U.S. TRAVEL AND TOURISM ADVISORY BOARD

DOC Building
14th & Constitution Avenue, N.W.
Washington, DC

Wednesday,
November 18, 2014

The meeting was convened, pursuant to notice, at 9:30 a.m., MR. SAM GILLILAND, Chair, presiding.

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President
Dean Runyan Associates

MS. SHERRY RUPERT
Vice President
American Indian Alaska Native Tourism
Association

MR. JOHN SPROULS
CEO and Executive Vice President
Universal Parks and Resorts
MR. GREG STUBBLEFIELD  
Executive Vice President  
    and Chief Strategy Officer  
Enterprise Holdings  

MS. CAROL WALLACE  
President and CEO  
San Diego Convention Center Corporation  

MR. JONATHAN ZUK  
Founder, President  
Amadeo Travel Solutions  

ALSO PRESENT:  

MR. BRUCE ANDREWS  
Deputy Secretary of Commerce  

MR. BRANDON BELFORD  
Deputy Assistant Secretary for  
    Aviation and International Affairs  
Department of Transportation  

MR. JOHN BLAIR  
Director, Intergovernmental and  
    External Affairs  
Department of Interior  

MS. KELLY CRAIGHEAD  
Executive Director  
National Travel and Tourism Office  

MR. THOMAS ENGLE  
Deputy Assistant Secretary of State  
    For Transportation Affairs  

MR. KEN HYATT  
Acting Under Secretary of International Trade  
U.S. Department of Commerce  

MR. DAVID LIM  
Transportation Security Administration  

MR. JOSE RAUL PERALES  
Assistant Secretary for the Private Sector  
U.S. Department of Homeland Security

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Office of Advisory Committees  
and Industry Outreach  
U.S. Department of Commerce  

MR. ED RAMOTOWSKI  
Deputy Assistant Secretary for Visa Services  
U.S. Department of State  

MR. STEFAN SELIG  
Under Secretary of Commerce for  
International Trade  

MS. SUZY SHEPHERD  

MR. CHRIS THOMPSON  
Chief Executive Officer  
Brand USA
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OPENING REMARKS AND INTRODUCTIONS

CHAIRMAN GILLILAND: Okay, folks. We are going to get started. So if you could grab your seats -- it is clear that we were going to need to talk loudly today because we have got work going on outside -- so apologies for that.

We have been in other meetings here this morning, but why don't we run around again and introduce ourselves. So Trudy do you want to start us off?

[Whereupon, introductions were made.]

CHAIRMAN GILLILAND: Okay. Well, we know now why we got this room on short notice.

[Laughter.]

CHAIRMAN GILLILAND: We are going to need to speak up, particularly, as we are recording this meeting. So I would appreciate it if you are speaking if you would speak loudly and if you remember, please introduce yourself when you speak.

I want to welcome the Travel and Tourism Advisory Board and our government partners to our November meeting. Once again, the productivity of our board has been extremely impressive. Can everybody
turn me okay? I'm really trying to speak up. Yes?

We have a dedicated group of board members who are united in their passion for recommending improvements to travel and tourism policy and a group of government partners who are open to listening to us and providing collective and constructive contributions of their expertise to make our recommendations even stronger. We are also fortunate to have Penny Pritzker, Commerce Secretary, who appreciates our productivity, but also insists that we prioritize our recommendations and that those recommendations are ones that are actionable, measurable, and timely. And above all, we all know that she wants to get stuff done. Certainly Kathleen and I recognize that. I know the entire board appreciates that in Penny.

So I'm sorry that Secretary Pritzker could not be here today because of pressing international commitments, but I am delighted to welcome Deputy Secretary Bruce Andrews who has attended previous TTAB meetings and Under Secretary Stefan Selig, who joined us at -- I think just a couple of weeks on the job -- at our Minnesota meeting. We really appreciate them being here.

It is also a pleasure to have Kelly Craighead joining us. Where is Kelly? There is Kelly over there
-- for her first TTAB meeting as the first Executive
Director of the National Travel and Tourism Office.

So welcome. This board stands ready to help
all of you succeed in what you're trying to accomplish.
So please feel free to call on us.

I also want to make two quick congratulatory
notes. I want to congratulate the U.S. Government, in
particular, the State Department for reaching a
monumental policy change with China that will enable
U.S. and Chinese citizens to visit each other's
countries repeatedly for a decade on a single visa, ten
times the length of the current one year visa.

So a few stats that go along with that, last
year $21.1 billion in spending was injected into the
U.S. economy by 1.8 million Chinese tourists and the
number of visitors is expected to jump by about 21
percent this year. The new visa policy in the U.S.
could mean as many as 7.5 million Chinese visitors by
2021, bringing an estimated $85 billion to our economy.

You might wonder a little bit how that math
works, but as we've learned from Brand USA, Chinese
visitors are the fastest-growing overseas group and the
biggest spenders traveling to the U.S. So overseas
visitors spend on average $4,500 per trip when they
come to the U.S., while Chinese visitors spend on
average $7,200, the largest of any country. So
congratulations to the U.S. Government and our State
Department to for a job well done -- fantastic news.

I also want to congratulate Jenna Pilat, our
fearless leader and coordinator of this board for a
number of years and so many other important advisory
boards that serve this administration on her well-deserved promotion that we heard about yesterday.
Whatever success we've been able to achieve over the
years on TTAB has been in no small measure because of
your guidance, your perseverance, and your
intelligence. We really, really appreciate it. So on
behalf of the board, we want to wish you, Jenna, the
very best in your new position as Director of the
Advocacy Center.

For those that are not aware, the Advocacy
Center is yet another highly-productive part of the
U.S. Government and what it achieves through
coordination with the private sector to promote U.S.
exports -- and we have used the Advocacy Center often
at Sabre and it couldn't be in better hands than yours,
Jenna. You, I hope know, that you are always welcome
back to join our board meetings, dinner, social
gatherings, various fantastic travel venues. So
consider yourself a TTAB executive platinum for life if
you will.

[Laughter.]

CHAIRMAN GILLILAND: So, very well done. And finally a note on today's agenda, it is packed with content and we are going to move through it with purpose and with speed and trust me, I am going to make sure of that. I know there are a few of you that need us to finish on time to catch flights, so we are going to work on that.

Let's absolutely have discussion, but we are going to have to be deliberately concise in all that we do today if we are going to get through four recommendation letters and updates from several subcommittees and government agencies.

Deputy Secretary Andrews, one of the things that we have done for your benefit is to distill our recommendations into four three-minute presentations. We think that will be helpful as you're going through and reading the recommendation letters yourself and also in providing any summary points as you and your team brief Secretary Pritzker upon her return.

So let’s get started. Before we do, I will turn it to Kathleen. Kathleen?

VICE CHAIR MATTHEWS: I just want to echo Sam’s congratulations to the Obama Administration for
the ten-year China visa agreement, which we think, is just going to be fabulous. Despite some of the turbulence that we have seen in the external environment over the last several months, Ebola in West Africa, growing concerns over the threat of terrorism with ISIS, we are looking at blue skies in the travel and tourism industry and I think credit for that goes to this Administration that has really worked across the various agencies and departments to have a concerted effort to kind of focus on what the opportunity is for travel to create jobs and robust economic growth in our country.

So rather than looking at a huge travel deficit which we looked at in the years after 9/11, we are looking at a year where we could have up to 5.9 percent growth in international visitation to the United States. That eclipses the robust growth we are seeing internationally which is at 5 percent, much higher than the 3 percent growth that all of us were looking at. That really is sort of the forward-looking policies of this Administration.

I think what you are going to hear today are some new ideas, some new recommendations that will continue this path towards robust growth, but being cognizant all the time of the safety and security of
the traveling public. So, again, thanks for your partnership on all of this.

CHAIRMAN GILLILAND: All right. Well, good.

Thank you, Kathleen.

With that, we will turn it over to the Deputy Secretary.
DEPARTMENT OF COMMERCE UPDATE

Bruce Andrews, Deputy Secretary of Commerce

DEPUTY SECRETARY ANDREWS: Okay. Well first of all, welcome everyone. It is great to have you here today. My apologies, apparently, we haven't paid the heating bill yet for the winter.

[Laughter.]

DEPUTY SECRETARY ANDREWS: We will try to get the heat turned up in here a little bit. First and foremost, I want to thank you all for your service on the board. This is invaluable to us. I know how much Secretary Pritzker, and frankly all of us here at the Department of Commerce, both appreciate your service, but also how beneficial it is and how much we appreciate your time and effort and frankly the advice and counsel that we get from you.

The last time that the board met you discussed how to help prioritize all of the different pieces and focus our engagements in the travel and tourism areas and where we can make the most progress. I think, as you mentioned, we are really seeing that today.

The progress that we've made together -- not only the government, but this board, has really made moving forward, from visa processing, the Trusted
Traveler Program and also watching the growth and support for Brand USA, which I have to admit for those of us who've been watching it from the beginning, it has been particularly gratifying to the extent there was a little bit of a rocky path to start but it is really exciting to see how well that has taken off and frankly many, many more areas that you are working on.

You know and we know how important travel and tourism is as a driver of the economy and I think that is why we are so focused on [indiscernible]. As incomes grow around the world, the opportunity for the United States is fantastic, but it is a very competitive international market and one that we are very consciously being challenged in.

As you mentioned, Sam, and we appreciate the praise. The Administration is very focused and has taken very aggressive action in this space to make sure we remain the world's number one travel and tourism destination throughout the world.

Last week's announcement was really big on the extending visa validity. I do want to thank our colleagues at the State Department. It was a great team effort. The State Department has really led on this. I was actually in Beijing and Tianjin last week when the announcement was made.
The reaction from the Chinese business community was overwhelming, but also the American business community and Americans working. It is just one of those things that having this issue which means a lot to a lot of people and frankly will smooth the travel much more -- people were really excited. So I would just pass that along.

It really could not have happened without so many of the people in this room. I want to start by thanking our Commerce team who worked so closely with our colleagues from the State Department and the White House and thank you for all of your efforts and congratulations. You guys know what a great travel office and travel and tourism team we have here -- their efforts working with our colleagues at State and the White House was really great, but also the private sector. Frankly, you don't get achievements like this without the private sector weighing in, giving clear recommendations, but also making this a priority in your advocacy. So thank you.

Sam, you really hit it so I won't repeat too many of the statistics, but there is a great opportunity here for us. This is one of the reasons that Secretary Pritzker has made this such a priority.

Just to give a little bit of the statistics,
7.3 million Chinese tourists will travel to the United States by 2015, contributing $85 billion to the economy and supporting 440,000 jobs. That is big and we expect a huge increase in the years ahead and frankly, you all are going to be here to do the servicing.

The good news is that we think there is more we can do not only to take advantage of the Chinese tourism, but also in a number of key countries. So thank you for all of your advice and counsel. Your advice has been invaluable, but we are going to need that to continue. Your specific actionable recommendations -- which I read the letters last night and really appreciate -- really gives us a clear blueprint for us to implement working with our interagency partners. I think there is a lot of exciting stuff going on.

The recommendations that you are deliberating on today drill down into a whole bunch of other priority areas that we look forward to working with you to implement. One thing I do want to really highlight and emphasize is the importance of being specific, being consistent and being tenacious when it comes to these priorities and continuing to focus on them. We need to focus on the top -- I think as you know, the Administration is committed to working with you and is
committed to making this successful, but I think really having prioritization and clarity of focus is important as we go forward.

So thank you so much for all of you being here today. I look forward to --

CHAIRMAN GILLILAND: I forgot to ask those board members that are on the phone to introduce themselves. So if you can hear me, could you introduce yourselves?

MR. SPROULS: John Sprouls with Universal Parks.

CHAIRMAN GILLILAND: Any others?

[No response.]

CHAIRMAN GILLILAND: Okay. I think we have a few others that may join here over time. But we are going to move now to the overview of the board recommendations.

We are going to start with visa. So I will hand it over to you, Trudy, to summarize those recommendations.
OVERVIEW OF BOARD RECOMMENDATIONS

VISA

BY: MS. TRUDY RAUTIO

MS. RAUTIO: Okay. Thank you, Sam. On behalf of Don Freeman, the Co-chair of the Visa Subcommittee, and the entire Visa Subcommittee group we are very pleased to present these recommendations.

We are very supportive, of course, of the Administration's goal of having 100 million international visitors by the year 2021. On that goal, we have recommended a two-prong strategy.

The first is to increase the number of travelers not subject to an in-person interview by giving the State Department greater discretion in determining the interview requirements or to have those not requiring visa expanded by continuing the visa waiver program, assuming of course that the individual countries are willing and participate in the bilateral agreement and that this does not compromise national security in any way.

The second of the two-prong strategy is really process and efficiency improvements for the visa system so that we attract qualified international applicants that are currently choosing to go elsewhere in their
travels.

We have very specific recommendations that are actionable underneath these and they fall into the categories of administration, legislative and cultural actions. I won't go through all of them in the essence of time, but they include easing the application burden by process improvements, videoconferencing, et cetera, improving the customer service through accessible locations, again, processing improvements or best practices that can be shared, both supporting legislation that is in line with these objectives as well as opposing conflicting legislation that may come up in opposition of the visa waiver program or other things. Then finally, to integrate the data and distribute the key learning so that best practices can be shared.

Thank you.

CHAIRMAN GILLILAND: All right. Excellent.

Thanks, Trudy.

Any comments or questions before we move on to infrastructure?

[No response.]

CHAIRMAN GILLILAND: Then, Margaret.
OVERVIEW OF BOARD RECOMMENDATIONS

INFRASTRUCTURE

By: Ms. Margaret McKeough

MS. McKEOUGH: Good morning. On behalf of all my colleagues working hard on the Infrastructure Subcommittee, it is my pleasure to present to you today some of our initial thoughts that we would like to recommend to the Department of Commerce and the Secretary to consider.

I will emphasize that this is an initial recommendation from us. The topic, itself, infrastructure is quite broad and diverse. The recommendations that we bring forward this morning are, in our view, very time-sensitive and provide an opportunity for the Department of Commerce to engage early on in making a difference on the infrastructure front.

Particularly, as we looked to address the needs for travel and tourism and address the goal by 2021 of having 100 million international visitors, we are concerned that the nation's infrastructure is not strategically positioned to be able to contribute to that goal and achieve that goal. Together we have made significant progress and many process improvements at
ports of entry and visa, as we already mentioned this morning. But we feel that it is essential for recognition of the fact that the nation's infrastructure must be improved and must be enhanced for us to achieve our international and domestic travel and tourism goals.

We mentioned that it is a sense of urgency because in 2015, the U.S. Department of Transportation is embracing and embarking upon an announcement of a 30-year Transportation Plan for this country. In addition to that, there is significant legislation that will be discussed for surface transportation policy adoption as well as aviation policy adoption.

So our two recommendations to the Secretary are to ask that she help all of us to elevate the importance of the conversation of improving our infrastructure through her position with the Tourism Policy Council. We are asking that she help to integrate the needs of travel and tourism infrastructure into the key U.S. transportation policies that are going to be discussed and considered in 2015.

We think it is critical for the Tourism Policy Counsel to elevate the role of infrastructure and the need for infrastructure improvement. We are asking
also that the Secretary consider engaging more directly with the U.S. Secretary of Transportation and the Commerce Department provide direct contribution and input and strategy to the U.S. Department of Transportation's 30-year Transportation Strategic Plan that is currently being developed and will be a point of conversation next year.

CHAIRMAN GILLILAND: Okay. Good. Any quick comments before we continue on?

[No response.]

CHAIRMAN GILLILAND: So on to Jeremy with Cultural and Natural Heritage.
OVERVIEW OF BOARD RECOMMENDATIONS

CULTURAL AND NATURAL HERITAGE

By: Mr. Jeremy Jacobs, Jr.

MR. JACOBS: Yes, I am certainly pleased to be here today to share our committee’s recommendations with you as well. Our subcommittee’s focus is to develop strategies and recommendations designed to effectively promote, quantify and celebrate the diversity of travel and tourism experiences that are distinctive to the United States and that illuminate American culture, art, food traditions and natural surroundings in support of an enhancement to the national travel and tourism strategy.

The recommendations contained in our letter today primarily deal with the area of natural heritage and specifically focus on the opportunities surrounding the centennial of the National Park Service as a driver of commerce and engagement in the U.S. travel and tourism industry. In undertaking the drafting of these recommendations, we focused on ensuring our recommendations are actionable, achievable and relevant.

According to the Federal Interagency Council on Outdoor Recreation, outdoor recreation has made more
than 938 million visits to federal lands and waterways spending about $51 billion and supporting 880,000 jobs.

There is no question that our national parks are a great source of pride among Americans and a prime motivator of travel for international visitors.

We applaud this and support the National Park Service and its intended goals for the centennial celebration of 2016, which include working to dramatically reduce a long list of deferred maintenance projects and increasing visitation by implementing key initiatives to attract younger and more diverse audiences now and into the future.

A full brief of each of our recommendations is contained in the letter. Just let me give you a couple of highlights of each.

Recommendation number one is to convene a national dialogue on our national parks in 2015. We recommend the Department of Commerce and the Department of Interior co-sponsor a dialogue on national parks to ensure that the centennial has focused, measurable and coordinated efforts to maximize the anniversary with domestic and international visitors and ultimately increase visitation. The dialogue would engage public and private sector resources and would leverage experts who are diligently working to ensure the centennial’s
success.

