

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.

APPEARANCES:

MEMBERS OF THE BOARD:

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South Dakota Department of Tourism

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Las Vegas Convention and Visitors Authority

MS. OLGA RAMUDO
President and CEO
Express Travel of Miami, Inc.

MS. TRUDY RAUTIO
President and CEO
Carlson

MR. DEAN RUNYAN
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

MS. JENNIFER PILAT
Director
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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P R O C E E D I N G S

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

1 turn me okay? I'm really trying to speak up. Yes?

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

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

24 It is also a pleasure to have Kelly Craighead
25 joining us. Where is Kelly? There is Kelly over there

1 -- for her first TTAB meeting as the first Executive
2 Director of the National Travel and Tourism Office.

3 So welcome. This board stands ready to help
4 all of you succeed in what you're trying to accomplish.

5 So please feel free to call on us.

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

13 So a few stats that go along with that, last
14 year \$21.1 billion in spending was injected into the
15 U.S. economy by 1.8 million Chinese tourists and the
16 number of visitors is expected to jump by about 21
17 percent this year. The new visa policy in the U.S.
18 could mean as many as 7.5 million Chinese visitors by
19 2021, bringing an estimated \$85 billion to our economy.

20 You might wonder a little bit how that math
21 works, but as we've learned from Brand USA, Chinese
22 visitors are the fastest-growing overseas group and the
23 biggest spenders traveling to the U.S. So overseas
24 visitors spend on average \$4,500 per trip when they
25 come to the U.S., while Chinese visitors spend on

1 average \$7,200, the largest of any country. So
2 congratulations to the U.S. Government and our State
3 Department to for a job well done -- fantastic news.

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

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

1 you will.

2 [Laughter.]

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

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

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

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

24 VICE CHAIR MATTHEWS: I just want to echo
25 Sam's congratulations to the Obama Administration for

1 the ten-year China visa agreement, which we think, is
2 just going to be fabulous. Despite some of the
3 turbulence that we have seen in the external
4 environment over the last several months, Ebola in West
5 Africa, growing concerns over the threat of terrorism
6 with ISIS, we are looking at blue skies in the travel
7 and tourism industry and I think credit for that goes
8 to this Administration that has really worked across
9 the various agencies and departments to have a
10 concerted effort to kind of focus on what the
11 opportunity is for travel to create jobs and robust
12 economic growth in our country.

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

22 I think what you are going to hear today are
23 some new ideas, some new recommendations that will
24 continue this path towards robust growth, but being
25 cognizant all the time of the safety and security of

1 the traveling public. So, again, thanks for your
2 partnership on all of this.

3 CHAIRMAN GILLILAND: All right. Well, good.
4 Thank you, Kathleen.

5 With that, we will turn it over to the Deputy
6 Secretary.

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1 DEPARTMENT OF COMMERCE UPDATE

2 Bruce Andrews, Deputy Secretary of Commerce

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

8 [Laughter.]

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

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

23 The progress that we've made together -- not
24 only the government, but this board, has really made
25 moving forward, from visa processing, the Trusted

1 Traveler Program and also watching the growth and
2 support for Brand USA, which I have to admit for those
3 of us who've been watching it from the beginning, it
4 has been particularly gratifying to the extent there
5 was a little bit of a rocky path to start but it is
6 really exciting to see how well that has taken off and
7 frankly many, many more areas that you are working on.

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

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

20 Last week's announcement was really big on the
21 extending visa validity. I do want to thank our
22 colleagues at the State Department. It was a great
23 team effort. The State Department has really led on
24 this. I was actually in Beijing and Tianjin last week
25 when the announcement was made.

1 The reaction from the Chinese business
2 community was overwhelming, but also the American
3 business community and Americans working. It is just
4 one of those things that having this issue which means
5 a lot to a lot of people and frankly will smooth the
6 travel much more -- people were really excited. So I
7 would just pass that along.

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

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

25 Just to give a little bit of the statistics,

1 7.3 million Chinese tourists will travel to the United
2 States by 2015, contributing \$85 billion to the economy
3 and supporting 440,000 jobs. That is big and we expect
4 a huge increase in the years ahead and frankly, you all
5 are going to be here to do the servicing.

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

17 The recommendations that you are deliberating
18 on today drill down into a whole bunch of other
19 priority areas that we look forward to working with you
20 to implement. One thing I do want to really highlight
21 and emphasize is the importance of being specific,
22 being consistent and being tenacious when it comes to
23 these priorities and continuing to focus on them. We
24 need to focus on the top -- I think as you know, the
25 Administration is committed to working with you and is

1 committed to making this successful, but I think really
2 having prioritization and clarity of focus is important
3 as we go forward.

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

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

10 MR. SPROULS: John Sprouls with Universal
11 Parks.

12 CHAIRMAN GILLILAND: Any others?

13 [No response.]

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

18 We are going to start with visa. So I will
19 hand it over to you, Trudy, to summarize those
20 recommendations.

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1 OVERVIEW OF BOARD RECOMMENDATIONS

2 VISA

3 BY: MS. TRUDY RAUTIO

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

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

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

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

1 travels.

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

17 Thank you.

18 CHAIRMAN GILLILAND: All right. Excellent.
19 Thanks, Trudy.

20 Any comments or questions before we move on to
21 infrastructure?

22 [No response.]

23 CHAIRMAN GILLILAND: Then, Margaret.
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1 OVERVIEW OF BOARD RECOMMENDATIONS

2 INFRASTRUCTURE

3 By: Ms. Margaret McKeough

4
5 MS. McKEOUGH: Good morning. On behalf of all
6 my colleagues working hard on the Infrastructure
7 Subcommittee, it is my pleasure to present to you today
8 some of our initial thoughts that we would like to
9 recommend to the Department of Commerce and the
10 Secretary to consider.

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

19 Particularly, as we looked to address the
20 needs for travel and tourism and address the goal by
21 2021 of having 100 million international visitors, we
22 are concerned that the nation's infrastructure is not
23 strategically positioned to be able to contribute to
24 that goal and achieve that goal. Together we have made
25 significant progress and many process improvements at

1 ports of entry and visa, as we already mentioned this
2 morning. But we feel that it is essential for
3 recognition of the fact that the nation's
4 infrastructure must be improved and must be enhanced
5 for us to achieve our international and domestic travel
6 and tourism goals.

