For those of you that are going
7 to the port tour, the bus will pick us up. There are
8 two buses; one is the boat travel bus that we are -- we
9 will be using, and twelve people can fit on that; and we
10 have another bus to go to the airport for the DHS
11 briefing and tour.

12 We will meet at 1:45 at the West Hall
13 entrance which is just right down the escalators in
14 front, and we will be returning here on just the one
15 school bus after the tour. So if you are leaving us and
16 staying at LAX after the tour, let me know so I'm not
17 running around the airport looking for you and getting

18 chased by Douglas' team.

19 If you have any other questions on that, let
20 me know.

21 BOARD-CHAIR DAVIDSON: And when we board the
22 bus here, and even if you're not able to, if your
23 schedule permits, we would like to do a quick photo op
24 in front of the boat travel bus. So even if you can't
25 go on the tour, if your schedule won't permit that, we

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1 would like to get a photo with everybody in front of the
2 boat travel bus and then we will depart from there
3 at 1:45.

4 MS. PILAT: One last final point. The
5 luncheon, there are reserved tables at the front for the
6 board members of the TTAB. So if you're going to the
7 luncheon, go to the front, there will be tables for you
8 there.

9 BOARD-CHAIR DAVIDSON: Thank you, everybody.

10 (Meeting concluded at 11:30 a.m.)

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1 CERTIFICATION OF REPORTER

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3 I, Darlene Lewis, CSR No. 13534, a Certified
4 Shorthand Reporter in the State of California, do hereby
5 certify:

6

7 That said proceedings were taken at the time
8 and place therein stated; that said proceedings were
9 reported by me, a Certified Shorthand Reporter and
10 disinterested person, and thereafter transcribed into
11 typewriting under my direction.

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13

14 IN WITNESS WHEREOF, I have hereunto set my hand
15 this 2nd day of May, 2012.

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21 CSR No. 13534

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