Our recommendation number two -- we recommend the Secretary of Commerce work closely with the Secretary of Interior to initiate research to better understand national parks visitation, including declines. We understand that funding for research is difficult, however, there are numerous organizations regularly conducting research in this area that could be leveraged.

Recommendation number three is to find common ground with the Department of Interior to leverage Department of Commerce resources in addressing ongoing challenges facing our national parks by making these assets more attractive to millennial's and other demographic groups. We must think beyond the traditional and current management strategies to ensure that our nation’s system of parks remains relevant for future visitors. We believe it will be necessary to diversify and enhance the type of experiences and accommodations available in our parks and other public lands.

Four -- we recommend we establish methods to collaborate with and integrate existing federal programs and mandates with the Department of Commerce’s agenda. For example, the First Lady’s “Move Outside”
and “Discover our Shared Heritage” programs. Both of these efforts are great examples of existing programs that encourage people to take advantage of America's great outdoors.

Fifth, and finally, we recommend advocating for and supporting a national summit during 2016, the year of our National Park Service centennial, to foster critical dialogue between government and business leaders on how protecting and preserving our public lands and increasing business opportunities can be complementary activities.

When I first joined this board, Secretary Pritzker and Secretary Johnson got on the phone and explained how they had agreed to certain common areas where they could work together. We believe a similar dialogue with Interior would be equally beneficial.

We believe the recommendations contained in this document are achievable and would certainly enhance, promote and grow the travel and tourism industry in the United States. Thank you.

CHAIRMAN GILLILAND: All right. Thanks, Jeremy.

With that, we will move on to Data and Research. Mike?
OVERVIEW OF BOARD RECOMMENDATIONS

DATA AND RESEARCH

By: Mr. Michael McCormick

MR. McCORMICK: Deputy Secretary, Under Secretary, thank you for your time today.

The Data and Research Committee has some recommendations based on some very simple but critical facts. About $890 billion is spent on travel and tourism in the United States each year. About 25 percent of that is attributable to international travel. This international travel supports 1.2 million jobs directly.

In order to continue to support this outcome, we need to do a better job of gathering data, measuring our effectiveness and directing our collective industry marketing power to grow these numbers even more. It all depends on the SIAT. The SIAT is supported by the industry widely and the government to tell the story and for all of us to make decisions and really show the return on investments for all of our constituencies.

But with a modest investment to study how to effectively increase the sample size from .2 to 1 percent, which is still really a small sampling, we can make a huge difference all throughout the system. So
our ask is very modest.

We want to protect the existing $2 million that is currently spent on the SIAT, but we want to invest an additional $1.5 million to fund the study, test recommendations and really look at the way we gather this critical data. So the outcome will be dramatic, believe it or not, in its long-term effect to grow not only travel and tourism, but the U.S. economy.

So we ask for your support in getting these additional funding. Thank you.

CHAIRMAN GILLILAND: All right. Well thank you, Mike.

As I mentioned before, a little later in the agenda, we will be discussing and deliberating in more detail on these recommendations. So to the extent that you are here, you will be a part of that. If you need to step out, we certainly understand and wanted to provide you with a summary view of it. Hopefully that was helpful.

With that, we will now move to Under Secretary Selig with an International Trade Administration update.
INTERNATIONAL TRADE ADMINISTRATION UPDATE

Stefan M. Selig, Under Secretary of Commerce
For International Trade

SECRETARY SELIG: Thank you, Sam. I am delighted to be with you all again. As Sam mentioned, my first meeting as the new Under Secretary was with you this summer. Apparently Trudy and the Mall of America team didn't so horrify me that I am still here four months later.

[Laughter.]

SECRETARY SELIG: So thank you for that.

On behalf of the Secretary -- who I think by now has landed in Morocco -- I do want to thank you for all of your service. Again, having been in the private sector for my entire career and now in this position, I really do appreciate the sacrifices that all of you are making to take time out of your busy schedules to serve your country in such an important way. So thank you for doing that. Your dedication level is both impressive and your enthusiasm is obvious and infectious.

I will be here to hear all of the details about your summary of your new recommendations, which I am looking forward to. I think, Sam, you mentioned the
three key things that the Secretary and all of us are very focused on. Which is: 1) to make sure we prioritize those recommendations in the context of the two-year time period left for this Administration and in doing that, I think it is equally important to make sure that each recommendation is as specific as possible and as actionable as it possibly can be.

I remember my first day at business school there was an old professor that said the single most important thing in business was the allocation of scarce resources. At the time I didn't, frankly, appreciate that wisdom. Now as a Government Official, I appreciate it more in more. I would encourage all of us to keep that in mind to take full advantage of all of the time and effort that you have put into what you have done.

Sam, you mentioned we have a new addition to our team, Kelly Craighead, who is sitting to the left of Ken on my side of the table. So I do want to make sure that we introduce her more formally. She is the first Executive Director of the National Travel and Tourism Organization. She is a highly seasoned professional with -- I don't think you're supposed to say this about somebody who looks quite so young -- a 25-year career spanning both the private and public
sectors from serving at the highest levels of our
government with the Clinton White House for eight years
to incubating and leading cutting edge national
advocacy organizations for over ten years.

And frankly, I think was amongst, if not the
single most important higher we have made in my brief
tenure to this team. I think it is reflective of how
important we feel this initiative and this effort is
that all of you are undertaking with us.

As all of you know better than I do, tourism
is our largest services export and growth in
international visitors has created over a quarter of a
million American jobs over the last five years which is
why this Administration, obviously, so focused on your
industry. International travel continues to grow
globally and the United States is well positioned with
the national strategy to take advantage of that growth
is well.

In 2013, we really heard some kudos from the
State Department. They issued over 9 million new visas
which is a 42 percent increase from 2010, obviously,
addressing that significant gap.

In October the NTTO issued a new forecast for
international travel to the U.S. for the years 2014 to
2019 for the top 20 countries as well as all world
regions. By 2019, total arrivals to our shores may reach over 88 million people. That is up 27 percent from 2013. So all of you as businessmen and women, obviously, fully appreciate the size and magnitude of that opportunity.

In terms of where we see that coming from in terms of top markets that are generating the largest number of additional travelers over the course of the next handful of years, we expect them to come from Mexico and Canada, our two border nations, but as Bruce mentioned, China as well. China, Colombia and India are some of the countries that we expect to have the fastest growth rates over the next five years. With this new visa policy, we expect that growth rate to be over 170 percent for China alone. As you all know, when they are on our shores, they are good spenders.

So we are very proud of everything that this Administration has done to accelerate this growth. For instance, Bruce talked about the visa validity extension for China which is a big deal and all of you know the implications for what that should be for travel and tourism going forward.

So with that, to keep on schedule, now we are only three minutes behind. I will close my remarks and just say that I am really looking forward to getting
the details of all of your recommendations during the course of the day and importantly, focusing on what the next steps are going to be to make those recommendations realities for our economy and this industry.

So thank you very much.

CHAIRMAN GILLILAND: Thank you, Stefan.

Okay. With that and with the introduction that we've heard of Kelly, we will turn it over to Kelly Craighead. Again, welcome to you. We are excited to have you running the National Travel and Tourism Office. It is fantastic. So take it away.
NATIONAL TRAVEL AND TOURISM OFFICE UPDATE

Kelly Craighead, Executive Director
National Travel and Tourism Office

MS. CRAIGHEAD: Well, it is a privilege to join the Administration and the National Travel and Tourism Office at this really exciting time. As some of you know, I am here to really build on the great work that has predated me, the work that you all have done and the work that the National Travel and Tourism Office has already done under the leadership of Isabel Hill, across the table and Ken Hyatt and the entire team.

So it is really in keeping with your priorities and with the Administration's priorities that my goal is to really advance the travel and tourism agenda across all [indiscernible] international [indiscernible] -- part of my new lexicon has taught me to say. With your help, the national strategy and the commitment of the White House, we are making unprecedented progress on travel and tourism and working well against our goal of attracting 100 million visitors by 2021.

As you know, the travel and tourism industry continues to be a leader in the U.S. economy,
supporting businesses in more than 7.7 million jobs in
local communities across America. The amazing team of
analysts at the NTTO office, led by Ron Erdmann, who I
saw walk in somewhere at the end of this room, has just
released the travel data from August and it shows that
international visitors to the U.S. spent $19.2 billion
on travel to and tourism related activities within the
United States in August 2014. That is an increase of
nearly 6 percent when compared to August 2013.

International visitors have spent nearly $150 billion
on U.S. travel and tourism related goods and services
year to date, which is an increase of more than 5
percent compared to the same period in 2013.

What you should also know is that there has
been an adjustment to the spending data. In June 2014,
BEA restructured and revised the recording of exports
and imports for the country and travel exports now
include student, medical, and temporary worker spending
estimates. As a result, travel exports for 2013 went
from just under 180 billion to nearly 215 billion.

Isn't it nice to have quiet -- just at that
moment.

[Laughter.]

MS. CRAIGHEAD: I want to just talk very
briefly, since so many before me have talked about the
recent efforts on behalf of the Administration and Secretary Pritzker to help grow the economy and support jobs. As we've just heard now from a number of people, the extended visa validity agreement with China is tremendous and as Stefan said, “this is a very big deal”. I think the part that I want to communicate to you is the role that Secretary Pritzker and the National Travel and Tourism Office played in making the economic case for that and the important role that having the data that our team was able to put together played in making this so -- which of course is not to take anything away from the role of the State Department, but is an opportunity to really show how we are working against this strategy in a really meaningful way. So I know Ed will talk more about that, although, I'm not sure what is left to be said.

I do want to build on what that means and to let you know that we are hosting a JCCT in Chicago in December. We will have an important dialogue with the Chinese and we really hope to set the agenda for future collaboration over the next five years. So everyone in this room should've received a save the date for that event, but it is important that you attend if you can attend and let us know if you haven't gotten that information.
Finally, just to say, I look forward to working with you on all of this in the months and years ahead.

SECRETARY SELIG: Sam, maybe I could just emphasize that one less point. As the person responsible for driving this reimagined JCCT, this is the first time any industry has been selected and identified for a specific -- opportunity within the JCCT and we had chosen travel and tourism. So I think that is a reflection not only of the opportunities that we have all talked about, but of the identification by this Administration of really trying to move the needle in this industry and with this particular important market. So we look forward to any input that you would be able to give us on that topic to make it as successful as possible.

CHAIRMAN GILLILAND: All right. Excellent. Well, great. Thank you again and welcome.

MS. CRAIGHEAD: Thank you.

CHAIRMAN GILLILAND: We are very pleased to have you here.

With that, we'll move on to the visa announcement update. Ed, you just keep coming to us with good news.

[Laughter.]
CHAIRMAN GILLILAND: I am not quite sure how to think about that. What is happening at the next meeting?
VISA ANNOUNCEMENT UPDATE

Ed Ramotowski, Deputy Assistant Secretary for Visa Services
Department of State

MR. RAMOTOWSKI: I guess you will invite me again.

[Laughter.]

MR. RAMOTOWSKI: No. As Kelly said, there is not a lot more to be said about this except that it is a combination of a multi-year intensive effort by the State Department and other elements of the U.S. Government to reach this policy milestone. I have to emphasize that the support and the advocacy of this board in particular, and the industry in general, was indispensable to get there because making the economic case was the critical piece that finally got this across the finish line.

So ten-year visas were issued immediately after the President’s announcement. Secretary Kerry, himself, presented the first set of ten-year visas to applicants in China.

Somewhat lost in the news is the fact that we are issuing five-year student visas to Chinese citizens. You may not know that Chinese citizens are
the largest group of foreign nationals studying in the United States. That is a multi-billion dollar contribution to the economy as well and they could become your future customers.

Now, of course, we are groping with the results of success. We fully expect that the announcement will generate an uptick in demand in China. We are taking measures now to cope with that. That is something I will discuss at the next meeting.

We will have a clear idea of exactly what the magnitude of that increase is.

But now all of the top 10 tourism markets have a ten-year visa validity, those that are not members of the visa waiver program. So it is now over to the marketing experts to convince those folks holding a ten-year ticket to the United States, make that second trip or third or fourth.

China demand overall last year rose 21 percent and we expect that to continue and increase with the news of the ten-year visas. Brazil rose by 10 percent. India demand -- after being flat for a number of years -- is up by over 20 percent. So that is growing rather dramatically. Mexico was only up by 2 percent. So we are not seeing much growth there, but the volume is very high.
One other factoid, China overtook Mexico this year for the first time ever as the largest source of U.S. visa applications. So despite Mexico’s proximity to the border and the fact that we have ten diplomatic offices in Mexico versus five in China, Mission China overtook Mexico as the largest source of visas.

Worldwide, visa demand is up by 9 percent in 2014. That is over -- as the Under Secretary said -- over 9.9 million visas issued. Ninety percent of the visa applicants, currently this week, can get an appointment in three weeks or less and over 70 percent within one week. Our surveys show that the average applicant picks an appointment date about two weeks out. Some, obviously, need an appointment sooner than that. We have members in place to help them if the overall wait time is more than one week, but these metrics are approximately 10 percent higher than they were last year and certainly much higher than they were in 2010 when we were facing wait times of up to 100 days or more in key markets.

A few other points, with respect to new infrastructure, a new consulate building was opened in Monterey, Mexico this year. Work continues on three new consulates, two in Brazil in Belo Horizonte and Porto Alegre and one in Wuhan, China. Chile joined the
visa waiver program.

So we are making progress all along the line and I would really like to thank Judy and Don and other members of the Visa Committee for the collaborative relationship that they have fostered with the State Department, with our interagency partners. We are looking forward to working with them and the rest of the board on the other recommendations that they will discuss later.

So thank you.

CHAIRMAN GILLILAND: That’s great and again, great news. It is also great to hear how well the agencies worked together to get these things over the finish line. But again, really appreciate the progress and your update.

Okay. So now we will move on. We have a new Assistant Secretary for the Private Sector. You've been in the job -- let's see, how long?

ASSISTANT SECRETARY PERALES: This is my first month.

[Laughter.]

CHAIRMAN GILLILAND: Okay. First month. Welcome to you. Welcome to Assistant Secretary Perales who has -- and as you get to know him, you will know that he has a fair bit of background in the travel
industry and so we very much welcome your participating on the Travel and Tourism Advisory Board.
ASSISTANT SECRETARY PERALES: Thank you so much and thank you all. It is a great honor to be here. I heard a lot about this group and the wonderful things that it does. So I do feel privileged to be joining you today.

As you all know and have seen in the press, it is still a very unsafe world out there. Thirteen years after September 11, we still have a number of threats. It is a different type of threat these days. It is a more decentralized threat, which of course requires a different kind of engagement and monitoring to keep our homeland secure. In that regard, we are extremely grateful to our partners and our allies in the private sector for helping us and joining us to keep the country open for business in the shadow of threats from terrorism and terrorist organizations from rogue states around the world.
In order to address the threats that we have seen and the new threats that we envision might be coming given events in other parts of the world, our government -- as you know -- has enhanced aviation security. In early July, Secretary Johnson directed enhanced screening at a number of overseas airports with direct flights to the United States. Several weeks later, we added more airports to that list. Other countries, especially our allies in Europe, have followed with similar enhancements to their aviation security.

Again, all on par because the threat or the illusion, the nature of the terrorist threat to our country has evolved in many different ways, our government is making enhanced and concerted efforts to track Syrian foreign fighters who come from or seek to enter our country. The reality is that over 12,000 foreign fighters have traveled to Syria over the last three years and we are concerned that not only made these foreign fighters join ISIL or other extremist groups in Syria, but they may also be recruited by these extremist groups to leave Syria and conduct external attacks.

Our FBI has arrested a number of individuals who have tried to travel from the United States to
Syria to support terrorist activity there. Of course, we all know that we need cooperation from the private in supporting this work.

In response to the increasing concerns regarding foreign fighters, DHS is strengthening the security of the Visa Waiver Program through enhancements to the electronic system for travel authorization. DHS has determined that ESTA enhancements will improve the Department's ability to screen prospective VWP travelers and more accurately and effectively identify those who pose a security risk to the United States.

DHS also believes the enhancements to ESTA will help the Department facilitate a dedication of ESTA applications by requiring ESTA applicants to provide additional information. DHS will enhance its ability to identify those ESTA applicants who are on the terrorist watch list, thereby reducing the number of inconclusive matches that currently result in an ESTA denial requiring the applicant to apply for a visa for travel to the United States. We are very happy that these modifications for ESTA were rolled out quietly, nicely, everything went according to order and we are very thankful to our partners in the private sector for supporting these enhanced measures.
Additionally, working with the travel industry and public feedback, DHS modified some of the eligibility questions to make them more user-friendly and easier to understand. We also face challenges to security post by outbreaks of disease like avian flu, SARS, H1N1 and of course, now the Ebola outbreak in Western Africa.

In response to the Ebola outbreak, Secretary Johnson on October 21 announced that all passengers arriving in the United States whose travel originated in Liberia, Sierra Leone or Guinea will be required to fly into one of the five airports that have enhanced screening and additional resources in place. We worked closely with the airlines and airports to implement these restrictions with minimal travel disruption. Just this past weekend, as you all know, Mali was added to that list.