7 We mentioned that it is a sense of urgency
8 because in 2015, the U.S. Department of Transportation
9 is embracing and embarking upon an announcement of a
10 30-year Transportation Plan for this country. In
11 addition to that, there is significant legislation that
12 will be discussed for surface transportation policy
13 adoption as well as aviation policy adoption.

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

23 We think it is critical for the Tourism Policy
24 Counsel to elevate the role of infrastructure and the
25 need for infrastructure improvement. We are asking

1 also that the Secretary consider engaging more directly
2 with the U.S. Secretary of Transportation and the
3 Commerce Department provide direct contribution and
4 input and strategy to the U.S. Department of
5 Transportation's 30-year Transportation Strategic Plan
6 that is currently being developed and will be a point
7 of conversation next year.

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

10 [No response.]

11 CHAIRMAN GILLILAND: So on to Jeremy with
12 Cultural and Natural Heritage.

1 OVERVIEW OF BOARD RECOMMENDATIONS

2 CULTURAL AND NATURAL HERITAGE

3 By: Mr. Jeremy Jacobs, Jr.

4

5 MR. JACOBS: Yes, I am certainly pleased to be

6 here today to share our committee's recommendations

7 with you as well. Our subcommittee's focus is to

8 develop strategies and recommendations designed to

9 effectively promote, quantify and celebrate the

10 diversity of travel and tourism experiences that are

11 distinctive to the United States and that illuminate

12 American culture, art, food traditions and natural

13 surroundings in support of an enhancement to the

14 national travel and tourism strategy.

15 The recommendations contained in our letter

16 today primarily deal with the area of natural heritage

17 and specifically focus on the opportunities surrounding

18 the centennial of the National Park Service as a driver

19 of commerce and engagement in the U.S. travel and

20 tourism industry. In undertaking the drafting of these

21 recommendations, we focused on ensuring our

22 recommendations are actionable, achievable and

23 relevant.

24 According to the Federal Interagency Council

25 on Outdoor Recreation, outdoor recreation has made more

1 than 938 million visits to federal lands and waterways
2 spending about \$51 billion and supporting 880,000 jobs.

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

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

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

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

1 success.

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

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

22 Four -- we recommend we establish methods to
23 collaborate with and integrate existing federal
24 programs and mandates with the Department of Commerce's
25 agenda. For example, the First Lady's "Move Outside"

1 and "Discover our Shared Heritage" programs. Both of
2 these efforts are great examples of existing programs
3 that encourage people to take advantage of America's
4 great outdoors.

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

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

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

21 CHAIRMAN GILLILAND: All right. Thanks,
22 Jeremy.

23 With that, we will move on to Data and
24 Research. Mike?

25

1 OVERVIEW OF BOARD RECOMMENDATIONS

2 DATA AND RESEARCH

3 By: Mr. Michael McCormick

4
5 MR. McCORMICK: Deputy Secretary, Under
6 Secretary, thank you for your time today.

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

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

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

1 our ask is very modest.

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

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

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

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

20 With that, we will now move to Under Secretary
21 Selig with an International Trade Administration
22 update.

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1 INTERNATIONAL TRADE ADMINISTRATION UPDATE

2 Stefan M. Selig, Under Secretary of Commerce
3 For International Trade
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5 SECRETARY SELIG: Thank you, Sam. I am
6 delighted to be with you all again. As Sam mentioned,
7 my first meeting as the new Under Secretary was with
8 you this summer. Apparently Trudy and the Mall of
9 America team didn't so horrify me that I am still here
10 four months later.

11 [Laughter.]

12 SECRETARY SELIG: So thank you for that.

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

23 I will be here to hear all of the details
24 about your summary of your new recommendations, which I
25 am looking forward to. I think, Sam, you mentioned the

1 three key things that the Secretary and all of us are
2 very focused on. Which is: 1) to make sure we
3 prioritize those recommendations in the context of the
4 two-year time period left for this Administration and
5 in doing that, I think it is equally important to make
6 sure that each recommendation is as specific as
7 possible and as actionable as it possibly can be.

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

17 Sam, you mentioned we have a new addition to
18 our team, Kelly Craighead, who is sitting to the left
19 of Ken on my side of the table. So I do want to make
20 sure that we introduce her more formally. She is the
21 first Executive Director of the National Travel and
22 Tourism Organization. She is a highly seasoned
23 professional with -- I don't think you're supposed to
24 say this about somebody who looks quite so young -- a
25 25-year career spanning both the private and public

1 sectors from serving at the highest levels of our
2 government with the Clinton White House for eight years
3 to incubating and leading cutting edge national
4 advocacy organizations for over ten years.

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

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

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

23 In October the NTTO issued a new forecast for
24 international travel to the U.S. for the years 2014 to
25 2019 for the top 20 countries as well as all world

1 regions. By 2019, total arrivals to our shores may
2 reach over 88 million people. That is up 27 percent
3 from 2013. So all of you as businessmen and women,
4 obviously, fully appreciate the size and magnitude of
5 that opportunity.

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

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

23 So with that, to keep on schedule, now we are
24 only three minutes behind. I will close my remarks and
25 just say that I am really looking forward to getting

1 the details of all of your recommendations during the
2 course of the day and importantly, focusing on what the
3 next steps are going to be to make those
4 recommendations realities for our economy and this
5 industry.

6 So thank you very much.

7 CHAIRMAN GILLILAND: Thank you, Stefan.

8 Okay. With that and with the introduction
9 that we've heard of Kelly, we will turn it over to
10 Kelly Craighead. Again, welcome to you. We are
11 excited to have you running the National Travel and
12 Tourism Office. It is fantastic. So take it away.

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1 NATIONAL TRAVEL AND TOURISM OFFICE UPDATE

2 Kelly Craighead, Executive Director

3 National Travel and Tourism Office

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5 MS. CRAIGHEAD: Well, it is a privilege to

6 join the Administration and the National Travel and

7 Tourism Office at this really exciting time. As some

8 of you know, I am here to really build on the great

9 work that has predated me, the work that you all have

10 done and the work that the National Travel and Tourism

11 Office has already done under the leadership of Isabel

12 Hill, across the table and Ken Hyatt and the entire

13 team.

14 So it is really in keeping with your

15 priorities and with the Administration's priorities

16 that my goal is to really advance the travel and

17 tourism agenda across all [indiscernible] international

18 [indiscernible] -- part of my new lexicon has taught me

19 to say. With your help, the national strategy and the

20 commitment of the White House, we are making

21 unprecedented progress on travel and tourism and

22 working well against our goal of attracting 100 million

23 visitors by 2021.

24 As you know, the travel and tourism industry

25 continues to be a leader in the U.S. economy,

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

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

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

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

23 [Laughter.]

24 MS. CRAIGHEAD: I want to just talk very
25 briefly, since so many before me have talked about the

1 recent efforts on behalf of the Administration and
2 Secretary Pritzker to help grow the economy and support
3 jobs. As we've just heard now from a number of people,
4 the extended visa validity agreement with China is
5 tremendous and as Stefan said, "this is a very big
6 deal". I think the part that I want to communicate to
7 you is the role that Secretary Pritzker and the
8 National Travel and Tourism Office played in making the
9 economic case for that and the important role that
10 having the data that our team was able to put together
11 played in making this so -- which of course is not to
12 take anything away from the role of the State
13 Department, but is an opportunity to really show how we
14 are working against this strategy in a really
15 meaningful way. So I know Ed will talk more about
16 that, although, I'm not sure what is left to be said.

17 I do want to build on what that means and to
18 let you know that we are hosting a JCCT in Chicago in
19 December. We will have an important dialogue with the
20 Chinese and we really hope to set the agenda for future
21 collaboration over the next five years. So everyone in
22 this room should've received a save the date for that
23 event, but it is important that you attend if you can
24 attend and let us know if you haven't gotten that
25 information.

1 Finally, just to say, I look forward to
2 working with you on all of this in the months and years
3 ahead.

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

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

19 MS. CRAIGHEAD: Thank you.

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

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

25 [Laughter.]

1 CHAIRMAN GILLILAND: I am not quite sure how
2 to think about that. What is happening at the next
3 meeting?
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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

1 the largest group of foreign nationals studying in the
2 United States. That is a multi-billion dollar
3 contribution to the economy as well and they could
4 become your future customers.

5 Now, of course, we are groping with the
6 results of success. We fully expect that the
7 announcement will generate an uptick in demand in
8 China. We are taking measures now to cope with that.
9 That is something I will discuss at the next meeting.
10 We will have a clear idea of exactly what the magnitude
11 of that increase is.

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

18 China demand overall last year rose 21 percent
19 and we expect that to continue and increase with the
20 news of the ten-year visas. Brazil rose by 10 percent.

21 India demand -- after being flat for a number of years
22 -- is up by over 20 percent. So that is growing rather
23 dramatically. Mexico was only up by 2 percent. So we
24 are not seeing much growth there, but the volume is
25 very high.

1 One other factoid, China overtook Mexico this
2 year for the first time ever as the largest source of
3 U.S. visa applications. So despite Mexico's proximity
4 to the border and the fact that we have ten diplomatic
5 offices in Mexico versus five in China, Mission China
6 overtook Mexico as the largest source of visas.

7 Worldwide, visa demand is up by 9 percent in
8 2014. That is over -- as the Under Secretary said --
9 over 9.9 million visas issued. Ninety percent of the
10 visa applicants, currently this week, can get an
11 appointment in three weeks or less and over 70 percent
12 within one week. Our surveys show that the average
13 applicant picks an appointment date about two weeks
14 out. Some, obviously, need an appointment sooner than
15 that. We have members in place to help them if the
16 overall wait time is more than one week, but these
17 metrics are approximately 10 percent higher than they
18 were last year and certainly much higher than they were
19 in 2010 when we were facing wait times of up to 100
20 days or more in key markets.

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

1 visa waiver program.

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

10 So thank you.

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

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

19 ASSISTANT SECRETARY PERALES: This is my first
20 month.

21 [Laughter.]

22 CHAIRMAN GILLILAND: Okay. First month.
23 Welcome to you. Welcome to Assistant Secretary Perales
24 who has -- and as you get to know him, you will know
25 that he has a fair bit of background in the travel

1 industry and so we very much welcome your participating
2 on the Travel and Tourism Advisory Board.

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DEPARTMENT OF HOMELAND SECURITY UPDATE

José Raúl Perales, Assistant Secretary for

The Private Sector

Department of Homeland Security

and

David Lim

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.

1 In order to address the threats that we have
2 seen and the new threats that we envision might be
3 coming given events in other parts of the world, our
4 government -- as you know -- has enhanced aviation
5 security. In early July, Secretary Johnson directed
6 enhanced screening at a number of overseas airports
7 with direct flights to the United States. Several
8 weeks later, we added more airports to that list.
9 Other countries, especially our allies in Europe, have
10 followed with similar enhancements to their aviation
11 security.

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

24 Our FBI has arrested a number of individuals
25 who have tried to travel from the United States to

1 Syria to support terrorist activity there. Of course,
2 we all know that we need cooperation from the private
3 in supporting this work.

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

13 DHS also believes the enhancements to ESTA
14 will help the Department facilitate a dedication of
15 ESTA applications by requiring ESTA applicants to
16 provide additional information. DHS will enhance its
17 ability to identify those ESTA applicants who are on
18 the terrorist watch list, thereby reducing the number
19 of inconclusive matches that currently result in an
20 ESTA denial requiring the applicant to apply for a visa
21 for travel to the United States. We are very happy
22 that these modifications for ESTA were rolled out
23 quietly, nicely, everything went according to order and
24 we are very thankful to our partners in the private
25 sector for supporting these enhanced measures.

1 Additionally, working with the travel industry
2 and public feedback, DHS modified some of the
3 eligibility questions to make them more user-friendly
4 and easier to understand. We also face challenges to
5 security post by outbreaks of disease like avian flu,
6 SARS, H1N1 and of course, now the Ebola outbreak in
7 Western Africa.

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

18 We currently have in place measures to
19 identify and screen anyone at land, sea and airports of
20 entry to the United States who we have reason to
21 believe have been present in Liberia, Sierra Leone,
22 Guinea or Mali in the preceding 21 days. These
23 enhanced screening measures are in addition to exit
24 screening that takes place on exit from the affected
25 countries in West Africa as well as in transit

1 countries considering there is a limited amount of
2 flights from the United States that directly touch upon
3 these countries.