We currently have in place measures to identify and screen anyone at land, sea and airports of entry to the United States who we have reason to believe have been present in Liberia, Sierra Leone, Guinea or Mali in the preceding 21 days. These enhanced screening measures are in addition to exit screening that takes place on exit from the affected countries in West Africa as well as in transit.
countries considering there is a limited amount of flights from the United States that directly touch upon these countries.

So I can tell you that it has been a priority of the Department to engage with the private sector on issues of national and economic security. We recognize that the two are inherently linked and both are necessary in fully securing the homeland.

In recent weeks, we had a conference call with the TTAB precisely on some of the measures that DHS is pursuing, especially when we started screening at the airports, flowing traffic into the five airports. We just concluded a breakfast where we brought our colleagues from DHS and also from the White House to further discuss some of these measures.

Again, what want to do is share information. This is a conversation -- we not only want to be transparent with you about the measures we are taking, but we also want to receive your input, data. How is this affecting your travel industry, airport arrivals, passenger arrivals, hotel accommodations, et cetera? This is a conversation -- because if we want to turn Ebola and the things that we are doing in Ebola as a best practice for what may happen in the future -- again, this is incremental learning -- this kind of
conversation needs to happen. So we are very thankful for your support and collaboration.

The travel and tourism industry supports nearly 8 million U.S. jobs and since the first quarter of 2010 the industry created 693,000 new jobs. Direct employment in the travel and tourism industries increased 2.1 percent in the first quarter of 2014, which represented the 16th consecutive quarter of growth in travel and tourism related employment.

International travel and tourism supports 1.1 million jobs in the United States. It is also the largest services export sector, comprising 26 percent of all service exports and 8 percent of all U.S. exports.

A record 70 million international visitors traveled to the U.S. in 2013, as you heard before, a 5 percent increase over 2012, setting a new record for travel and tourism exports of nearly 180 billion. So it is crystal clear that facilitating the arrival of international travelers is critical to growing our economy and creating jobs. An increasing number of visitors translates to increasing export value in travel and tourism.

I am very thankful that the outside noise stopped just so I could speak.
[Laughter.]

ASSISTANT SECRETARY PERALES: To address the tremendous increases in travel while securing our borders in international aviation, U.S. Customs and Border Protection, the unified border security agency of the United States, has pursued an aggressive strategy to optimize the international arrival process and speed travelers to their destination in the United States.

Under this strategy, CBP is revolutionizing operational processes through automation, innovation and trusted traveler programs, employing a rigorous approach to identify the staffing needed to effectively carry out CBP's increasingly complex mission at the nation's ports of entry and exploring public-private partnerships to support growing passenger volume, expanded services and facility growth. As a result, CBP is now working closely with industry partners to spread the use of automated passport control like the recent rollout of APC kiosks at Washington, Dulles and a pilot program for a mobile passport control application at Atlanta Hartsfield-Jackson International Airport, partnership with Airports Council International.

On the operational side, just last week we on-
boarded six executives on loan to DHS from the private sector who over the next six months -- some of us think it will be probably near a year -- will be working with CBP and TSA to improve customer service, cueing techniques, line flows and a whole host of other passenger-friendly initiatives.

Rossi Ralenkotter, thank you for your support.

Two of our executives come from Las Vegas Convention and Visitor Center. Thank you so much. We have our Vegas ambassador here sitting behind me. So it is a good team. Thank you so much for your support.

I know many of you have been great partners with DHS's trusted traveler programs. In that sense more than 2.9 million people have access to CBP Trusted Traveler Programs, including global entry which allows expedited clearance for preapproved low-risk air travelers upon arrival in the U.S.

Global entry is now available at 53 airports and preclearance locations. Travelers have used the global entry kiosks over 11.6 million times since the program started. CBP has seen consistently high levels of global entry use and several travel days with rates exceeding 9 to 10 percent. And we continue to seek new reciprocal agreements with partner nations around the world to go along with current arrangements and pilot
programs -- with Canada, Mexico, South Korea, Netherlands, Qatar, Germany, United Kingdom and most recently with Panama. I am actually heading there in a couple of weeks to see how this is going.

Since the inception of TSA pre-check on October 4, 2011, over 5 million passengers per week now use TSA pre-check at more than 120 participating domestic U.S. airports in partnership with participating airlines and with CBP. Currently, there are ten U.S. airlines participating in TSA pre-check -- Alaska Airlines, American, Delta, Hawaiian, JetBlue, Southwest, Sun Country, United, U.S. Airways and Virgin America.

On April 29, Air Canada became the first foreign-owned air carrier participating in TSA pre-check. So today more than 85 percent of travelers departing from the United States airports are flying abroad on an airline that is participating in TSA pre-check.

TSA is also working with a number of other foreign-owned airlines to expand our international air carrier participation. My colleague will explain a little bit more on this in a few minutes.

In addition, the TSA pre-check program now provides travelers with another method for enrolling in
a DHS Trusted Traveler Program, even for individuals
who do not have a passport. Since the beginning of
November 2014, there have been more than 625,000
enrollments through the TSA pre-check application
program and more than 300 enrollment centers have
opened across the country were interested travelers may
apply.

Lastly, Administrator Pistole just recently
announced their latest private sector partnership
initiative to help TSA pre-check expand. This
initiative will use private industry and commercial
capabilities to enroll eligible travelers which may
include using identity verification techniques,
assessing risks and utilizing commercial data in
determining their eligibility.

TSA will also conduct a security threat
assessment after the private sector has completed its
pre-screening processes to determine applicant
eligibility for TSA pre-check. Using private sector
entities to prescreen travelers leverages private
industry best practices and business operations,
marketing and algorithm optimization to increase the
population of trusted travelers, just one more example
of the great kinds of things we can achieve together.

So is you can see, DHS and especially our
colleagues at CBP and TSA have been busy working on new technologies improving and outright eliminating outdated processes to improve our customer experience.

So again, I cannot say enough. We want to thank our private sector partners, many of the people here in this room from whom we have received a lot of feedback, for their partnership in these efforts. We could never achieve any of these milestones without your help.

So as a result, I am pleased to say that every day that we talk to you and that we partner with you, our Department and our mission grow stronger. So thank you.

MR. LIM: I may put you a little bit behind schedule. I am going to speak fast.

CHAIRMAN GILLILAND: I know you will go fast, David. I am sure.

MR. LIM: Thank you very much, Secretary Perales.

CHAIRMAN GILLILAND: Yes. Thank you so much. Delighted and appreciate it.

After David gets done, if we have any questions, we can come to them.

MR. LIM: So on behalf of my colleagues at TSA, CBP and DHS, and of course the Department of Commerce, I just want to thank everyone for just a few
minutes on giving an update on the branding work we
have done at TSA for TSA Pre-Check, which I like to
think is a product near and dear to everyone’s heart.

So I serve as an advisor to Ken Fletcher who
is actually Chief Risk Officer. I spend a fair amount
of my time working with Jerry Polo [sic] who manages
the marketing and branding division.

So with a very modest budget, which is really
very modest, the strategy to date has really been to
seek partnerships to leverage their communication
assets as we believe TSA Pre-check is a valuable
content to many audiences and that an improved airport
experience benefits all service providers along the
touch points of a traveler’s journey.

So before I walk you through the branding
positioning, I just want to take a moment to thank
everyone in the industry for their support. There has
not been a single organization that we have reached out
to that has not embraced our ask -- if you will. So
just to name a few, Sabre -- we recently executed a
media plan that will deliver 1 million impressions by
the end of this year, retail value a quarter of a
million dollars. Marriott and Hilton, at a DHS-
sponsored meeting back in August, offered to program a
video on their hotel channels. We don't have that
asset, but we hopefully will get there. City DMOs like Boston, New York, Miami, Las Vegas and Los Angeles have been very, very generous with us in providing resources, putting this up in newsletters and giving us partner recommendations.

The popularity and desire, just within the industry, I think it's evident by -- we had a webinar where 500 travel agents called in. Now remember, travel agents are supposed to be the expert -- 500 travel agents are calling in, 250 meeting planners called into a DMAI webinar, the list goes on and on, but I will end that with the fact that on the consumer side, TSA actually made the New York Times October 22nd crossword puzzle, four down.

[Laughter.]

MR. LIM: Organization with pre-check program, the answer, TSA.

So quickly to the branding, we contracted with SAGE Communications locally here to do some brand work and we will see some creative executions, actually, later today. So under the primary research phase of the process, we really engaged 360 within TSA from leadership to field directors, down to the workforce within what TSA has called the traditional stakeholders who would be A4A, HCI, AAAE. In the travel industry,
the usual suspects are here, ASTA, GBTA, Brand USA, USGA and TTAB through Sam.

I have to say that everyone who participated in those interviews was not only very generous with their time, but very passionate about the product. So we really, really appreciate that.

So the private research along with a deep dive into secondary research will give you the insights that I will show in a minute. So I have two slides. The first slide is really -- this is the articulation of the brand’s statement and the second will be the rational and emotional attributes that ladder up to and support the brand.

So the positioning statement -- just to be really clear -- is really an expression that represents what TSA stands for, what it offers and why travelers should care. Those are insights driven by the research.

As you know, the brand positioning statement will serve as their foundation for the development of creative content and messaging so that our messaging is relevant to the target audience and is consistent going forward in both tone and language.

So I will just read you the brand position statement, “TSA connects America’s trusted travelers
with smarter security to help create a better air travel experience for all.” So you will notice certain words are called out and those words are really carefully selected and they represent key insight.

So the word “connects” -- what we heard is that people want to be a part of the solution. The word “trusted” -- we heard the desire to be recognized as trustworthy which is a key principle in a risk-based security and that the vast majority of travelers are, in fact, low-risk.

“Smarter” is a nod to the fact that TSA is not just a checkpoint organization but one that employees risk-based intelligence analysis and better, obviously, suggests a desire to be cared for.

If you would go to the next slide, if you can.

So there are two rows of slides here. The top row are what are called rational attributes, smart, transparent, innovative and positive. Those are what would be called product attributes of TSA pre-check.

So if you think about smart, it is smart because it is based in sound science. It is transparent because it is for the public good. It is innovative because it has helped America stay ahead of the threats and positive because it recognizes the essential goodness of people as low-risk.
The emotional attributes on the bottom are rewarding, respected, empowered and engaged. Those are the emotional attributes that travelers have when we, TSA, deliver on TSA pre-check in the upper quadrant there.

So when TSA pre-check delivers their products well, we are smart, transparent, innovative and positive. Travelers feel the attributes on the bottom. And for me the most powerful are the first two because we often hear people say they like pre-check because of speed and not having to divest themselves of shoes, laptops and liquids. While speed and time are captured in the feeling of rewarded and certainly not having to divest yourself of shoes, laptops or liquids, or what I call the dignity factor is captured in the respected attribute. When you look at empowered, that is a nod to the attribute that we all share which is we all want a greater sense of control.

So to close, the first part of the brand work is done and it will enable us at TSA to develop more consistent relevant messaging with the objective to drive enrollments, delivering a dual benefit. One is really to strengthen the aviation security as we identified, more trusted travelers in a low risk bucket and really also delivering a better airport experience
that benefits everyone.

So, of course, we will continue our outreach efforts as the model has served us well. We look forward to developing stronger relationships with existing partners and look to expand to include others. We would be thrilled to meet with any of you or if you have any recommendations for us that can help us push out TSA pre-check messaging to audiences for our mutual benefit.

Thank you.

CHAIRMAN GILLILAND: All right. Very good presentation.

MR. LIM: Thank you.

CHAIRMAN GILLILAND: And I appreciate you moving through it quickly, David.

And one comment, I think this is great work and pleased to see you promoting and looking to message and promote TSA pre-check. I think the challenge will be always living up to the brand promise. And that is true in any business or any product.

Mr. Lim: Well, this actually has internal applications just in terms of workforce when you look at the bottom, the emotional attributes. And that's where we want to take it, internally. That is a pretty big left with 50,000 people spread across the country.
CHAIRMAN GILLILAND: It is. Absolutely. So I really appreciate the work you are doing on this.

So before we move on, any questions for the Assistant Secretary or for David on their remarks?

[No response.]

ASSISTANT SECRETARY PERALES: I am happy to go off line too in case --

COMMITTEE MEMBER: David, did I see that you had a contest for the general public in order to -- and if so, did you have a winner?

MR. LIM: That was actually -- we did have a contest. I am not conversant in that because that is much more about the technical side. It was about cue management, I believe. There was a division or it is call an office within TSA that managed that. I apologize because I don’t know the answer to that.

I am sure there was a winner. These things take a long time, as you might expect, so whoever the winner was and whatever that idea was that won -- as you know, it doesn’t just happen overnight.

TSA, as with DHS, is always looking to partner with private sector wherever we can.

MS. MATTHEWS: You mentioned the six loaned executives, two of them from Las Vegas. Where are the other loaned executives from?
ASSISTANT SECRETARY PERALES: We have Delta Airlines. We have a supply chain manager from Michigan, actually near the border with Canada. We have a former Disney executive—long-term Disney executive who is now working with American Airlines. Those are the ones that come to my mind—the guys from Vegas—

MS. MATTHEWS: And what kind of duration did you arrive on because I know there was discussion of would this be a large chunk of time or a full-time or would it be kind of dropping in. How did you arrive at the right solution?

ASSISTANT SECRETARY PERALES: Well, all of the above, actually. What has happened is we created a program where they will have five site visits. What we did is we created a structure whereby—obviously, the idea is to get feedback from the executives. So we made it flexible enough so that if they want to introduce additional elements that they want to check, then we should have the flexibility to accommodate.

So for example, one of the things that they want to do which we had not originally anticipated or not to the extent that they want to do it, is to not only work on looking at arrivals at U.S. airports and the cues and all of that, but actually to do
international travel and come back to the United States -- not like what you do when you're coming from the city where you have just spent the night and you are fresh and you can see things a certain way, but to actually go through the experience of international travel. You might be tired, a little fatigued and experience process itself just to get a better understanding of things. That, obviously, requires some flexibility in accommodating.

So what we did is, we programmed the visits and some of the meetings in terms of a six-month span because that is originally what was anticipated. But for example, we -- their clearances for a whole year, meaning that we know and we are anticipating that there may be delays or there may be additional things they want to put in. So they are all ready coming up with ideas and they are all ready asking for follow-up meetings to the ones that they had at the beginning.

So over the next few weeks we will be working on developing a fuller agenda as these recommendations come in.

CHAIRMAN GILLILAND: Okay.

MS. RAMUDO: As we are promoting increased -- enrollment, are we looking or do we have a budget for staffing? I can tell you for example in Miami many
times TSA Pre-check lines are closed because of lack of staffing.

MR. LIM: I guess that is for me.

ASSISTANT SECRETARY PERALES: That is more for you. I will take that as the perennial issue and I have experienced that in Miami many times.

MR. LIM: Once again, I am sorry. I am not conversed in that. That is within TSA. It is called the Office of Security Operations, which really manages the 50,000 staff.

I will tell you that TSA over the last several years has become more efficient because in this budget, going forward, it is $100 million less. But to your question about staffing, staffing is a very dynamic and fluid process. We are always trying to balance the efficiency with traveler service, if you will.

If you have a specific question about Miami, you should just call me off line.

MS. RAMUDO: Sure, and Miami is an example. There might be many others where we set up ourselves for failure. We are increasing more enrollment --

[Simultaneous speech.]

MR. LIM: Let me answer that. The vision is, actually, a lot of people say oh well don’t let too many people know. Literally, a lot of people say I
love it. I love it, but don’t let too many people know.

So think about it this way, today, think about just a four-lane checkpoint, 100 percent of the people go through. When TSA opens up one lane, you have to have 25 percent of the people coming in. Otherwise, what happens is the other -- let’s say only 10 percent go in, now you have got 90 percent coming into three lanes which is not efficient and not really good service.

We are constantly trying to really enroll more people for two reasons. One is it is better security because we will know more about more people, but what will happen is more TSA lanes will open. So the vision is ultimately -- if you think about that four-lane example -- that tomorrow we will have three TSA pre-check lanes and one standard lane and the three TSA pre-check lanes will continue to move at the rate that it moves today. So I don’t if that answers your question to some extent.

ASSISTANT SECRETARY PERALES: I want to say one last thing. [indiscernible] the buyers are changing the way that the pie split, but we are at that interesting moment, but we don’t know where the slice is going to be drawn.
One thing that is important about, for example, communities like Miami where travel is such a fundamental part of the success of Miami, the services industry. To also be vocal about the kinds of resources that are needed to make sure that the airport and that the city stays on top of these things.

For example, working with members of Congress because, of course we make the budget requests, but those things, as you know, have a way of working themselves. This is where the partnership with private sector in the local communities actually makes a huge difference.

So thank you for your comment because it really is very constructive.

CHAIRMAN GILLILAND: It may be that we want to have an agenda item for next time to just talk a little bit more about the operations, David. So we may invite you back with one of your colleagues in the operations area to talk a little bit more about how that is progressing. So we will do that.

MR. LIM: Okay.