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

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

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

1 conversation needs to happen. So we are very thankful
2 for your support and collaboration.

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

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

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

24 I am very thankful that the outside noise
25 stopped just so I could speak.

1 [Laughter.]

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

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

25 On the operational side, just last week we on-

1 boarded six executives on loan to DHS from the private
2 sector who over the next six months -- some of us think
3 it will be probably near a year -- will be working with
4 CBP and TSA to improve customer service, cueing
5 techniques, line flows and a whole host of other
6 passenger-friendly initiatives.

7 Rossi Ralenkotter, thank you for your support.

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

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

18 Global entry is now available at 53 airports
19 and preclearance locations. Travelers have used the
20 global entry kiosks over 11.6 million times since the
21 program started. CBP has seen consistently high levels
22 of global entry use and several travel days with rates
23 exceeding 9 to 10 percent. And we continue to seek new
24 reciprocal agreements with partner nations around the
25 world to go along with current arrangements and pilot

1 programs -- with Canada, Mexico, South Korea,
2 Netherlands, Qatar, Germany, United Kingdom and most
3 recently with Panama. I am actually heading there in a
4 couple of weeks to see how this is going.

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

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

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

24 In addition, the TSA pre-check program now
25 provides travelers with another method for enrolling in

1 a DHS Trusted Traveler Program, even for individuals
2 who do not have a passport. Since the beginning of
3 November 2014, there have been more than 625,000
4 enrollments through the TSA pre-check application
5 program and more than 300 enrollment centers have
6 opened across the country where interested travelers may
7 apply.

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

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

25 So as you can see, DHS and especially our

1 colleagues at CBP and TSA have been busy working on new
2 technologies improving and outright eliminating
3 outdated processes to improve our customer experience.

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

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

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

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

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

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

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

23 MR. LIM: So on behalf of my colleagues at
24 TSA, CBP and DHS, and of course the Department of
25 Commerce, I just want to thank everyone for just a few

1 minutes on giving an update on the branding work we
2 have done at TSA for TSA Pre-Check, which I like to
3 think is a product near and dear to everyone's heart.

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

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

15 So before I walk you through the branding
16 positioning, I just want to take a moment to thank
17 everyone in the industry for their support. There has
18 not been a single organization that we have reached out
19 to that has not embraced our ask -- if you will. So
20 just to name a few, Sabre -- we recently executed a
21 media plan that will deliver 1 million impressions by
22 the end of this year, retail value a quarter of a
23 million dollars. Marriott and Hilton, at a DHS-
24 sponsored meeting back in August, offered to program a
25 video on their hotel channels. We don't have that

1 asset, but we hopefully will get there. City DMOs like
2 Boston, New York, Miami, Las Vegas and Los Angeles have
3 been very, very generous with us in providing
4 resources, putting this up in newsletters and giving us
5 partner recommendations.

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

15 [Laughter.]

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

18 So quickly to the branding, we contracted with
19 SAGE Communications locally here to do some brand work
20 and we will see some creative executions, actually,
21 later today. So under the primary research phase of
22 the process, we really engaged 360 within TSA from
23 leadership to field directors, down to the workforce
24 within what TSA has called the traditional stakeholders
25 who would be A4A, HCI, AAAE. In the travel industry,

1 the usual suspects are here, ASTA, GBTA, Brand USA,
2 USGA and TTAB through Sam.

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

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

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

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

24 So I will just read you the brand position
25 statement, "TSA connects America's trusted travelers

1 with smarter security to help create a better air
2 travel experience for all." So you will notice certain
3 words are called out and those words are really
4 carefully selected and they represent key insight.

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

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

15 If you would go to the next slide, if you can.
16 So there are two rows of slides here. The top row are
17 what are called rational attributes, smart,
18 transparent, innovative and positive. Those are what
19 would be called product attributes of TSA pre-check.

20 So if you think about smart, it is smart
21 because it is based in sound science. It is
22 transparent because it is for the public good. It is
23 innovative because it has helped America stay ahead of
24 the threats and positive because it recognizes the
25 essential goodness of people as low-risk.

1 The emotional attributes on the bottom are
2 rewarding, respected, empowered and engaged. Those are
3 the emotional attributes that travelers have when we,
4 TSA, deliver on TSA pre-check in the upper quadrant
5 there.

6 So when TSA pre-check delivers their products
7 well, we are smart, transparent, innovative and
8 positive. Travelers feel the attributes on the bottom.

9 And for me the most powerful are the first two because
10 we often hear people say they like pre-check because of
11 speed and not having to divest themselves of shoes,
12 laptops and liquids. While speed and time are captured
13 in the feeling of rewarded and certainly not having to
14 divest yourself of shoes, laptops or liquids, or what I
15 call the dignity factor is captured in the respected
16 attribute. When you look at empowered, that is a nod
17 to the attribute that we all share which is we all want
18 a greater sense of control.

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

1 that benefits everyone.

2 So, of course, we will continue our outreach
3 efforts as the model has served us well. We look
4 forward to developing stronger relationships with
5 existing partners and look to expand to include others.

6 We would be thrilled to meet with any of you or if you
7 have any recommendations for us that can help us push
8 out TSA pre-check messaging to audiences for our mutual
9 benefit.

10 Thank you.

11 CHAIRMAN GILLILAND: All right. Very good
12 presentation.

13 MR. LIM: Thank you.

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

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

21 Mr. Lim: Well, this actually has internal
22 applications just in terms of workforce when you look
23 at the bottom, the emotional attributes. And that's
24 where we want to take it, internally. That is a pretty
25 big left with 50,000 people spread across the country.

1 CHAIRMAN GILLILAND: It is. Absolutely. So I
2 really appreciate the work you are doing on this.

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

5 [No response.]

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

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

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

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

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

23 MS. MATTHEWS: You mentioned the six loaned
24 executives, two of them from Las Vegas. Where are the
25 other loaned executives from?