CHAIRMAN GILLILAND: Okay. Well thank you very much. When your predecessor was here, Douglas Smith, He found a way to take more than his allotted time and of course, DHS has done a good job at --
[Laughter.]

CHAIRMAN GILLILAND: So we appreciate the consistency.

[Simultaneous speech.]

CHAIRMAN GILLILAND: I will say, though, that the good news is that there is no lack of interest in your area from this group. We love working with the team and appreciate the opportunity for the dialogue.

Okay. And thanks to Jenna. You know, we are going to miss Jenna because Jenna says to the construction workers, stop working and they stop working.

MS. PILAT: Trisha on my team said that.

CHAIRMAN GILLILAND: Go Trisha.

All right. We are going to move into the discussion and deliberation phase of the agenda. So looking specifically at the four recommendations and recommendation letters that have been set forth by the subcommittees -- to start us off, we are going to move to the visa team to lay out in more detail those recommendations and offer those up for discussion.

So Trudy, are you leading that?

MS. RAUTIO: Yes, I am.

DISCUSSION AND DELIBERATION OF VISA RECOMMENDATIONS

By: Ms. Rautio

MS. RAUTIO: I think as we begin this process it is important to note the significant progress that has been made and kudos go to the State Department for the significant increase in the efficiency of processing of these applications as well as the number. Of course with China no coming on, they have that new hurdle to face, but I think that we start from a position of improvement, great improvement that is a basis for how we started this dialogue in our subcommittee.

I also can’t over emphasize enough how involved the various government departments were with us in working through these recommendations. The Department of Commerce, the Department of State, the Department of Homeland Security all were very actively involved in reviewing the recommendations, helping us to frame and shape them, pushing on us in places where they felt we were overstepping, but also allowing this to be a private sector recommendation.

So the cooperation was just outstanding and I can’t thank those representatives enough. They participated in call after call after call and took
time out of their schedule to do that. So we really appreciate that.

I also have to publicly thank Tammy Lee Stanek who supported me on this, but also really carried the weight for the subcommittee, kind of orchestrating all the work behind the scenes to get it done and really making sure that we came through with quality recommendations. Thank you Tammy for that.

Again, we are cognizant of this goal, this very ambitious goal to reach 100 million visitors by 2021. So we have a two-pronged strategy involved in doing this. One is to increase the number of travelers who are either, 1) not subject to an in person interview; or 2) not required to have a visa.

Those that would not be subject to an in-person interview would be allowing the State Department to have more discretion in determining the interview requirements. In terms of the visa waiver program, making sure that countries who are willing to meet the program statutory and policy requirements that are legislated, that they participate in the bilateral agreement and that we keep security in mind. So we have this balancing act that we are doing in terms of the recommendation for increasing the visa waiver program, recognizing that there are important factions
that we have to keep in mind.

The second part of our strategy was actually
to make the process and efficiency improvements in the
visa system to attract qualified applicants because we
know that travelers are going elsewhere that aren’t
able to get through the visa processing system.

We then were very cognizant of Secretary
Pritzker’s recommendation to us and encouragement to us
that we have very actionable items. So we grouped our
items in three areas, administrative, legislative and
management. All of those we had both with and without
private sector support so that you could see where the
private sector could participate in making the actions
happen.

We identified four key countries that we
wanted to emphasize, but we did name others as well.
The four key countries were Poland, Brazil, China and
India. We felt that working on those four would make
significant progress toward our overall goal.

We also found that there was a balancing act
between the traveler’s perceptions. So the perception
that they have, the customer service that they receive,
the cost of visa, the fear of refusals, the preparation
and commitment that is required to get a visa are
considerations on the one hand, while balancing the
national security interests on the other. So all of these require a lot of balancing in terms of making sure that we make the specific rate recommendations. I will go into some, not all of the key recommendations that we had. First of all, under administrative actions one of the recommendations that we had was to at least examine the metrics we use to calculate the refusal rate. We want to make sure that that is an appropriate balancing of our national security interests while promoting international visitation.

We want to also recommend increasing the maximum visa validity wherever possible. Of course, we had China as high on our list and it happened before we could even get the ink on the letter dried. So much appreciation to that.

We listed very specific countries that could increase international travel. We recognize that these are not all equal in terms of their ability to get through the system and the time that it might take. Nonetheless, we recognize that there are certain countries that could be very beneficial to reaching this goal.

In China and India, we recommended that we reduce the amount of documentation that applicants are
required to present to the consular office to make it easier for applicants to submit electronically and to make sure that we have easier translation capabilities for those countries. We recommended that technological updates could be used, such as the discontinuance of foil stickers as was done by the Australian Government.

Moving on, one other administrative item is to research the possibility of offering a family or a group rate for visas to streamline the processing and to also lessen the burden for families that might be traveling.

Administrative actions that can be recommended for private sector support are to continue the visa waiver processing reciprocity negotiations with our top two priority countries, Poland and Brazil, to expedite the pilot and feasibility study of implementing an electronic interview or videoconferencing system, next to explore public and private sector partnerships to create U.S. consular video conferencing or visa hubs.

We have suggested that there are many private-sector businesses that are present in various countries around the world that could participate in this activity. Those were just suggestions. None of those are anything that has been secured at this point.

In legislative actions, again with private
sector support, we want to continue to support the JOLT Act. We think that is of paramount importance to moving this toward the goal achievement.

Secondly, we want to separate the requirement that DHS create a biometric exit system from increasing the visa waiver processing refusal rate requirement from 3 to 10 percent. We think that would have a significant impact on this goal.

We want to support legislation that adds qualified travelers to the visa waiver program. We’ve listed very specific legislation and who is supporting that, but we also want to oppose legislation that might come in on the opposite side of that question.

There are consular management actions as well that we think are important and can help in moving us toward our goal. One is to collect and analyze traveler feedback and the development of customer service best practices. Another is to improve the experience of customers waiting to interview. One of the suggestions was to make sure that we have Brand USA collateral material available for those travelers who are waiting to interview.

We also had actions that the consular could take with private sector help and with Brand USA help and one of those was to define a public and private
sector communication strategy to improve the image and perception of consular and visa services.

So we recognize that we have many action items listed here both with private-sector potential support and not. We are hopeful that many of these can be enacted soon. Thank you.

CHAIRMAN GILLILAND: All right.

MS. RAUTIO: Open to questions.

CHAIRMAN GILLILAND: Questions for Trudy or the rest of the subcommittee?

MS. MATTHEWS: I actually had a question for Ed Ramotowski, germane to your recommendation about the video conferencing opportunity that there might be especially as we have huge expansion. There may be applications for visas in places like China.

I know you were doing a pilot on this. Can you give us an update on the status of that pilot, any findings or early results that you are looking at?

MR. RAMOTOWSKI: As a result of the intense effort to bring this China reciprocity increase to a successful conclusion and because of some other higher priority IT measures that we had to take care of, we have not yet finished our feasibility study about whether to do a pilot in a high-volume post. So that has been pushed back. I hope to have more detail on
that for the next meeting in February.

MS. MATTHEWS: Might the China ten-year
duration visa be a new element that would kind of
advance that as potentially a priority to do a pilot?

MR. RAMOTOWSKI: It is one factor and we
certainly want to consider all of the factors together.
There are also security and efficiency issues on the
other side of that equation that we need to explore as
well. Again, if the video interview benefits some
applicants, but overall reduces the efficiency of the
global network -- just like my colleague from TSA was
explaining about their lanes -- if you’re pushing fewer
people through totally, that’s probably not the most
optimal outcome.

So we are going to explore this because it
is of great interest to the board and we want to make a
decision based on hard facts and analysis.

CHAIRMAN GILLILAND: Okay. Other questions
for Trudy or the group? Ed, as we talked about this
yesterday, it sounds like you are comfortable with the
recommendations that we are setting forth. I’m sure we
are stretching you in places, which we intend to do.

[Laughter.]

MR. RAMOTOWSKI: There is a lot of homework
there. But, again, it was a very productive dialogue.
We look forward to exploring those and providing more feedback back to the board.

CHAIRMAN GILLILAND: Okay. All right. Any other questions or concerns before we look to approve these recommendations and set them forward? Any other comments?

[No response.]

CHAIRMAN GILLILAND: So I might just maybe ask for approval of the full board. So all those in favor of approving these recommendations say aye, please.

[A chorus of ayes.]

CHAIRMAN GILLILAND: Any opposed?

[No response.]

CHAIRMAN GILLILAND: All right. Well done by the Visa Subcommittee. Excellent. So we will then move on to the discussion and deliberation of the infrastructure recommendations. Margaret will take us through those.
DISCUSSION AND DELIBERATION OF INFRASTRUCTURE
RECOMMENDATIONS TO DOT 30-YEAR STRATEGIC PLAN

By: Ms. Margaret McKeough

MS. McKEOUGH: Thank you, Sam. The Infrastructure Subcommittee is proposing an initial recommendation for the full board’s consideration this morning. Although it is initial, I want to underscore that it is the sentiments of the Infrastructure Subcommittee that these particular recommendations are very time sensitive and very much have a sense of urgency in them.

Particular recommendation in the theme embodied in the letter that we are proposing to the board this morning is that the needs of travel and tourism need to be embedded into all of the U.S. transportation policies that are being developed and are active right now. There is a great need for a sense of integration if we are going to achieve the goal of 2021 having the level of international passengers visiting the United States.

Currently there are a number of transportation plans that are currently being put forth as policies for the United States. In the 2015 year in particular, there are a number of them that traverse all modes of
transportation, surface, aviation, rail and transit.

We very much feel that there is an opportunity in 2015 to really influence the needs of travel and tourism infrastructure as these policies are developed and are deliberated through the policy process.

So in the letter in front of you, it very much encourages and asks the Secretary to use the format of the Tourism Policy Counsel to achieve attention to this issue. As various Cabinet Members come together in that forum, we are asking the Secretary to elevate in the conversation the needs for the nation’s infrastructure policies to very much consider the needs of travel and tourism in the United States.

We are also asking that the Department of Commerce directly engage with the Department of Transportation as the Department of Transportation develops a 30-year Strategic Transportation Plan that they plan to put forth in the 2015 year that Commerce have the opportunity to liaison with that department and actually introduce and work with them to introduce the needs of travel and tourism into that strategic transportation policy document.

The letter goes on to point out two, I think, very stark examples of why this is so necessary, so urgent and so important. It references the fact that
at significant travel and tourism locations, like Myrtle Beach, South Carolina, does not even have major interstate access and it is such a huge tourism destination. It also points out the most relevant example of the concerns in the shutdown of the aviation system that occurred with a fire at the TRACON facility in Chicago, very relevant examples of how when the nation’s transportation infrastructure is not strong and robust it has direct impacts to travel and tourism.

I think that pretty much summarizes the initial recommendations that our committee is making to the Secretary and I would be happy to address any comments or additional questions there may be.

CHAIRMAN GILLILAND: Okay. Questions or comments for Margaret?

MS. AGRA: I have one. Margaret, do you know if there has been any advancement of NextGen since last year when we had it as one of our key targets?

CHAIRMAN GILLILAND: I am looking around to see if we have representation that could -- we don’t have Brandon here yet.

MS. PILAT: Vanessa [indiscernible] is here from DOT.

VANESSA: There have been advancements. As you may know, we had stalled all of our ground sensor
equipment. So now we are moving forward in trying to get the aircraft equipped. So you can understand -- you have two components to this system, to NextGen. You have the ground receivers and then you have the aircraft that also transmits the signals.

Now that the ground infrastructure is complete, we need to move forward. We are currently working to get the airlines and to get the aviation industry to equip those aircraft.

MS. McKEOUGH: Great. I would also maybe just add that assumed in these recommendations is that as the different transportation policies are advanced in the 2015 year, that there will be a continued focus on NextGen within those policies. So we would envision that the advancement of funding and scheduling for all components of NextGen would be an example of a topic that needs to be emphasized in the recommendations that go forward.

MR. HYATT: Can I just then ask a slightly different question, the previous TTAB recommended a strong private sector effort in selling the benefits of NextGen, which is different than advancing NextGen. Given that the FAA is up for reauthorization next year, I think we would appreciate your thinking about whether you want to re-up that recommendation and then if so,
what it would look like.

   It is a little bit different than how we are doing; right? It is how we might all put our hands together.

   CHAIRMAN GILLILAND: All right. Good. That is good feedback. We will take that up.

   MR. RALENKOTTER: Sam, just another comment. The report reflects this, but the other conversation needs to be between -- especially for the Transportation Department -- is not fixing the highway’s. It is not fixing the bridges or the airports or the rails. It is an integrated systems approach and how we connect our transportation system.

   Las Vegas and Phoenix are the two largest metropolitan areas in the country that are not connected by an interstate. This is 2015 -- the interstate started in the 50s. So instead of just trying to solve one problem, it needs to be a systems approach. I think that is a lot different than in the past and we are competing with all of these other countries that have high-tech transportation systems. So this is an opportunity if we’re talking about a 30 year plan to really implement it from that standpoint.

   CHAIRMAN GILLILAND: Yes, there is this huge interdependence between the various modes of
transportation and we can’t just focus on aviation or just focus on roads. We have to focus on the holistic view and systematic view of our infrastructure across the U.S. So I appreciate that point.

Brandon is not here. He will join us I presume a little bit later for his update. But I presume he was comfortable with the engagement, engaging both through the Tourism Policy Council but also through the TTAB, 30-year plan and the needs of travel and tourism to be addressed within that 30 year plan.

MS. McKEOUGH: He was and he had the opportunity to be with us yesterday as a subcommittee when we formally advanced the content of this letter. So he has seen it and he was supportive.

CHAIRMAN GILLILAND: Okay. All right. Well good. Any other comments, questions or concerns?

[No response.]

CHAIRMAN GILLILAND: Ken, you are looking -- no? Okay.

Then we will put this up for the vote of the full board as well. All of those in favor of approving these recommendations, please say aye.

[A chorus of ayes.]

CHAIRMAN GILLILAND: Any opposed?
[No response.]

CHAIRMAN GILLILAND: All right. The recommendations stand approved. So thank you, again, to your team for all of the great work there.

We will now move on to discussion and deliberation of the Cultural Tourism recommendations. Jerry will take us through those. Jerry, take it away.
DISCUSSION AND DELIBERATION OF
CULTURAL TOURISM RECOMMENDATIONS

By: Jerry Jacobs

MR. JACOBS: Thank you, yes. Thanks, Sam. I am presenting for the Cultural and Natural Heritage Subcommittee. Before I begin, I want to recognize my committee members who put an extraordinary amount of effort into this product you see before you today.

Our committee members include my Co-chair, Bob Lynch, Olga Ramudo, Brian Mullis, Kirk Hoessle, Sherry Rupert and Maryann Ferenc. Again, I would like to thank them for their hard work and dedication. I would also like to thank the board for the opportunity to present this today.

Our subcommittee’s focus is to develop strategies and recommendations designed to effectively promote, quantify and celebrate the diversity of travel and tourism experiences that are distinctive to the United States and that illuminate American culture, art, food, traditions and natural surroundings in support of an enhancement to the national travel and tourism strategy. Ultimately, we know it is important to make culture and natural surroundings and art an indispensable part of the investment in marketing
strategy for promoting travel to and within the United States.

The recommendations contained in today’s letter deal primarily with the area of National Heritage and specifically focus on opportunities surrounding the centennial of the National Park Service as a driver of commerce and engagement in U.S. travel and tourism industry.

In undertaking the drafting of these recommendations, we focused on ensuring that our recommendations are actionable, achievable, relevant and time bound. One of the key objectives of this board is to capitalize on the timely opportunities presented by the centennial of the National Park Service to better recognize and enhance the importance of our natural heritage.

According to the Federal Interagency Council on Outdoor Recreation, outdoor recreation has made more than 938 million visits to federal lands and waterways, spending $51 billion and supporting 880,000 jobs. There is no question that our national parks are great source of pride among Americans and a prime motivator of travel by international visitors.

As the TTAB infrastructure and sustainability subcommittee reported in its December 12, 2013 letter
of recommendation, national parks and other public lands represent key business assets in addition to serving as treasured natural assets. We applaud and vigorously support the National Park Service and its intended goals for the centennial celebration in 2016 which includes working to dramatically reduce the long list of deferred maintenance projects and increasing visitation by implementing key initiatives to attract younger and more diverse audiences now and into the future.

A full brief of a recommendation is contained in the letter. Just to give you a few highlights, we recommend we convene a national dialogue on our national parks in 2015. There are many different groups, both public and private, that are focused on efforts and initiatives around the National Park Service centennial.

We recommend that the Department of Commerce and the Department of the Interior co-sponsor the dialogue on our national parks to ensure that the centennial has focused, measurable, coordinated efforts to maximize the anniversary with domestic and international visitors and ultimately increase visitation. The dialogue would engage public and private sector resources and would leverage experts who
are diligently working to ensure the centennial success.

2) We recommend that the Secretary of Commerce work closely with the Secretary of Interior to initiate fundamental research and surveys to gain an accurate understanding of what parks and public lands visitors want, including the use of visitors, concessionaires and tour operators as direct sources of information in the methodology. This ongoing research is vital to aid decision-makers in understanding who is visiting parks, who is not visiting and why and to learn what would appeal to and motivate prospective visitors.

We understand that funding for research is difficult, however, there are numerous organizations regularly conducting research in these areas that could be leveraged.