1 ASSISTANT SECRETARY PERALES: We have Delta
2 Airlines. We have a supply chain manager from
3 Michigan, actually near the border with Canada. We
4 have a former Disney executive-- long-term Disney
5 executive who is now working with American Airlines.
6 Those are the ones THAT come to my mind -- the guys
7 from Vegas --

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

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

21 So for example, one of the things that they
22 want to do which we had not originally anticipated or
23 not to the extent that they want to do it, is to not
24 only work on looking at arrivals at U.S. airports and
25 the cues and all of that, but actually to do

1 international travel and come back to the United States
2 -- not like what you do when you're coming from the
3 city where you have just spent the night and you are
4 fresh and you can see things a certain way, but to
5 actually go through the experience of international
6 travel. You might be tired, a little fatigued and
7 experience process itself just to get a better
8 understanding of things. That, obviously, requires
9 some flexibility in accommodating.

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

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

22 CHAIRMAN GILLILAND: Okay.

23 MS. RAMUDO: As we are promoting increased --
24 enrollment, are we looking or do we have a budget for
25 staffing? I can tell you for example in Miami many

1 times TSA Pre-check lines are closed because of lack of
2 staffing.

3 MR. LIM: I guess that is for me.

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

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

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

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

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

22 [Simultaneous speech.]

23 MR. LIM: Let me answer that. The vision is,
24 actually, a lot of people say oh well don't let too
25 many people know. Literally, a lot of people say I

1 love it. I love it, but don't let too many people
2 know.

3 So think about it this way, today, think
4 about just a four-lane checkpoint, 100 percent of the
5 people go through. When TSA opens up one lane, you
6 have to have 25 percent of the people coming in.
7 Otherwise, what happens is the other -- let's say only
8 10 percent go in, now you have got 90 percent coming
9 into three lanes which is not efficient and not really
10 good service.

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

21 ASSISTANT SECRETARY PERALES: I want to say
22 one last thing. [indiscernible] the buyers are changing
23 the way that the pie split, but we are at that
24 interesting moment, but we don't know where the slice
25 is going to be drawn.

1 One thing that is important about, for
2 example, communities like Miami where travel is such a
3 fundamental part of the success of Miami, the services
4 industry. To also be vocal about the kinds of
5 resources that are needed to make sure that the airport
6 and that the city stays on top of these things.

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

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

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

21 MR. LIM. Okay.

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

1 [Laughter.]

2 CHAIRMAN GILLILAND: So we appreciate the
3 consistency.

4 [Simultaneous speech.]

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

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

13 MS. PILAT: Trisha on my team said that.

14 CHAIRMAN GILLILAND: Go Trisha.

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

22 So Trudy, are you leading that?

23 MS. RAUTIO: Yes, I am.

24 CHAIRMAN GILLILAND: Yes. Okay. Great. Thank you.

1 DISCUSSION AND DELIBERATION OF VISA RECOMMENDATIONS

2 By: Ms. Rautio

3
4 MS. RAUTIO: I think as we begin this process
5 it is important to note the significant progress that
6 has been made and kudos go to the State Department for
7 the significant increase in the efficiency of
8 processing of these applications as well as the number.

9 Of course with China no coming on, they have that new
10 hurdle to face, but I think that we start from a
11 position of improvement, great improvement that is a
12 basis for how we started this dialogue in our
13 subcommittee.

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

23 So the cooperation was just outstanding and I
24 can't thank those representatives enough. They
25 participated in call after call after call and took

1 time out of their schedule to do that. So we really
2 appreciate that.

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

9 Again, we are cognizant of this goal, this
10 very ambitious goal to reach 100 million visitors by
11 2021. So we have a two-pronged strategy involved in
12 doing this. One is to increase the number of travelers
13 who are either, 1) not subject to an in person
14 interview; or 2) not required to have a visa.

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

1 that we have to keep in mind.

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

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

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

20 We also found that there was a balancing act
21 between the traveler's perceptions. So the perception
22 that they have, the customer service that they receive,
23 the cost of visa, the fear of refusals, the preparation
24 and commitment that is required to get a visa are
25 considerations on the one hand, while balancing the

1 national security interests on the other. So all of
2 these require a lot of balancing in terms of making
3 sure that we make the specific rate recommendations.

4 I will go into some, not all of the key
5 recommendations that we had. First of all, under
6 administrative actions one of the recommendations that
7 we had was to at least examine the metrics we use to
8 calculate the refusal rate. We want to make sure that
9 that is an appropriate balancing of our national
10 security interests while promoting international
11 visitation.

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

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

24 In China and India, we recommended that we
25 reduce the amount of documentation that applicants are

1 required to present to the consular office to make it
2 easier for applicants to submit electronically and to
3 make sure that we have easier translation capabilities
4 for those countries. We recommended that technological
5 updates could be used, such as the discontinuance of
6 foil stickers as was done by the Australian Government.

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

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

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

25 In legislative actions, again with private

1 sector support, we want to continue to support the JOLT
2 Act. We think that is of paramount importance to
3 moving this toward the goal achievement.

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

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

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

23 We also had actions that the consular could
24 take with private sector help and with Brand USA help
25 and one of those was to define a public and private

1 sector communication strategy to improve the image and
2 perception of consular and visa services.

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

7 CHAIRMAN GILLILAND: All right.

8 MS. RAUTIO: Open to questions.

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

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

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

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

1 that for the next meeting in February.

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

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

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

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

23 [Laughter.]

24 MR. RAMOTOWSKI: There is a lot of homework
25 there. But, again, it was a very productive dialogue.

1 We look forward to exploring those and providing more
2 feedback back to the board.

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

7 [No response.]

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

11 [A chorus of ayes.]

12 CHAIRMAN GILLILAND: Any opposed?

13 [No response.]

14 CHAIRMAN GILLILAND: All right. Well done by
15 the Visa Subcommittee.

16 Excellent. So we will then move on to the
17 discussion and deliberation of the infrastructure
18 recommendations. Margaret will take us through those.
19
20
21
22
23
24
25

1 DISCUSSION AND DELIBERATION OF INFRASTRUCTURE
2 RECOMMENDATIONS TO DOT 30-YEAR STRATEGIC PLAN

3 By: Ms. Margaret McKeough

4
5 MS. McKEOUGH: Thank you, Sam. The
6 Infrastructure Subcommittee is proposing an initial
7 recommendation for the full board's consideration this
8 morning. Although it is initial, I want to underscore
9 that it is the sentiments of the Infrastructure
10 Subcommittee that these particular recommendations are
11 very time sensitive and very much have a sense of
12 urgency in them.