3) Find common ground with the Department of Interior to leverage Department of Commerce resources and addressing ongoing challenges facing our national parks including declining domestic visitation in parks and protected areas by making these assets more attractive to millennials and other demographic groups.

We must think beyond the traditional and current management strategies to ensure that our nation’s system of parks remains relevant to the future.
We believe it will be necessary to diversify and enhance the type of experiences and accommodations available in our parks and other public lands.

4) Establish methods to collaborate with and integrate existing federal programs and mandates with the Department of Commerce’s agenda. For example -- I had mentioned this -- the First Lady’s “Let’s Move Outside” and “Discover our Shared Heritage” programs.

Both of these efforts are examples of existing programs that encourage people to take advantage of America’s great outdoors.

5) Advocate for and support a national summit during 2016, the year of National Park Service centennial, to foster critical dialogue between government and business leaders on how protecting and preserving our public lands and increasing business opportunities can be complimentary activities.

I have mentioned that this is not dissimilar to the discussion between Commerce and Homeland Security around where we have common ground and we can work for common objectives.

Finally, as we all know it is important to effectively measure the impact of our natural resources and fully understand their economic contribution. The 2013 National Park Visitor Spending: Effects Economic
Contributions to Local Communities, States and Nation’s study begins to address this as it relates specifically to our national parks.

Our subcommittee, in collaboration with the Research Subcommittee, will be looking into data sources available to make a recommendation related to accessing, consolidating and ultimately better utilizing data to more effectively market our natural tourism related resources.

We believe the recommendations contained within this document are achievable and would serve to enhance, promote and grow the travel and tourism industry in the United States. We look forward to sharing additional recommendations with you over the next several months and began to implement the process for benefit of our nation’s travel and tourism industry.

Thank you for the opportunity to serve on the U.S. TTAB.

CHAIRMAN GILLILAND: All right. Excellent.

Okay. Well, thank you.

Comments, questions, concerns for Jerry?

[No response.]

CHAIRMAN GILLILAND: I guess I might just -- maybe a question and I might pose this to Jonathan.
Where is Jonathan?

MR. ZUK: Here.

CHAIRMAN GILLILAND: Oh, there you are. In your second recommendation, you have the fundamental research and surveys to get a better understanding of what visitors to public lands are seeking. It seems over time, as we have spent time together, you have shared anecdotes on some of the concerns that you have around this decline in visitation and some of the reasons for it.

So recognizing that they are anecdotes as opposed to full research and surveys, what is the anecdotal feedback that you would have from visitors?

MR. ZUK: The facilities in the parks and surrounding the parks are basically full to capacity at current visitation levels which reads two things. The service providers that are in and around the parks have no incentive to maintain or upgrade their services because they are all sold out for their season no matter what they do. So there is a decline in the services themselves from the hotels, to the concessions, to the services that you get on a daily basis.

The Park service is preparing these centennial celebrations which will ramp up visitation to the
parks. We don’t have enough to service what we have right now and it is in a very bad state of disrepair. So once we enhance visitation, we are going to basically create even worse conditions in which people will not have a better experience and not have a good experience if they can access the park at all.

So if we look at the parks as a national treasure and something that we want to continue to build on--it is a fundamental part, anybody that comes to this country talks about the Grand Canyon or Yellowstone or whatever the park may be. We need to take care of the infrastructure in and around the parks in order to be able to facilitate whatever visitation we have.

Other than the anecdotal stories of a room without an air conditioner and the general manager of the hotel telling me, well, that is what there is. And there is a hole in the wall -- not exactly a boarded up window or anything. Those are fun stories, but the reality of it is people come from overseas or from different parts of the country and that is what they experience and they don’t come back again. So we need to be mindful of that.

CHAIRMAN GILLILAND: So a huge opportunity there and I think even with more research and survey
feedback, it will give us good direction on what we need to do, but it sounds like low-hanging fruit all ready that we know about.

MR. JACOBS: Could I just disagree a little bit? The fact is that our lodging is full and in part because pillows have been removed from the parks, but the campgrounds are not. What is happening is the millennials come to the parks and they are looking for Wi-Fi or showers or bathrooms that they are part of the campgrounds and that is an opportunity.

In fact, last year KOA showed a 7 percent increase in their bookings and campgrounds around America, while the national parks showed a decline. So I agree they are full for hotel rooms and lodging, but when you get to other forms of parks visitation, there is opportunity for --

MR. ZUK: I don’t disagree with that it all, but the majority of the travelers, especially the international travelers, are not looking for KOA. On the other hand, in Namibia, for example, they do have what they call tent hotels which are these concrete slabs that they build a very upscale tent and they erect and then dismantle them as needed, based on advance bookings and things like that which is something that maybe where weather conditions permit,
is something that we can look at. It is definitely a model that we can investigate further.

COMMITTEE MEMBER: I agree.

CHAIRMAN GILLILAND: All right. Good.

Comments?

MR. BLAIR: Yes. I am John Blair with Interior. We have learned the Park Service is initiating a pilot project to collect some additional socioeconomic data related to the people who are coming to the parks, how long are they staying and how much are they spending, et cetera. That pilot project is going to go through 2016, August 2016 and I think there is a push to do a larger project across the country to be able to gather this data.

Beyond that I would add, at least from domestic travel, we really do have a generational gap with people who want to visit the parks. Millennials do want their Wi-Fi. Frankly, I want my Wi-Fi. My parents want their Wi-Fi.

[Laughter.]

MR. BLAIR: It is a different experience than it was 40 or 50 years ago. So a part of what the Secretary of the Interior focused on and a part of what the centennial is focused on is re-engaging the country, particularly the millennials -- 81 percent of
millennials live in urban areas.

When they think about our public national parks, they think really faraway places that I am not going to get to in a long time and if they did go, they want Instagram it and they want to Snapchat their friends that they were there. So it is about adapting our facilities there to the next generations of Americans as well want to go visit those parks.

MS. MATTHEWS: This seems like a perfect topic of conversation for the national dialogue and the summit that you are proposing, to be able to tee up those kinds of issues and find new partners for the parks potentially. I know National Geographic is hugely involved in trying to showcase the great parks as well.

So it seems to me that with multiple private sector partners, this is exactly the kind of dialogue — next year.

COMMITTEE MEMBER: I would add not just private sector. I think the same thing I am hearing from you, I hear from my state -- I know we have got a couple of state tourism agencies here. I think they are facing some of the same challenges in the same opportunities at that level. So I think you can amplify that discussion, Kathleen, with some of the state leaders as well.
MR. BLAIR: I would add while we can’t lobby Congress, clearly funding to upkeep the park and the backlog of maintenance, those are issues that are often outside of our control for funding.

CHAIRMAN GILLILAND: All right. Excellent.

Ken?

MR. HYATT: Just two quick additions -- on the research point, it would be interesting to me what Brand USA has now on this topic. The amount of in-kind contributions from various people around the country -- there is probably very good data that Brand USA has. So that would be an add here.

Then I probably would more explicitly add Brand USA in number four as well, in terms of integrating various assets in terms of the marketing of this. But there is probably good data you have that would be relevant to this conversation.

CHAIRMAN GILLILAND: Yes. I take your data point. I think the question around Brand USA and some of the marketing aspects of it is just simply -- I think would come back to their charter and whether they’re able to; right? I mean, given they are focused on and I think legislatively required to focus on international.

MR. HYATT: Fair enough, but still there’s
marketing lessons, et cetera, et cetera.

CHAIRMAN GILLILAND: Yes. Oh, yes.

Absolutely. I totally agree on that.

COMMITTEE MEMBER: And I would just make the comment that we are just at the very beginning of exploring what private public partnerships are possible within this realm. We have just barely begun to talk about that. Kathleen talked about some opportunities right there with people that are trying, National Geographic, et cetera, they are trying to reach this same client. So what is possible? We were just beginning to have those discussions, but I am sure there are probably some very substantial projects.

MR. BLAIR: And I can’t fundraise, but I am happy to put whoever is interested in being in a public-private partnership -- National Park Service.

CHAIRMAN GILLILAND: All right. Excellent.

Okay.

I have taken a note or two here. Any other comments, questions, concerns on this set of recommendations?

[No response.]

CHAIRMAN GILLILAND: Okay. Then we will also put this to a vote. So all in favor of approving these recommendations as set forth here, please say aye.
[A chorus of ayes.]

CHAIRMAN GILLILAND: All opposed?

[No response.]

CHAIRMAN GILLILAND: All right. So those recommendations stand approved as well.

We will now move on to discussion and deliberation of Research Recommendations. I think Dean -- where is Dean?

MR. RUNYAN: Right here.

CHAIRMAN GILLILAND: There he is. Okay. Dean will lead those discussions. Dean, take it away.
DISCUSSION AND DELIBERATION OF
RESEARCH RECOMMENDATIONS

By: Dean Runyan

MR. RUNYAN: Thank you very much. In working on what will be a single recommendation from the Data and Research Subcommittee, we had very effective and useful participation on the part of NTTO staff which we would like to thank, particularly Ron Erdmann and Richard Champly who helped us in a number of aspects with this.

We have heard here this morning a number of comments about the significance of the travel industry. One of the things that has stood out for us is the figure that a quarter of sales to U.S. businesses in travel and tourism are attributable to overseas travelers, one quarter of all. These businesses across the U.S. have responded to that. There is an extensive marketing activity on the part of businesses across the U.S. that is directed to international travel.

The figures we have are about $80 million a year is spent through partnerships between private industry and state travel offices and NDOs directed towards international travel. We don’t have specific data for the direct private sector overseas marketing.
It is probably more than that. This would be marketing by airlines, by accommodations, by attractions and so on.

The public sector has responded to this potential for demand and is spending its resources to try to go after international travel. So we think that that is a particularly significant endorsement by American business of the significance of this industry.

For about 30 years, the Department of Commerce has taken responsibility for conducting the Survey of International Air Travelers, the SIAT, which is the primary source of information about international travel. That is detailed information about international travel. There are other sources, accounts of some financial information, but the SIAT remains the single source of the most detailed, most comprehensive data that is available.

It is that data that the states, the business sector looks to when it is trying to conduct its marketing that is directed overseas. It is a very important commitment on the part of Commerce. That level of commitment has been fairly static the last few years. There is wide agreement among the users of that data that there should be more of it, that the depth should be such that there can be many more users of it.
than there are now, that there is a market for that
data among additional users in addition to the market
that exists now, that is the people who purchase that
data because it is valuable to them.

Commerce in response to that, following the
recommendation of this board the last time around that
that survey process be enhanced and in particular the
sample size be increased, has suggested -- which we
think is a very constructive step -- of conducting an
evaluation study to look at a number of aspects of that
survey process and on the basis of that evaluation
study, then move forward to do what makes the most
sense in terms of enhancing, in terms of sample size or
methodology or the process of conducting that research.

That evaluation study is in the proposed
budget for Commerce and it is our single recommendation
from this committee, at this point, that that study be
funded and completed and the results used to actually
enhance that process and the implementation of the
research.

We have a number of specific aspects of that
recommendation. Let me not go through all of those in
detail, but they are broken down into four categories,
roughly.

One has to do with the methodology for data
collection. We think that a study of the best practices in foreign countries with regard to their collection of international travel data would be very useful. We think that there are a number of opportunities for enhancing the data collection using digital media in different approaches in airports, in partnership with airport authorities. One example is using tablets and that kind of technology for gathering the data in addition to the methodology that is used now.

There are recommendations regarding increasing sample size. One is to do what the NTDO is currently doing now, is partner with additional airports to facilitate increases in sample size for those airports, providing benefits for the airport and the data that is coming in for them. There are some other opportunities there that we mentioned.

With regard to costs, we suggest that the costs associated with collecting this kind of data among those overseas entities that might be doing it, might suggest to us some approaches for cost savings. We also suggest that there be an investigation of some of the other large data collection processes within the U.S., in particular, within the Federal Government to look at the cost structures for those efforts and do a
comparison with the SIAT process.

With regard to financial support, we suggest that there be an investigation of additional models for sharing the cost such as with states, with DMOs and other entities that might benefit from and increased sample size and might be willing to share some of the costs, but that there be an effort to try to build into the process of increasing the size of the research, some share of the expense of that.

Moving forward with that research, we want to suggest for certain that there be a lot of attention to what the history has been of the SIAT, attention to what other countries are doing. We suggest that this research actually include the development of prototype approaches to collecting additional data and collecting it more efficiently and that at the conclusion of this project there could be recommendations to move into the next fiscal year with specific enhancements for the SIAT.

So this is not an abstract research project. It is one that actually results in some actionable improvements to that process.

So we think that these are all very actionable. We recognize the difficulty of the financing situation for this research. We would just
encourage Commerce to make every effort that they can to get this research funded and implemented within the next fiscal year and so we can get on with somehow, as best we can, improving this research and its application.

CHAIRMAN GILLILAND: Okay. Well, excellent. Thank you for describing it in more detail. I really do appreciate the work of the team and looking at objectives and scope for the evaluation study and working with Ron to develop that list.

Any questions, comments, issues?

MS. MATTHEWS: I would love to hear from Ken and also Kelly sort of whether you think the business case in terms of revenues, exports, jobs, is strong enough to get over the budget hurdles on this. I think the subcommittee has done a wonderful job of making that case and actually showing a pathway and compelling reason why one percent is the right sample size, but what is your hunch about the budget?

MS. CRAIGHEAD: Well, I mean, first, we couldn’t agree more. There is such a strong case to be made for this and unfortunately the case is to be made with Congress. So Ken, I don’t know if you want to say more to that, but obviously we are also limited by what we can advocate for, but we have certainly made this
recommendation in our budget proposal that is gone up. But it will be for Congress to determine whether or not they will grant that request.

MR. HYATT: Yes, the fact that we put that budget request in is supportive of this. I wrote work plan. What I wrote, this is our work plan and we need help; right? We need help to be able to execute this.

And again, I think there is a commitment to try to figure out how to increase this sample size with a recognition that we need to be smart about increasing that sample size. This, for me, lays out a very nice work plan to do that and we are waiting with baited breath what occurs.

[Laughter.]

MR. HYATT: So I thank you because I literally wrote work plan here. So we all have the same, I think, interests here.

MS. MATTHEWS: Thank you.

CHAIRMAN GILLILAND: Okay. Comments? Suggestions?

Okay. We will put this to the full board for a vote. All in favor of these recommendations say Aye.

[A chorus of ayes.]

CHAIRMAN GILLILAND: Any opposed?

[No response.]
CHAIRMAN GILLILAND: All right. These recommendations stand approved. Thanks, again, to that subcommittee for all of their great work.

On the next topic, we thought it would be helpful -- the Cultural National Heritage Subcommittee has all ready done a fair bit of work in discussing and debating a domestic tourism goal. We thought it would be helpful, though, before setting recommendations forward, to bring that discussion to the full board and to continue developing these recommendations for submission at the next board meeting.

So, Jerry, I think you are going to lead us in this discussion and debate.
DISCUSSION OF DOMESTIC TOURISM GOAL

By: Jerry Jacobs

MR. JACOBS: Let’s fasten our seatbelts.

[Laughter.]

MR. JACOBS: So on behalf of the Cultural and Natural Heritage Subcommittee, I am pleased to lead a discussion on what we believe should be an important undertaking of this board. Given the significance of this topic, we hope that our document will serve as a foundation to build a dialogue and further discussion around this important issue with the full board and the Department of Commerce.

The charter of the U.S. Department of Commerce Travel and Tourism Advisory Board states that the Board shall advise the Secretary on matters relating to the U.S. travel and tourism industry. This is an important point as our advice should contemplate the whole industry, not just international visitation.

Since its founding, the board has focused the majority of its attention on the important issue of attracting international visitors to the United States. We recommend the development of a similar strategy focused on domestic tourism. As is stated in the President’s National Travel and Tourism strategy, we
will also encourage Americans to travel within the United States and its territories to see all that our country has to offer.

According to the report, domestic spending on travel within the United States in 2011 was more than $654 billion. Of the total 7.6 million jobs supported by travel and tourism, 6.5 million are supported by domestic consumers as reported by the Department of Commerce.

In turn, U.S. residents spent more than $110 billion abroad in 2011 on travel and tourism related goods and services. Clearly domestic tourism provides significant benefits and opportunities for the United States travel and tourism industry and the economy as a whole. Our recommendation is as follows.

Under the leadership of the Department of Commerce and in partnership with the Tourism Policy Council, develop the United States’ first domestic tourism strategy and blueprint by July 2015. Similar to the strategy to compete for international visitors, this new initiative will focus on the development of the strategy and blueprint to sustain and grow domestic visitors.

We are convinced that the establishment of a travel goal and a strategy to sustain and grow domestic
travel are in the national interests. Both have a
significant effect on the creation and retention of
jobs as well as economic growth and competitiveness.
We know that our national resources and cultural
attractions are significant to international travelers.

Given the National Park Service Centennial
2016 and the Endowment for the Arts and the National
Endowment for the Humanities will each celebrate 50
years of supporting American culture, what better time
to promote domestic tourism within the United States
and in our own backyard. It is apple pie, loading our
families back in the station wagon or Prius --

[Laughter.]

MR. JACOBS: I didn’t do that. It is America
exploring America.