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

22 Currently there are a number of transportation
23 plans that are currently being put forth as policies
24 for the United States. In the 2015 year in particular,
25 there are a number of them that traverse all modes of

1 transportation, surface, aviation, rail and transit.
2 We very much feel that there is an opportunity in 2015
3 to really influence the needs of travel and tourism
4 infrastructure as these policies are developed and are
5 deliberated through the policy process.

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

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

23 The letter goes on to point out two, I think,
24 very stark examples of why this is so necessary, so
25 urgent and so important. It references the fact that

1 at significant travel and tourism locations, like
2 Myrtle Beach, South Carolina, does not even have major
3 interstate access and it is such a huge tourism
4 destination. It also points out the most relevant
5 example of the concerns in the shutdown of the aviation
6 system that occurred with a fire at the TRACON facility
7 in Chicago, very relevant examples of how when the
8 nation's transportation infrastructure is not strong
9 and robust it has direct impacts to travel and tourism.

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

14 CHAIRMAN GILLILAND: Okay. Questions or
15 comments for Margaret?

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

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

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

24 VANESSA: There have been advancements. As
25 you may know, we had stalled all of our ground sensor

1 equipment. So now we are moving forward in trying to
2 get the aircraft equipped. So you can understand --
3 you have two components to this system, to NextGen.
4 You have the ground receivers and then you have the
5 aircraft that also transmits the signals.

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

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

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

1 what it would look like.

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

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

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

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

24 CHAIRMAN GILLILAND: Yes, there is this huge
25 interdependence between the various modes of

1 transportation and we can't just focus on aviation or
2 just focus on roads. We have to focus on the holistic
3 view and systematic view of our infrastructure across
4 the U.S. So I appreciate that point.

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

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

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

18 [No response.]

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

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

24 [A chorus of ayes.]

25 CHAIRMAN GILLILAND: Any opposed?

1 [No response.]

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

5 We will now move on to discussion and
6 deliberation of the Cultural Tourism recommendations.
7 Jerry will take us through those. Jerry, take it away.

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1 DISCUSSION AND DELIBERATION OF
2 CULTURAL TOURISM RECOMMENDATIONS

3 By: Jerry Jacobs

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

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

16 Our subcommittee's focus is to develop
17 strategies and recommendations designed to effectively
18 promote, quantify and celebrate the diversity of travel
19 and tourism experiences that are distinctive to the
20 United States and that illuminate American culture,
21 art, food, traditions and natural surroundings in
22 support of an enhancement to the national travel and
23 tourism strategy. Ultimately, we know it is important
24 to make culture and natural surroundings and art an
25 indispensable part of the investment in marketing

1 strategy for promoting travel to and within the United
2 States.

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

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

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

24 As the TTAB infrastructure and sustainability
25 subcommittee reported in its December 12, 2013 letter

1 of recommendation, national parks and other public
2 lands represent key business assets in addition to
3 serving as treasured natural assets. We applaud and
4 vigorously support the National Park Service and its
5 intended goals for the centennial celebration in 2016
6 which includes working to dramatically reduce the long
7 list of deferred maintenance projects and increasing
8 visitation by implementing key initiatives to attract
9 younger and more diverse audiences now and into the
10 future.

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

18 We recommend that the Department of Commerce
19 and the Department of the Interior co-sponsor the
20 dialogue on our national parks to ensure that the
21 centennial has focused, measurable, coordinated efforts
22 to maximize the anniversary with domestic and
23 international visitors and ultimately increase
24 visitation. The dialogue would engage public and
25 private sector resources and would leverage experts who

1 are diligently working to ensure the centennial
2 success.

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

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

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

23 We must think beyond the traditional and current
24 management strategies to ensure that our nation's
25 system of parks remains relevant to the future.

1 We believe it will be necessary to diversify
2 and enhance the type of experiences and accommodations
3 available in our parks and other public lands.

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

9 Both of these efforts are examples of existing
10 programs that encourage people to take advantage of
11 America's great outdoors.

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

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

22 Finally, as we all know it is important to
23 effectively measure the impact of our natural resources
24 and fully understand their economic contribution. The
25 2013 National Park Visitor Spending: Effects Economic

1 Contributions to Local Communities, States and Nation's
2 study begins to address this as it relates specifically
3 to our national parks.

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

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

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

20 CHAIRMAN GILLILAND: All right. Excellent.
21 Okay. Well, thank you.

22 Comments, questions, concerns for Jerry?

23 [No response.]

24 CHAIRMAN GILLILAND: I guess I might just --
25 maybe a question and I might pose this to Jonathan.

1 Where is Jonathan?

2 MR. ZUK: Here.

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

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

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

24 The Park service is preparing these centennial
25 celebrations which will ramp up visitation to the

1 parks. We don't have enough to service what we have
2 right now and it is in a very bad state of disrepair.
3 So once we enhance visitation, we are going to
4 basically create even worse conditions in which people
5 will not have a better experience and not have a good
6 experience if they can access the park at all.

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

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

24 CHAIRMAN GILLILAND: So a huge opportunity
25 there and I think even with more research and survey

1 feedback, it will give us good direction on what we
2 need to do, but it sounds like low-hanging fruit all
3 ready that we know about.

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

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

17 MR. ZUK: I don't disagree with that it all,
18 but the majority of the travelers, especially the
19 international travelers, are not looking for KOA. On
20 the other hand, in Namibia, for example, they do have
21 what they call tent hotels which are these concrete
22 slabs that they build a very upscale tent and they
23 erect and then dismantle them as needed, based on
24 advance bookings and things like that which is
25 something that maybe where weather conditions permit,

1 is something that we can look at. It is definitely a
2 model that we can investigate further.

3 COMMITTEE MEMBER: I agree.

4 CHAIRMAN GILLILAND: All right. Good.
5 Comments?

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

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

20 [Laughter.]

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

1 millennials live in urban areas.

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

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

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

18 COMMITTEE MEMBER: I would add not just
19 private sector. I think the same thing I am hearing
20 from you, I hear from my state -- I know we have got a
21 couple of state tourism agencies here. I think they
22 are facing some of the same challenges in the same
23 opportunities at that level. So I think you can
24 amplify that discussion, Kathleen, with some of the
25 state leaders as well.