So linked to this recommendation are four
steps to achieve a strategy and blueprint to sustain
and grow domestic visitors. They are:

1) Create an annual and long-term goal for
domestic travel. As the previous board reported, it
was and is critical that the national strategy contains
an overarching goal of attracting and welcoming 100
million international visitors per year by 2021. We
agree whole-heartedly that an international policy is
necessary, but so too is a domestic one. In fact, to
be successful, we must give equal attention to our domestic travel and tourism market and economics.

2) Establish a Domestic Tourism Dashboard. As we know, we can’t manage or change what we don’t measure. A Domestic Tourism Dashboard would give us a tool to do just that. It would contain compilations of industry data from both the public and private sectors, including Federal and State Agencies involved in tourism. There is no shortage of sources of relevant data. States and tourism agencies measure domestic tourism economics. In the letter you will see further information on this state of reporting, including examples from New York and California. I am not going to go into the details, but that is all contained in the letter.

3) Hold the first-ever summit on domestic tourism. For one day in 2015, public-private participants would focus on the steps needed to create a strategy and blueprint. Through roundtable discussions, the presentations by experts and breakout sessions, the group would arrive at a set of recommendations and next steps by the end of the meeting. The summit would be led by the Secretary of Commerce with participation by the Secretary of Interior, the Secretary of Agriculture, the Chairperson...
of the National Endowment for the Arts, Members of the
Tourism Policy Council, TTAB members, U.S. Travel
Association and Brand USA representatives,
representatives from state tourism agencies and others
-- we would need a really, really big table --

[Laughter.]

MR. JACOBS: -- including partners on tourism,
a coalition of the national organizations and agencies
with interests in cultural heritage tourism. Others
should be determined by the Department of Commerce.

4) Study the U.S. Travel Association’s
research on time off and make recommendations to spur
domestic travel. We recommend the Department of
Commerce and the Tourism Policy Council further engage
the U.S. Travel Association and other organizations to
determine the related impact of this effort on the U.S.
economy and employee productivity, health and well-
being.

The Bureau of Labor Statistics shows that
Americans took 20.3 days of vacation per year in 1976
through 2000. After that, the number sharply drops to
just 16 days in 2013. Specifically of the 130 million
Americans who earned time off, 55.5 million did not use
all of it. If American workers were to return to pre-
2000 time-off habits, the U.S. economy would enjoy a
massive windfall.

Annual vacation days taken by U.S. employees would jump 27 percent, equivalent to 768 million additional time-off days, a $284 billion impact across the U.S. economy, including $118 billion in direct travel spending alone. More relevantly, this would be generating more than $21 billion in taxes, including $11.4 billion in federal taxes, which is, ironically, the differed maintenance shortfall.

[Laughter.]

MR. JACOBS: These statistics and the related research coupled with what we have learned about people’s fears about using vacation time lead us to believe that increasing each fulltime employees’ use of vacation time by one day per year is a commendable and achievable goal.

The research is compelling and is proving that there are significant personal, business, social and economic benefits to taking time off.

To foster dialogue on these critical issues, we recommend TTAB and the Department of Commerce staff should work closely with the U.S. Travel Association and other organizations to better understand their research related to time off and the associated economic health and wellness benefits.
We believe the recommendations contained within this document are achievable and will serve to enhance and promote growth in the travel and tourism industry in the United States.

I would like to open it up for discussion.

CHAIRMAN GILLILAND: Okay. Comments?

I might just start by coming back to your earlier comment, Ken, on Brand USA and are there things that we could leverage around the national park question that we had earlier. I had the opportunity to sit it on the subcommittee yesterday and there is this view that outside of the U.S. we are saying choose America and inside the U.S. where we have U.S. residents spending -- the number was, I think, $110 billion outside of the U.S. on travel. Gosh it would be great if we had them choosing America versus choosing to go somewhere else outside of America and how can we harness some of the resources that we have available in the current portfolio to drive toward some domestic tourism goal.

Now obviously given the charter Brand USA, they have to be, obviously, careful to stick to their charter. On the other hand, it seems like there are assets that might be available to us to use as private sector. So as an example, assets would be the
advertising that has been developed by Brand USA and perhaps as an example, we are using some of those videos on our own commercial websites and promoting the USA Brand within the U.S. and seeking to convince millennials, but also a lot of folks that are spending money outside of the U.S. right here on our national parks and within the U.S.

So that was part of the debate. It is an interesting issue. How can we promote the U.S. and have people within the U.S. choose America, pick America?

Assistant Secretary Perales: I was going to make a comment that Brand USA -- I was made aware of this campaign, a culinary -- one of the things about Brand USA is that it can think about different types of tourism. It doesn’t have to be just one overarching way of tourism, for example, culinary, health, all of these different things.

I don’t know whether that falls within the mandate of Brand USA, certainly when they are promoting the United States abroad, but it is something in a campaign strategy that we could be thinking about in terms of buckets.

Chairman Gilliland: Yes. How can we take advantage of those assets within the U.S. And can we
in the private sector begin to leverage those, say on our own websites, to promote destinations here in the U.S., culinary or otherwise.

MR. JACOBS: There are pieces of a message that are pulling together very neatly, at least in my mind, and that is you have our heritage resources. We have choose America. There is the whole piece about family values and vacation time with your children that hasn’t really been woven in here, but it is very American. And I think it important to note that -- to me, it has always struck me that in the 1970s the number one spectator sports in America were boxing and horseracing.

These are, basically, all but gone in our landscape today and that is because the generations didn’t grow up going to these events with their families so that -- baseball has a great following. You go to the game with your father or mother and then when you have kids, you take them.

The same thing needs to happen in our parks and it is just as powerful. So the whole message starts to pull together very neatly in terms of it is a very wholesome message for America that would be very powerful if executed properly.

SECRETARY SELIG: I wonder if as it relates to
the domestic travel policy -- I was just reaching over to Ken. Neither of us are aware of any other specific industry goals. I am just wondering if there is a way to get us to the same place without setting a specific industry goal that certainly will be viewed by some as coming at the expense of spending in some other industry -- now spending all of my time in China for the next three weeks, sounding a little bit like industrial policy.

[Laughter.]

SECRETARY SELIG: Since we know we are going to hear that -- not getting into the debate about whether it is right or wrong -- is there a way to soften it? Is there a way to get to the same place without encouraging that sort of debate?

MR. JACOBS: I think Sam did it really well when he said, “Choose America.” In other words, if you are going to spend your money in that industry, on travel, choose America as opposed to abroad. But yes, I think we probably do need to think about ways of softening the other elements of it.

MS. MATTHEWS: And it is a tough message I think because when Angela Merkel was saying don’t travel outside of Germany. Germany is the most sustainable, interesting travel you can do if you are
German, we all got our backs up.

So we were like, what do you mean don’t travel to the United States, stay in Germany? So I think it definitely has to be messaged very carefully.

ASSISTANT SECRETARY PERALES: We don’t want to bite the hand that feeds us as it relates to our international travel goals.

[Simultaneous speech.]

MS. FERENC: And a lot of American companies make money sending people overseas and -- so it is a very interesting dynamic. It does seem as though there are pieces of it, however, rather than necessarily looking at it as a cohesive strategy around one sector, that one perhaps could look at parts of it. For example, a national parks strategy to look at the specific asset pieces and connecting them to the marketplace, which sort of builds you to a similar place but without perhaps -- as the Under Secretary suggests -- avoiding a certain level of --

[Simultaneous speech.]

SECRETARY SELIG: It is doing everything to achieve those goals without necessarily --

[Simultaneous speech.]

CHAIRMAN GILLILAND: Olga, I think you have a -- you might want to --
MS. RAMUDO: Yes. When we look at the domestic policy, there is something else that I wanted to bring up or suggest, is that we look at the largest minority in the United States and that is the Hispanic population.

Why is the Hispanic population important? This comes from the last Nielsen Report on the Hispanic market. General population in the U.S. between 2010 and 2050 is forecasted to grow 42 percent. The Hispanic population will grow 167 percent during that same period.

By 2015, Hispanic Americans will have a purchasing power of $1.5 trillion. Now during that same period, if measured separately, U.S. Hispanics will rank as one of the top 20 economies in the world.

Now, when we look, for example, at national parks -- and this is something that I think creates awareness. National parks -- and we discussed this yesterday in our subcommittee meeting. The national park closes at 5:00 in the afternoon. That is when Hispanics are finishing lunch --

[Laughter.]

MS. RAMUDO: -- create awareness of what -- if you just create awareness of the importance of this market of the differences when we are setting out a
domestic goal. Hispanics are underrepresented in the
travel and tourism sector. I know they are not visiting parks as other populations are.

So I would like to suggest that we include that as part of our domestic --

MR. JACOBS: And it is a way to sort of tuck the other issues underneath the agenda of increasing diversity and visitation to our national parks and then the other pieces underneath it.

MS. MATTHEWS: And just having worked with this subcommittee, this is really where the idea of the domestic goal came from, was the fact that we realized that diversity was underrepresented in terms of visitation in the national parks and a lot of our tourism sites.

So if you created goals around improving that, then you would at least have a target and an area to focus campaigns with. If the campaigns were, you know launched by U.S. travel or DMOs or other entities or even the National Park Service as part of their efforts.

So I think this is an interesting discussion. Can you actually aggregate your data better, have the data point to where you see good strategies and campaigns without necessarily envisioning your end goal
on this or stating it directly? I think the dashboard is an important part of this and will actually sort of direct essentially what would be the game plan.

ASSISTANT SECRETARY PERALES: Sometimes in terms of data, when we are looking at aggregation, and that is a very important part of it, but for example, for parts of the United States that actually do have high percentages of the tourism industry, states may actually have data that show a little bit of the tendencies. So that while we try to do some aggregation, I am just wondering if there is any outreach or any possibility of working at the state level.

You can take states like California, for example, or Massachusetts -- who actually have very high tourism and actually do collect this data. It is just that it is not at the national level and you extrapolate from that anyway. Just making a thought about this.

MS. FERENC: And also relative to the states, it is a question I would ask the state DMOs around the table because this is very much a part of their daily job as well. It is the attracting international visitors, but it is also getting people to travel within their own state.
I know in the state of Florida, that is a huge piece of our economy, is the instate travel and the traveling to surrounding states and that kind of thing. So really engaging state DMOs. Where is Todd?

MR. RALENKOTTER: Just to kind of put it in perspective, we have had this dialogue over the years of what do you do about domestic. You take Las Vegas with 40 million visitors, 80 percent are domestic and 20 percent are international.

But really what we are talking about is a drink more milk campaign. And if you develop a goal, if you develop strategies, who is responsible for the implementation? That is the real challenge. Is it U.S. Travel? Is it the Commerce Department? Is it some other entity for domestic? We as DMOs in states are spending a tremendous amount of money as well as the private sector to drive people to our destinations, but to encourage more travel.

So probably the biggest challenge is, you can come up with the goals. You can come up with the strategy. It goes all the way from research to marketing campaigns and whatever, but who is going to be responsible for that? We have had those conversations at U.S. Travel.

I will put on that hat for a minute. Is it
our responsibility to get that drink more milk message out? And it really is that or is it a combination of private-public putting together an organization that is responsible just like the dairy producer of America. Well, I will be different. Drink more orange juice type of thing -- those kinds of programs. That is what you are looking at to encourage that travel. 

   So as we go toward that as a result of this conference, what we also need to be thinking is who does that because I can tell you from a destination standpoint, we might be able to put some of that messaging within some of our stuff, but our primary mission is to get more visitors to our destination. So it is that part of it.

    CHAIRMAN GILLILAND: Okay. A couple more comments and then we are going to have to move on. Isabel?

    MS. ISABEL: Rossi, picking up on what you said -- one of the things that we were looking at was the model of the “Get Milk” campaign when we were looking at the national strategy and in the development of Brand USA. I think that there are two parts to what you say. One is who is going to manage that campaign, but the other is who is going to fund that campaign. The “Get Milk” model is entirely funded, as
you know, by the private sector and they pay the
Federal Government to execute for whatever reason their
associations did not come together around to do that.
So in this you may want to look at exploring the
different models that exist on a more specific kind of
basis to see, you know, what you all would in fact
recommend.

CHAIRMAN GILLILAND: Brandon, did you have a
comment?

MR. BELFORD: Only one observation, not to be
-- since my former colleagues from OMB and NEC are not
here. I think as you mentioned, we have had this
conversation for a number of years about how do you
strike that right balance around a domestic goal.
So I would just caution against kind of taking
the blunt approach of a “Drink More Milk” type of
campaign. I think at least in terms of getting the
Federal Government comfortable with that type of
approach, it needs to be a little more nuanced in terms
of “Drink the appropriate amount of milk.”

[Laughter.]

[Simultaneous speech.]

MR. BELFORD: Even when the economy is
recovering, people are very sensitive to discretionary
expenditures.
COMMITTEE MEMBER: So don’t stress the cow.

MR. BELFORD: Yes, exactly.

[Laughter.]

CHAIRMAN GILLILAND: Okay. I think there is no lack of interest in this topic. And I know the subcommittee is planning to do more work here and there are some aspects of it that could be controversial. We need to sort through those. So we will do that work here before the -- hopefully -- we will get through that before this next meeting. I appreciate the work that has been done all ready. A good discussion topic. Thank you to the subcommittee.

With that we are going to go on to a few more updates from our ex officio members. So we will start with John Blair who is Director of Intergovernmental and External Affairs for the Department of the Interior.

Take it away, John.
DEPARTMENT OF INTERIOR UPDATE

By: John Blair

MR. BLAIR: First, I would start by saying I think the appropriate level of milk would be 6 to 8 park visits a year.

[Laughter.]

MR. BLAIR: Doctor recommended. Since I last sat with you in April, I just want to give you a quick overview of a few things that the Department have been doing as they relate to travel and tourism.

The biggest news items that we always have are when the President elects to create new national monuments. So since I was last here, we have two new national monuments and the expansion of a third. The Oregon Mountains Desert Peaks in southern New Mexico was declared a national monument in May. Is about 500,000 acres that combines beautiful, beautiful mountains, but a number of cultural and heritage sites as well that were preserved.

Later in September, the President expanded what is called the Pacific Remote Islands Marine Monument which actually was a monument that President George W. Bush declared at end of his Administration. When President Bush made it a monument it was an area
out in the Marianas Islands, preserved and protected waters 50 miles out from the shore. What President Obama did in September was to expand that to 200 miles out from shore, which covers now approximately 408,000 square miles of Marine life, which by all accounts has some of the most pristine green area in the world and it is actually the largest marine monument in the world now. So that was very exciting.

And then just last month -- I think many of you might have heard it -- outside of Los Angeles, the President declared the San Gabriel Mountains, or part of it, as a national monument. So that is very exciting.

With the help of leadership of Mr. John Podesta at the White House and the President, I do expect that we will see a few more national monuments declared before this Administration ends. I do think it is worth noting that a lot of these monuments really are joint Federal interagency operations.

So the Pacific remote islands, there is a great deal of work done by the State Department. NOA clearly played a huge role in that. Actually, the San Gabriel Mountains, most of that land is Forest Service land so that falls under the Department of Agriculture.

A lot of exciting things are happening in those areas.
There really is a group of Americans who pride themselves on visiting all of the national monuments across the country. So we’ve seen evidence that shows how declaring an area that may be a state park already or another set of land made a national monument, they do see substantial growth to the local businesses surrounding that monument very, very quickly. So that is exciting stuff happening there.

The Secretary, when she first started a little over a year ago, really is been focused on her youth initiative. I mentioned in other comments earlier, that about 81 percent of millennials live in urban areas. They are very connected to their iPods and there DS games. I know my nephew has a DS game attached to him all the time. They like to see things on the screen. They are more -- I am going to say this backwards. They are less connected, they are more disconnected from our public lands than any other generation has been.

Is not simply a matter of how this will affect people who will visit our national parks, but we’re on the verge of losing a generation of scientists and conservationists and people who will be the advocates for the land. So the Secretary has really been focused on her youth initiative.
It has got four components, play, learn, serve and work in our public lands. We had a retreat on this shortly after I started at the Department, about a year ago, where she challenged her senior leadership team to think about what was your first experience that you had in a park, or your first defining experience?

For many of us, that was at the neighborhood Park, but, you know, I remember my parents taking us to Mount Rushmore when I was eight, things like that. So as Jerry alluded to the sort of station wagon the 70s to the Prius of today, most Americans have a real visceral memory of that experience they had when they were four, six, eight, ten that is not just where they were, but there are smells and feelings and real emotions that are attached, being with siblings and moms and dads and the first time you ran up a hill. There are very powerful moments that people have.

So part of this initiative is really about creating that for the next generation of Americans. So as part of that, we’ve been talking about public-private partnerships around the table.

Earlier this summer we announced that the Coca-Cola Foundation has partnered with the Secretary and has contributed a $1 million towards her youth initiative to try to get young people outside. The
Secretary and the Coca-Cola Foundation of leadership and a number of Conservation Corp members from California spent the day removing invasive species from the Los Angeles River, which was very exciting for everyone who was there and very wet.