1 MR. BLAIR: I would add while we can't lobby
2 Congress, clearly funding to upkeep the park and the
3 backlog of maintenance, those are issues that are often
4 outside of our control for funding.

5 CHAIRMAN GILLILAND: All right. Excellent.

6 Ken?

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

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

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

25 MR. HYATT: Fair enough, but still there's

1 marketing lessons, et cetera, et cetera.

2 CHAIRMAN GILLILAND: Yes. Oh, yes.

3 Absolutely. I totally agree on that.

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

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

17 CHAIRMAN GILLILAND: All right. Excellent.
18 Okay.

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

22 [No response.]

23 CHAIRMAN GILLILAND: Okay. Then we will also
24 put this to a vote. So all in favor of approving these
25 recommendations as set forth here, please say aye.

1 [A chorus of ayes.]

2 CHAIRMAN GILLILAND: All opposed?

3 [No response.]

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

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

9 MR. RUNYAN: Right here.

10 CHAIRMAN GILLILAND: There he is. Okay. Dean
11 will lead those discussions. Dean, take it away.

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1 DISCUSSION AND DELIBERATION OF
2 RESEARCH RECOMMENDATIONS

3 By: Dean Runyan

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

12 We have heard here this morning a number of
13 comments about the significance of the travel industry.

14 One of the things that has stood out for us is the
15 figure that a quarter of sales to U.S. businesses in
16 travel and tourism are attributable to overseas
17 travelers, one quarter of all. These businesses across
18 the U.S. have responded to that. There is an extensive
19 marketing activity on the part of businesses across the
20 U.S. that is directed to international travel.

21 The figures we have are about \$80 million a
22 year is spent through partnerships between private
23 industry and state travel offices and NDOs directed
24 towards international travel. We don't have specific
25 data for the direct private sector overseas marketing.

1 It is probably more than that. This would be
2 marketing by airlines, by accommodations, by
3 attractions and so on.

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

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

18 It is that data that the states, the business
19 sector looks to when it is trying to conduct its
20 marketing that is directed overseas. It is a very
21 important commitment on the part of Commerce. That
22 level of commitment has been fairly static the last few
23 years. There is wide agreement among the users of that
24 data that there should be more of it, that the depth
25 should be such that there can be many more users of it

1 than there are now, that there is a market for that
2 data among additional users in addition to the market
3 that exists now, that is the people who purchase that
4 data because it is valuable to them.

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

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

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

25 One has to do with the methodology for data

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

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

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

1 comparison with the SIAT process.

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

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

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

23 So we think that these are all very
24 actionable. We recognize the difficulty of the
25 financing situation for this research. We would just

1 encourage Commerce to make every effort that they can
2 to get this research funded and implemented within the
3 next fiscal year and so we can get on with somehow, as
4 best we can, improving this research and its
5 application.

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

11 Any questions, comments, issues?

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

20 MS. CRAIGHEAD: Well, I mean, first, we
21 couldn't agree more. There is such a strong case to be
22 made for this and unfortunately the case is to be made
23 with Congress. So Ken, I don't know if you want to say
24 more to that, but obviously we are also limited by what
25 we can advocate for, but we have certainly made this

1 recommendation in our budget proposal that is gone up.

2 But it will be for Congress to determine whether or
3 not they will grant that request.

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

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

14 [Laughter.]

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

18 MS. MATTHEWS: Thank you.

19 CHAIRMAN GILLILAND: Okay. Comments?
20 Suggestions?

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

23 [A chorus of ayes.]

24 CHAIRMAN GILLILAND: Any opposed?

25 [No response.]

1 CHAIRMAN GILLILAND: All right. These
2 recommendations stand approved. Thanks, again, to that
3 subcommittee for all of their great work.

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

12 So, Jerry, I think you are going to lead us in
13 this discussion and debate.

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1 DISCUSSION OF DOMESTIC TOURISM GOAL

2 By: Jerry Jacobs

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4 MR. JACOBS: Let's fasten our seatbelts.

5 [Laughter.]

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

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

20 Since its founding, the board has focused the
21 majority of its attention on the important issue of
22 attracting international visitors to the United States.

23 We recommend the development of a similar strategy
24 focused on domestic tourism. As is stated in the
25 President's National Travel and Tourism strategy, we

1 will also encourage Americans to travel within the
2 United States and its territories to see all that our
3 country has to offer.

4 According to the report, domestic spending on
5 travel within the United States in 2011 was more than
6 \$654 billion. Of the total 7.6 million jobs supported
7 by travel and tourism, 6.5 million are supported by
8 domestic consumers as reported by the Department of
9 Commerce.

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

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

24 We are convinced that the establishment of a
25 travel goal and a strategy to sustain and grow domestic

1 travel are in the national interests. Both have a
2 significant effect on the creation and retention of
3 jobs as well as economic growth and competitiveness.
4 We know that our national resources and cultural
5 attractions are significant to international travelers.

6 Given the National Park Service Centennial
7 2016 and the Endowment for the Arts and the National
8 Endowment for the Humanities will each celebrate 50
9 years of supporting American culture, what better time
10 to promote domestic tourism within the United States
11 and in our own backyard. It is apple pie, loading our
12 families back in the station wagon or Prius --

13 [Laughter.]

14 MR. JACOBS: I didn't do that. It is America
15 exploring America.

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

19 1) Create an annual and long-term goal for
20 domestic travel. As the previous board reported, it
21 was and is critical that the national strategy contains
22 an overarching goal of attracting and welcoming 100
23 million international visitors per year by 2021. We
24 agree whole-heartedly that an international policy is
25 necessary, but so too is a domestic one. In fact, to

1 be successful, we must give equal attention to our
2 domestic travel and tourism market and economics.

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

16 3) Hold the first-ever summit on domestic
17 tourism. For one day in 2015, public-private
18 participants would focus on the steps needed to create
19 a strategy and blueprint. Through roundtable
20 discussions, the presentations by experts and breakout
21 sessions, the group would arrive at a set of
22 recommendations and next steps by the end of the
23 meeting. The summit would be led by the Secretary of
24 Commerce with participation by the Secretary of
25 Interior, the Secretary of Agriculture, the Chairperson

1 of the National Endowment for the Arts, Members of the
2 Tourism Policy Council, TTAB members, U.S. Travel
3 Association and Brand USA representatives,
4 representatives from state tourism agencies and others
5 -- we would need a really, really big table --

6 [Laughter.]