Last month, we announced -- the Secretary went up to New York and announced in partnership with the Northface where there is a band -- I had to look them up -- a band called My Morning Jacket -- ask your kids or your grandkids who this band is -- has done a new version of This Land is Your Land that they have released on iTunes and they are contributing all of the proceeds of the downloads of that song to the youth initiative as well.

Your kids and grandkids know who this band is. They think they are cool. We are hoping that will generate a few hundred thousand, $250,000 or so to help contribute to the youth initiative as well.

There’s a whole marketing campaign that Northface has done about these sort of experiential moments that people have across the country. I will have Jenna forward out to you some of the press that went out with this so you can see the video that they have been putting out. Beyond that, while I can’t encourage anyone to download the song, we can make sure
you know where to go to find it.

And then finally, I just want to talk a little bit about -- I know there’s quite a bit of focus about the National Park Service centennial is coming. It has worked out favorably that this week the Park Service is releasing campaign toolkit, the first phase of it. So it should be live yesterday, but we know the government can be tweaky so it might be live in a few days -- their campaign toolkit for all of you to utilize to help deploy messages about what is happening for the centennial to share with state and local tourism offices.

I will have Jenna send this around, but the website is nextcenturyforparks.org. I want everyone to remember that, nextcenturyforparks.org. What it is, is really going to be a hub where it will provide any and all information that you can utilize to help expand the message about the centennial campaign. I think you’ve been briefed before about the centennial plan.

They are going with a “Find Your Parks” campaign and so this campaign toolkit will have the logos, it will have public recommendations, research that was done to help develop the campaign, audiences that are being targeted for the campaign, you name it, this website is than have it. There are going to be
three phases of this tool kit. It has been launched this week. It will be updated in February of next year and it will be updated again in the fall of 2015 as well.

The campaign for the Find Your Parks Campaign for the centennial is actually launching probably in early February and it will go through the entirety of 2016. So we would ask that while we want you to go visit the website, downloaded the logos, get your own activities ready, that you don’t display the logo or do any of the promotions for the Find Your Parks Campaign until it officially launches in 2015.

We sort of talked about this a little bit earlier, but I just wanted to say the Park Service very intentionally came up with the Find Your Park slogan and that is because most Americans do not know the difference between Forest Service land versus Interior land, versus Park Service or city park, you name it.

For many of us, particularly those who are not lovers of the outdoors and don’t go very regularly, their first experience with the park is not going to be Yosemite or Yellowstone. It will be a city park. It will be a park just outside of the city limits. It will be a part that is much closer and easier for their families to get to.
That gets the taste in their mouth. I’d been to the park downtown in New York City and now I want to try and go upstate and see what I can see there, that sort of thing.

So the Find Your Park campaign is sort of about tapping into -- as I mentioned earlier -- those feelings and emotions that the parents of the millennials have, that we have about our first experiences and to try and engage us to take your kids back, you know, like you take your kids to the ballgame because your mom and dad took you. It is about if and when I bear children, me taking my kids to go to Mount Rushmore, to take my kids to the Devil’s Tower, to do all of these things that I did.

And there really is a focus about trying to make sure that it is not just the national parks and that it is all parks, all public lands, all heritage sites, all national landmarks, all of these sorts of things to have them be available.

The park service is working very closely with a number of corporate sponsors to try and make this a reality, to supplement the funding that is coming from the government. And the campaign that is going to be done is going to be across all media, traditional media, social media, digital media. They are going to
have celebrity spokes people. There will be special events, you name it and the Park Service is going to be doing it.

We will get to the end of 2016 and you will be so sick of our national parks that you will be ready for something else, but that will mean we did our jobs and did a job well done.

And finally, I just want to say briefly and then we will wrap and keep moving on. The real goal of this entire campaign really is to connect with and create the next generation of Americans who love the outdoors and who believe that they are valuable and appreciate the power and the beauty that they hold on to, but beyond that to create the next generation of conservations, the volunteers who go once a month and remove invasive species from Rock Creek Park, the people who will dedicate their lives to the science of maintaining the parks and preserving them for future generations.

So there really is a noble effort the Park Service is doing and we look forward to actively engaging everyone in deploying the Find Your Park Campaign in the coming year. Thank you very much.

CHAIRMAN GILLILAND: Thanks, John.

MR. BLAIR: Oh, one more thing I want to add
real quick. For all those of you who signed up for the
Washington Monument tour, thank you for doing that.
Once lunch gets going, we will connect with folks to
make sure that we can get everyone over so that they
can get up to the top and see what, if anything, has
changed post-earthquake.

CHAIRMAN GILLILAND: All right. Excellent.
Thank you, John. Any quick questions for John?
[No response.]
Okay. Then we will move on to the Department
of State for an update from Thomas Engle.
DEPARTMENT OF STATE UPDATE

By: Thomas Engle

MR. ENGLE: Thank you very. It is my privilege and job working closely with colleagues from the Departments of Transportation and Commerce to negotiate bilateral air services agreements with their foreign partners. So everything we do in this area is geared to promoting international travel and to bringing more foreign tourists to the United States.

I trust it is clear to everybody in this room that all those tourists we want to come to the United States cannot come unless there are airplanes flying to bring them here and those airplanes cannot fly to bring them here unless we have the government-to-government agreements in place that govern that part of our economic relationship.

So our goal is as it has been for years, to negotiate open skies agreements with countries, for those countries that are not ready to go all the way to an open skies agreement -- which is kind of the gold standard for liberalization in aviation -- we will negotiate other agreements, but try to get the most liberal possible agreement we can short of open skies.

So we have got now 113 open skies agreements
and it remains our policy to negotiate that kind of an agreement with any country around the world that wants to do one with us. So we’ve had a lot of success over the years, but we have not put ourselves out of jobs yet.

So I just want to mention a couple of countries that we have been negotiating with recently or have ongoing talks with. With Mexico, we are not talking open skies yet with Mexico, but we do have talks underway and we are confident that we will be achieving a more liberal aviation agreement with Mexico quite soon.

With Japan, we do already have an open skies agreement, but we are talking to them about increasing access by U.S. airlines to Haneda Airport which is the [indiscernible] airport of Tokyo.

We were also talking to some more esoteric spots like Ukraine, Azerbaijan, Serbia and Côte d’Ivoire and are somewhat confident that we will be concluding agreements with those countries in the not-too-distant future.

China is a big one out there where we don’t have an open skies agreement where we would like to. It is obviously a huge market. Ed is going to be issuing those visas with ten-year validity now, so
hopefully even more Chinese will be coming to the United States. We want to make sure that our bilateral agreement with China is suited to those times and ready to support the traffic that we hope will be coming. So we hope to be resuming negotiations with China early in the new year on updating our current air services agreement.

So just finally, in all of these talks that we have with our foreign partners, we consult very closely with industry and the whole range of private stakeholders that we have and in fact, they take part as observers in the negotiations.

So a lot going on. We’re not out of a job yet. We’re going to keep working on pushing the envelope to make sure that our air services agreement support the tourism ambitions that we all have. Thank you.

CHAIRMAN GILLILAND: All right. Excellent.

Well thank you.

Any questions? Jonathan?

MR. ZUK: Could you expound a little bit about the relationship with China and what is holding it back or what we can do from our position as the private sector to sort of put pressure on whatever log jam there is to open the skies? Ten-year visas are great,
but if you can’t bring them here, then it is not going
to help us.

MR. ENGLE: Well, with China over the years it
has been a process of growing gradually more liberal
agreements. I believe it is true to say the agreements
we’ve been able to conclude have kept up with the
demand for travel. So we have still a little bit of
cushion in the current agreement and terms of the
frequencies, the number of flights that are allowed
between the two countries. But we have got to make
sure we stay ahead of future expansion. China has not
been interested, has not been willing so far to
conclude an open skies agreement.

It is competitive worries on their part. They
are afraid that their airlines will suffer and fully
open competition with U.S. airlines in the U.S. China
market.

My argument to them is look, we have this
incredibly broad and deep economic relationship now,
trade and investment and just the whole gamut has
become such an important economic relationship. We
have to make sure that aviation reflects the maturity
and breadth of that relationship. That is my talking
point. It hasn’t won the day yet in terms of
convincing them that we should go all the way. But we
will keep trying. At a minimum, we will seek to ensure that whatever we are able to negotiate, it provides capacity for the kind of travel that is needed between the two countries.

   MR. ZUK: Thank you for that. How much do you think the number of people that do travel from China travel through other countries because of aviation issues, like through Tokyo or through Seoul, stuff like that?

   MR. ENGLE: I don’t think that is a problem. There is capacity in our agreement for point-to-point direct travel between the two countries. It is adequate.

   MR. ZUK: So we are not at capacity yet?

   MR. ENGLE: Correct.

   MR. ZUK: Thank you.

   CHAIRMAN GILLILAND: Jonathan, if you would get with your friends in the Chinese Central Government, though --

   MR. ZUK: Next week.

   [Laughter.]

   MR. ENGLE: We will take all of the help we can get on -- and China.

   [Simultaneous Speech.]

   CHAIRMAN GILLILAND: Yes, Brandon?
MR. BELFORD: Just to make one point and thanks, Tom for that overview. He stole some of my comments.

Just one thing to reiterate, Tom did mention how we work very closely with A4A in the broader traditional aviation stakeholders in all of these negotiations, but I think one thing that this group could be helpful with is that while it is great to get the voices from the passenger carriers and the cargo carriers and labor, particularly for situations like Japan, potentially Mexico, potentially China having voices from Kathleen and Melissa who have properties all over the world or having voices from kind of other U.S. tour operators who have operations in some of these countries that can demonstrate the benefit to their local employees and therefore their local government about the importance of the open skies and liberalized regimes. That can be very, very powerful, particularly in Japan at this point in time.

CHAIRMAN GILLILAND: Okay. Good. All right. Thanks.

So we will move on to a few subcommittee updates and we will start with the Entry Subcommittee. Dave, are you going to --

MR. BERG: Yes.
ENTRY SUBCOMMITTEE UPDATE

By: Mr. Dave Berg

MR. BERG: I will be very brief and try to get us a little closer to being on schedule.

You may recall at the last meeting we talked about the letter that we drafted in response to the President’s invitation in his May 22 memo on improving the entry process. That letter was finalized in July and was delivered. I don’t know where the internal deliberations of the Administration stand on what they are going to do in terms of improving the entry process, but that part is done.

Moving forward and looking ahead, we’re going to start setting up a series of calls with CBP and all of the stakeholders to talk about where things stand in their activities, in particular, their process was to get individual airport plans to improve the entry process. So we need to catch up with them on where those things stand.

In our letter, we talked about a number of different specific measures that might be employed to improve the entry process. So we want to engage CBP in a dialogue about those measures and what can be done moving forward. So that is really our report at this
point.

CHAIRMAN GILLILAND: All right. Good.

Questions for Dave?

[No response.]

CHAIRMAN GILLILAND: Okay. Then we will move on to Todd for a Brand USA update.

MR. DAVIDSON: All right. Thanks, Sam.
BRAND USA SUBCOMMITTEE UPDATE

By: Todd Davidson

MR. DAVIDSON: First of all, I would be remiss if I didn’t start by telling Trudy and Don that you have truly shamed the chairs and co-chairs of every other subcommittee because just by the sheer act of you thinking about extending visas in China by 10 years, it happened. I mean your letter of recommendation wasn’t even read into the record and it happened, so well done.

[Laughter.]

MR. DAVIDSON: Anyway, the Brand USA Subcommittee has been working really on two parallel tracks and we have had meetings with representatives of Brand USA and with the Commerce Department and the realization is that our subcommittee is really working to make a good thing better. And it is a good thing and there is universal recognition that the work being done on behalf of the Department of Commerce and the work being done by Brand USA is good work. So we are looking for opportunities to make it more efficient and to make it even better.

Those two principle tracks that we are focused on, one is the system of managing and evaluating the
matching fund requests from Brand USA to the Department of Commerce and any subsequent, then, disbursement of funds for applicable federal laws. The second is the system of accountability whereby Brand USA prepares and submits annual performance objectives and goals to Secretary Pritzker.

We held a briefing yesterday where Chris Thompson on behalf of Brand USA joined us and provided our subcommittee with a detailed overview of their balanced scorecard approach to performance measurement. Now we all know because we’ve seen the research that Brand USA is measuring their direct ROI, but one of the things that really came up for this subcommittee is how do we also measure the impact of their ability to set the table for the rest of us to be able to enter international markets where we might not individually be able to go or they are able to help us accelerate our efforts in those markets.

Just using Oregon as one example, when I was in China two weeks ago for the China-U.S. Tourism Leadership Summit, I was able to report out that between 2008 and 2013 we have seen visitation from China to Oregon grow by over 300 percent and spending has grown by nearly 600 percent.

Now this is very large growth on a very small
number. But at one point, China was probably 10th or 12th in terms of market size for Oregon. They are now easily in the top four.

That growth has come, a) because China is rapidly emerging with the middle class; b) we’ve got government policies that have been worked on by both the U.S. Government and the Chinese Government to make travel easier, but we have Brand USA in place and it has afforded a state like Oregon the opportunity to really amplify their message there even though we all ready had market representation, we were already doing things on social media, but now we have a much more solid platform.

Similarly, we have been in Brazil and India over the last 18 months. We would have never been in those markets had it not been made affordable for us to do so because of the platform that Brand USA afforded us.

This is not only true for Oregon. This is true for a lot of states and destinations and private businesses here in the U.S. So we are pleased to learn that Brand USA has set increase trip generation in visitor spending as a top-tier goal, but have also added market share growth as a priority metric for them as well.
As we see recommendations being developed in this space around the performance metrics, what we are envisioning is really the need to have a shared definition of success. Obviously we are all very focused on the President’s goal of 100 million international visitors by 2021, but there are also opportunities to look at Brand USA’s work and all of our work in terms of extending length of stay, in terms of making sure our international visitors are exploring a diversity of states and destinations and so many others, all of this with the goal of ensuring that when we as an industry comprised of government agencies, private businesses, not-for-profit corporations, that we speak with one voice as to the contribution, the success and the necessity of Brand USA.

And with that, I think we are getting closer to being back on time. I will conclude my report and you’ll the rest of my time back to you Mr. Chairman.

CHAIRMAN GILLILAND: Any comments?

[No response.]

I really appreciate the update, Todd. It was great.

Okay. Then we will go on to Chris Thompson for a Brand USA update. Thanks for joining us Chris.
BRAND USA UPDATE

By: Chris Thompson, CEO, Brand USA

MR. THOMPSON: Mr. Chairman, thank you.

Members of the board, it is good to see great colleagues and friends.

I want to thank TTAB as a board for creating a subcommittee that looks at the relationship that we have with the Department of Commerce. I brag about that relationship all of the time because through the National Travel and Tourism Strategy we now have a relationship with at least nine of the Federal Agencies in recognition that travel and tourism is the number one service export and how do we facilitate and grow that.

Commerce has been instrumental in that relationship and the fact that TTAB is looking at, as Todd said, finding ways to improve something that is already in a pretty good place, that is a great recognition.

So I would like to report on two different fronts. One is our fiscal year is tied to the federal fiscal year, so it closed September 30. I thought I would give you just a quick highlight of what we accomplished what are the highlights in 2014. I will
give you a quick overview of 2015 and then answer any
questions that anybody might have.

So 2014 -- we are a cooperative marketing
organization so our success is only as good as the
recognition and the value proposition in the
partnerships that we create. I can tell you that in
fiscal 2014 we grew our partner base. In 2012, we had
89 partners that had stepped up and contributed either
through cash or in-kind. In 2013, we had 339. In
2014, we have 475.

I think everybody knows that we have the
opportunity to draw down on $100 million worth of
funding. So we have to bring $100 million worth of
cash and in-kind contribution to the table. From the
prior year we carried forward $28 million that was not
needed for the match in that year. This year we
brought forward another $110 million. So in our second
year of needing $100 million, we actually brought in
about $138 million between what were new contributions
and what was carried forward. So that is a great
testament to the value proposition.

As far as partners that had been engaged with
us over these three years, we have a 94 percent
retention rating. That includes those that made the
leap of faith in the very first year when there was not
established value proposition to those that are now seeing it to greater numbers, not only the large and most established brands, but to, through and beyond the gateways of destinations that represent all that is the United States of America either as destinations or the brands as they are represented around the country.

We talk about how we market in three buckets. The first bucket is our direct to consumer campaign -- what is our messaging with our cooperative partners straight to consumers. We expanded that to a total of ten markets this past fiscal year on a digital platform and social marketing that is in 11 languages. In the coming year, fiscal 2015, we are going to expand that to a total of 14 markets. Again, that is our dedicated brand advertising message straight to consumers through broadcast, print, digital platforms and social marketing.

Our second bucket is trade outreach. Those of us in the destination marketing business and otherwise know that even in our established markets, but for sure in the emerging markets, the relationships with the travel trade that facilitate the travel and the travel media that help us tell her story is still very important. So our trade outreach expanded.

We have 12 international offices now that last
year had us in 20 markets. In the coming year it will expand to a total of 25 markets. Last year we created Brand USA pavilions in 24 major trade shows around the world that enhance the presence of the United States of America at those shows and in many cases increased participation and certainly increased the effectiveness and exposure and the reach of those shows. This year we will be taking that to 30.

We doubled the number of events, sales missions and roadshows. So outside of these trade shows, the activity in conjunction with the travel trade to actually take our industry on the road and take our message and storytelling to the appropriate people -- that was done very well.

And our online training platform that we kind of piloted in the UK, at the end of this year it will then be taken to for additional markets. That online training platform was recognized I think twice as the training platform in a worldwide recognition of training platforms. So we are very excited about that particular execution.

Our third bucket is what I call platforms and programs. Over 50 percent of our resources are deployed in cooperative marketing with our destinations in our brands. We now have over 100 platforms and
about 200 different programs that is a menu of opportunities that are brands that are destinations can take a look at.

I think that has contributed immeasurably not only to our ability to continue to attract contributions, but also in our ability to not only embrace the largest of the destinations and the brands, but really being able to bring value to, through and beyond the gateways to all 50 states, five territories and the District of Columbia.

Certainly the announcement of the China visa validity extension last week was a major grand slam -- I would call it -- not a home run, it was a grand slam.

We have a path to 100 million visitors which is what we project through our partners at the Department of Commerce -- and in conjunction with our friends at Oxford Economics and other resources, we can bring to the table of how are we going to get to that 100 million visitors through 20, plus 2 markets. It is our top 20 markets plus Russia and Chile.

That path included China before visa validity and now we feel like, obviously, that is going to accelerate our ability to be able to get to that 100 million, and particularly from the largest outbound travel market in the world having the ability to do
that. So that was a huge win for all of us.

As we look at going into 2015, as I mentioned, we’re going to expand our campaign, our trade outreach and continue to build upon our platforms and programs.

Where we see real value is our ability to deliver content, rich content that we can layer in on top of what our destinations are doing at the city and the state level and what our brands are doing otherwise. One of the real value propositions that we have identified over these last couple of years with the brands is that they are hungry for content. They have content all over the world and distribution all over the world, but they are hungry for content.

So two focuses in the coming year which is now a month and a half old -- it is hard to believe -- is great outdoors. We are building a great outdoor content hub that is going to focus on everything that is the United States of America that you can experience through the great outdoors. A main focal point of that -- I think I mentioned it to you before -- is going to be our big screen film, one hundredth anniversary of the National Park Service, obviously as was reported, they’ve got a great and robust campaign to market these treasures to the United States of America and endear a new generation of people that are not only going to
enjoy it, but protect it. We are doing the same to our international audience.

In a lot of the markets that we promote in, the national parks are the iconic things that they recognize. So this big screen film that is in production, hopefully we will have it finished by IPW. If not by IPW, certainly by the year out anniversary -- I think it is August 25 of next year, will be a year out from the actual anniversary and we plan to deploy that film around the world through all of the big screen and IMAX theaters that are available to us.

The film itself is going to be a compelling story, not a catalog of all 400 plus parks, but it is going to be storytelling through the filter of the national parks. So in and of itself, it is going to be a hugely compelling story, but our activation of that through all of the mediums it will have, not the least of which the theaters and the venues, but then in partnership with the travel trade and the travel media and our partners that want to go with us to do that around the world.

I think in China right now there may be less than 100 big-screen films and by the time this anniversary rolls around, there’s probably going to be 300. So just in that market, those platforms and
opportunities for us are going to be great. And a side benefit, though we really can’t focus on that, is because it will be in big screen or probably IMAX designation by then, it will have a domestic distribution. So that will be our way to add to what our friends at Interior are doing to actually promote the national parks.

The second focus or content is culinary. Last year we launched a culinary guide, 31 celebrity chefs. We launched it during our Independence Day celebrations at all of our embassies around the world. We’re going to take the next generation of that culinary diplomacy and that culinary promotion because culinary may be among a few things that literally resonate to any destination. There is a culinary story to be told about any destination in this country.

And probably the focal point of that and the bookends of that will be that the next world Expo is in Milan, starting May of next year for six months, there is going to be 25 to 30 million people descending upon the World Expo. We are creating a, or enhancing in our partnership with the Department of State, a USA Pavilion and bringing storytelling through culinary to the World Expo which is all about feeding the world. So we feel like that is going to be a great opportunity
and two great examples of our partnership on the public-private side of working and embracing two major agency partners and huge initiatives on their behalf.

Other than that, I will close it by saying that another big focus for us, given the President’s Executive Order in May about improvements to the entry policy, is our ability to try and reach out in partnership with our destination partners and the airports and the 15 major gateways that we have identified to help us not only communicate the entry policy and the improvements that have occurred there, but to help the welcoming experience.

A great example is if you have not been to O’Hare’s international terminal, but in time for -- this year we have a package of branding and at home and all sorts of imagery that we are bringing to our airports that allows them to enhance that welcoming experience into entry halls that are sometimes very stark. So that is our way of trying to say that we need to deliver on these promises in the storytelling we are doing and market from the moment they hit the ground so that that experience can be as pleasurable as it could be. So that is our contribution to trying to help in that regard.

With that, Mr. Chairman, obviously there is
tons I could talk about and tons I could tell, but I sincerely appreciate the support of this board, the industry at large. I continue to be overwhelmed as I was this morning when I presented with Roger Dapp to the Virginia Governor’s Conference on Tourism to the unbridled enthusiasm that still exists as I enter my third year and what we are doing in partnership with the industry and with our federal partners as we move down this path of living up to everything everybody wanted when we passed the Travel Promotion Act and when we created the National Travel and Tourism Strategy.

So I am happy to entertain any questions anybody has.

CHAIRMAN GILLILAND: As I sat in on a Brand USA Subcommittee yesterday -- I think everybody sat in on a Brand USA subcommittee yesterday.

[Laughter.]

CHAIRMAN GILLILAND: There was a lot of infusive enthusiasm for the work that you are doing and how you are helping. Holy, as an example, I think reached Australian-sourced travelers for your business.

So it is fantastic.

So, Mike?

MR. GALLAGHER: Sure. It is spectacular success, Chris, you and your gang. When we talk about
this public-private partnership and this is an example of good government that works and it should be held up as that with no matter what party you are from.

So we are now coming to the renewal here shortly, I just thought some of the discussion or report on what is happening if it doesn’t get renewed. We have Patricia [indiscernible] from U.S. Travel also. So I don’t know -- Mr. Chairman, how you would like to orchestrate that.

CHAIRMAN GILLILAND: Sure --

[Simultaneous speech.]

MR. THOMPSON: I will live that up Patricia and the other stakeholders that are here that are in the business of that. I can offer my perspective and inform.

We are still hopeful that we could get the reauthorization accommodated in this session of Congress. If it is not, then we basically start all over with the new session of Congress. It has to be reauthorized by September 30 of next year. So if we start over, than you are on a ten-month clock.

I can tell you that in marketing, you know, you are usually 18 months out, at least. There are some major decisions we are having to make as it relates to investment in our digital platform. Moving
forward with anything that is a major investment, anticipating that we are going to be looking at another five years -- that is on hold right now.

Our board has asked us to bring to our board meeting in December what does a non-reauthorization plan look like. I can tell you that that is not a real pretty picture. It probably looks okay for a couple of years and then after two years, it is not a real good picture.

I have all of the faith -- you know I am an internal optimists -- any of you that now me. So I have all of the faith in the world in our stakeholders that have that in their hands and happy to defer to Patricia.

COMMITTEE MEMBER: What I have heard is that not much will happen before Thanksgiving and that there will be an opportunity for some kind of full-court press after that.

MS. PATRICIA: Sure. I am happy to provide a quick update.

So we have been actively doing a lot of advocacy on behalf of Brand USA. Thank you to everyone here who has contributed to that.

We are basically in a position right now where there really is a short period of time -- maybe two
weeks in December, and really that first week may or
may not have a lot of things on the agenda -- they are
working through a lot of leadership selections and
committee selections this week, so we don’t anticipate
anything will happen. However we are continuing and
have been talking to people during the recess about
possible vehicles for moving Brand USA reauthorization.

So we have talked about moving it on its own.

Unfortunately, because there is not a lot of floor
time in the Senate, the idea was to move it without bi-
unanimous consent without any objection or amendments.

Unfortunately, there are a couple of Senators that
objected to that idea because they have concerns about
moving Brand USA forward. They just philosophically
disagree with the whole concept of having the
government engaged in travel promotion despite the
benefits to the economy, despite the benefits to the
reduction in the deficit.

So we are continuing to negotiate some sort of
agreement with those Senators and there is still
potential that we will come to an agreement. There
will be additional concessions that we will have to
make on the reauthorization legislation, but we have
all ready talked to Brand USA about those and we think
that they are doable. So that track is still in play.
The other track would be to try to attach the legislation to any must pass vehicle. We think Brand USA is a must pass vehicle, but leadership doesn’t necessarily see it that way. They are looking at other things that actually expire in December as must-pass vehicles such as the federal budget.

[Laughter.]

PATRICIA: So there is always that shutdown of the government. As everybody is heard, they are talking about there is no way that the Republicans are going to allow the government to shut down.

The idea now is whether or not there is an omnibus package of legislation. If there is an omnibus package, we feel really secure that Brand USA would be a part of that package. Unfortunately, whether or not there will be an omnibus package is still in question.

If there is not an omnibus package, then they will try to streamline everything into just one continuing resolution. Just what that would look like is still unclear -- whether or not that will be a three-month continuing resolution or it is a full-year continuing resolution, which I know our government partners don’t usually like.

So if there is a continuing resolution, the chances of us being attached become a lot smaller.
because they tried to keep those clean. But we are looking at -- there are about four or five other bills that do expire this year, so we are trying to just attach ourselves to any one of those moving vehicles and we have a few strategies that we are considering.

On December 2, we will have a National Day of action on Brand USA. I encourage everyone in this room to contact their member of Congress. We are particularly interested in what leadership and the appropriators have to say along with our friends on the Commerce Committee and we have a huge support from Tim Hagan who is from South Dakota and as everybody knows the incoming chair of the Commerce committee, from South Dakota. So we are asking for his support as well.

But McConnell is very important, obviously Senator Reid and on the House side with Boehner, Scalise and McCarthy.

CHAIRMAN GILLILAND: All right. It sounds like U.S. Travel is on it. Thank you for that. I think construction will start again in a couple of minutes.

[Laughter.]

CHAIRMAN GILLILAND: Seriously. So Brandon, you are the only person between us and my very brief
closing remark. So let’s give you as much time as we can without that construction.

MR. BELFORD: Jenna gave me the heads-up. So I will be 90 seconds or less.

CHAIRMAN GILLILAND: Okay.

MR. BELFORD: Again, I apologize for missing the earlier portion of the meeting and Margaret’s presentation.

CHAIRMAN GILLILAND: It is great to have you.

MR. BELFORD: I did kind of go through the letter and I think that -- really glad to kind of be as supportive as we can to that recommendation for greater collaboration between the two departments.
DEPARTMENT OF TRANSPORTATION UPDATE

Brandon Belford, Deputy Assistant Secretary for
Aviation and International Affairs
Department of Transportation

MR. BELFORD: I guess just two things to really give an update on, legislatively and then kind of programmatically. It will all tie into some of the comments made in the letter to the Secretary.

I think one, obviously, we are still -- we have two major pieces of legislation that are still on our plate at the Department. I think what is actually very helpful about this group’s engagement on transportation issues is that Secretary Foxx, even last week when he was talking to aviation stakeholders and now as he is talking to transit stakeholders, he is really trying to get the message out that transportation -- and probably the industry at large -- needs to get away from kind of thinking about it being a rail issue or a transit issue or a surface transportation reauthorization bill or a FAA reauthorization bill because if you don’t have funding for airports and aviation systems, that is going to impact our roads, highways and rail systems and vice versa.
So pulling in the travel and tourism related equities and considerations is actually exactly what we’re trying to do at this point in time. So the Administration has our four-year Grow America Act out there for surface transportation. Our plan is to continue to push that not only in the lame-duck, but really into next year. Really a lot of that strategy is going to be unpacking what some of those benefits are.

So really working with you all would be helpful to get the travel and tourism voice into that conversation to really pinpoint the exact benefits that certain provisions and programs can have, be it supporting more intermodal connections, the types of discretionary programs that we fund through our TIGER Grant Program. That is the program that is funded five or six airport to road or airport to transit connections throughout the country and Seattle and Dallas and even places in Montana and Columbus.

So helping us to tell that story is going to be extremely important on kind of the surface transportation process. On the FAA side of things, that authorization expires at the end of next year, end of this fiscal year, September 15.

I know there was a conversation earlier about
NextGen and where that stands. We are still in the
process of getting feedback from our stakeholders on
what exactly a FAA reauthorization bill looks like.

In terms of NextGen, I think we’ve made a lot
of progress. I think the questions that we are asking
now are more in terms of what are we trying to solve.
A lot of the issues that we’ve had in the past with
NextGen implementation has been around this funding
certainty. So it is not for a lack of the work being
done or the programmatic expertise, it is really --
these are multi-year, multi-decade types of
transformations in our air traffic control system.

So when we were operating on a nine-month
budget cycles or to your budget cycles or less, is not
helpful. So a lot of what we are talking about now in
FAA reauthorization to provide more budget certainty
actually directly addresses the question of can we
deliver NextGen in a faster, more efficient manner.

I think Tom already kind of mentioned a lot of
the things that we are doing in open skies to improve
access to international markets both domestically and
for foreigners coming to the U.S. So I just want to
touch on the other piece that was mentioned in the
letter around the 30-year plan that the Secretary’s
undergoing right now.
Again, I think it is great that this group wants to be engaged and ensure that we have got those travel and tourism related considerations and not only these legislative bills that are out there, but also this longer term kind of 30-year plan. So where we currently are is we are expected to kind of get our first draft of what the physical text might look like in that chapter -- in that 30-year plan and then go forward with having continued conversations with our stakeholders in broader industry on what are we missing, what are more opportunities.

What I think we’re going to want to do is reach out to Jenna and the team here to make sure that we, one, ensure that you all have those materials when we go through a Federal Register notice or whatnot and that we have a way to communicate your insights and perspectives into that document.

I guess I would just close on that last point. I think the letter or the recommendation is great, but I think the biggest thing that I kind of got from that recommendation is that -- needing to have that direct vehicle for the Commerce Department and the travel and tourism industry by way of the Commerce Department to really ensure that not just myself and not just Susan [indiscernible] in our shop, but really the Secretary
on down, everyone on her leadership team has travel and

tourism related issues on their front burner at all
times when we are making decisions on funding a transit
system or when we are making decisions on cross-border
trucking or whatever it might be, that we are ensuring
that we are getting the travel and tourism industry’s
perspective in that decision-making process.

So with that, I avoided construction.

[Laughter.]

CHAIRMAN GILLILAND: Thanks, Brandon, I

appreciate it and I’m sure you know that we are happy
to connect with anyone and everyone at DOT around the
travel and tourism perspective. You’ve seen that from
the TTAB over a longer period of time. So we would be
really happy to spend more time on this issue. That is
certainly reflective of the recommendations of the
subcommittee. So thanks very much for the update.

I just have a couple of things. First of all,
a huge appreciation to the entire group for the work
that has been done here. This work drove us to have a
jam-packed agenda and we will endeavor to have an
agenda that is not quite so jam-packed next time and
gives us a little more opportunity for discussion.

I really appreciate the work that has been
done and I know there is a lot more in front of us that
will come at the next meeting. I guess I would just encourage as you think about the recommendations for next time, I would encourage you to come back to the message that we heard from Stefan today and also from Bruce Andrews around prioritization.

We really need to prioritize. We are putting a lot of recommendations in front of Commerce and other agencies and we need to make sure that we are putting the very most important ones in front of them. I appreciate you taking that view of things.

Last, do we have a date for the next meeting, Jenna or are we still working on that?

MS. PILAT: We are working on it.

CHAIRMAN GILLILAND: Okay. The final topic is really -- unless there’s anything else, Jenna, that we need to cover off logistically --

MS. PILAT: Lost and found.

MR. FREEMAN: Excuse me. We were having monthly tele-meetings. Are we going to continue those?

CHAIRMAN GILLILAND: I think we will continue at roughly the same pace that we had been on.

MR. FREEMAN: Because I think we -- on our calendar every month for --

MS. PILAT: I think they are on forever, for the term, I should say.
CHAIRMAN GILLILAND: That is right, for the term. So we will continue on with that, yes, Don.

So the last item, then, is to open up the meeting for any public comment. So if there is anyone here that is not a part of the board that would like to make a public comment, I would just ask that you state your name and your particular issue. Anyone here for public comment?

[No response.]

CHAIRMAN GILLILAND: I am not seeing anyone. We will adjourn the meeting.

MS. PILAT: Could I just say, thank you, everyone. It has been an incredible honor and experience to join you here for the last four plus years and I look forward to working with you all in new ways going forth.

CHAIRMAN GILLILAND: Yes and we are just really pleased for you and, as I said yesterday, sad for ourselves. So I am sure we will get a very capable person in your place, but we will miss you and we wish you the very, very best. I know you will do a great job where you are going.

[Whereupon, at 12:38 p.m., the meeting was adjourned.]
CERTIFICATE

This is to certify that the foregoing proceedings of a meeting of the Travel and Tourism Advisory Board, held on Tuesday, November 18, 2014, were transcribed as herein appears, and this is the original transcript thereof.

LISA L. DENNIS
Court Reporter