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

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

19 The Bureau of Labor Statistics shows that
20 Americans took 20.3 days of vacation per year in 1976
21 through 2000. After that, the number sharply drops to
22 just 16 days in 2013. Specifically of the 130 million
23 Americans who earned time off, 55.5 million did not use
24 all of it. If American workers were to return to pre-
25 2000 time-off habits, the U.S. economy would enjoy a

1 massive windfall.

2 Annual vacation days taken by U.S. employees
3 would jump 27 percent, equivalent to 768 million
4 additional time-off days, a \$284 billion impact across
5 the U.S. economy, including \$118 billion in direct
6 travel spending alone. More relevantly, this would be
7 generating more than \$21 billion in taxes, including
8 \$11.4 billion in federal taxes, which is, ironically,
9 the differed maintenance shortfall.

10 [Laghter.]

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

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

20 To foster dialogue on these critical issues,
21 we recommend TTAB and the Department of Commerce staff
22 should work closely with the U.S. Travel Association
23 and other organizations to better understand their
24 research related to time off and the associated
25 economic health and wellness benefits.

1 We believe the recommendations contained
2 within this document are achievable and will serve to
3 enhance and promote growth in the travel and tourism
4 industry in the United States.

5 I would like to open it up for discussion.

6 CHAIRMAN GILLILAND: Okay. Comments?

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

21 Now obviously given the charter Brand USA,
22 they have to be, obviously, careful to stick to their
23 charter. On the other hand, it seems like there are
24 assets that might be available to us to use as private
25 sector. So as an example, assets would be the

1 advertising that has been developed by Brand USA and
2 perhaps as an example, we are using some of those
3 videos on our own commercial websites and promoting the
4 USA Brand within the U.S. and seeking to convince
5 millennials, but also a lot of folks that are spending
6 money outside of the U.S. right here on our national
7 parks and within the U.S.

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

12 ASSISTANT SECRETARY PERALES: I was going to
13 make a comment that Brand USA -- I was made aware of
14 this campaign, a culinary -- one of the things about
15 Brand USA is that it can think about different types of
16 tourism. It doesn't have to be just one overarching
17 way of tourism, for example, culinary, health, all of
18 these different things.

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

24 CHAIRMAN GILLILAND: Yes. How can we take
25 advantage of those assets within the U.S. And can we

1 in the private sector begin to leverage those, say on
2 our own websites, to promote destinations here in the
3 U.S., culinary or otherwise.

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

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

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

25 SECRETARY SELIG: I wonder if as it relates to

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

10 [Laughter.]

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

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

22 MS. MATTHEWS: And it is a tough message I
23 think because when Angela Merkel was saying don't
24 travel outside of Germany. Germany is the most
25 sustainable, interesting travel you can do if you are

1 German, we all got our backs up.

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

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

8 [Simultaneous speech.]

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

20 [Simultaneous speech.]

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

23 [Simultaneous speech.]

24 CHAIRMAN GILLILAND: Olga, I think you have a
25 -- you might want to --

1 MS. RAMUDO: Yes. When we look at the
2 domestic policy, there is something else that I wanted
3 to bring up or suggest, is that we look at the largest
4 minority in the United States and that is the Hispanic
5 population.

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

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

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

22 [Laughter.]

23 MS. RAMUDO: -- create awareness of what -- if
24 you just create awareness of the importance of this
25 market of the differences when we are setting out a

1 domestic goal. Hispanics are underrepresented in the
2 travel and tourism sector. I know they are not
3 visiting parks as other populations are.

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

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

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

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

22 So I think this is an interesting discussion.

23 Can you actually aggregate your data better, have the
24 data point to where you see good strategies and
25 campaigns without necessarily envisioning your end goal

1 on this or stating it directly? I think the dashboard
2 is an important part of this and will actually sort of
3 direct essentially what would be the game plan.

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

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

20 MS. FERENC: And also relative to the states,
21 it is a question I would ask the state DMOs around the
22 table because this is very much a part of their daily
23 job as well. It is the attracting international
24 visitors, but it is also getting people to travel
25 within their own state.

1 I know in the state of Florida, that is a huge
2 piece of our economy, is the instate travel and the
3 traveling to surrounding states and that kind of thing.

4 So really engaging state DMOs. Where is Todd?

5 MR. RALENKOTTER: Just to kind of put it in
6 perspective, we have had this dialogue over the years
7 of what do you do about domestic. You take Las Vegas
8 with 40 million visitors, 80 percent are domestic and
9 20 percent are international.

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

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

25 I will put on that hat for a minute. Is it

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

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

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

18 MS. ISABEL: Rossi, picking up on what you
19 said -- one of the things that we were looking at was
20 the model of the "Get Milk" campaign when we were
21 looking at the national strategy and in the development
22 of Brand USA. I think that there are two parts to what
23 you say. One is who is going to manage that campaign,
24 but the other is who is going to fund that campaign.

25 The "Get Milk" model is entirely funded, as

1 you know, by the private sector and they pay the
2 Federal Government to execute for whatever reason their
3 associations did not come together around to do that.
4 So in this you may want to look at exploring the
5 different models that exist on a more specific kind of
6 basis to see, you know, what you all would in fact
7 recommend.

8 CHAIRMAN GILLILAND: Brandon, did you have a
9 comment?

10 MR. BELFORD: Only one observation, not to be
11 -- since my former colleagues from OMB and NEC are not
12 here. I think as you mentioned, we have had this
13 conversation for a number of years about how do you
14 strike that right balance around a domestic goal.

15 So I would just caution against kind of taking
16 the blunt approach of a "Drink More Milk" type of
17 campaign. I think at least in terms of getting the
18 Federal Government comfortable with that type of
19 approach, it needs to be a little more nuanced in terms
20 of "Drink the appropriate amount of milk."

21 [Laughter.]

22 [Simultaneous speech.]

23 MR. BELFORD: Even when the economy is
24 recovering, people are very sensitive to discretionary
25 expenditures.

1 COMMITTEE MEMBER: So don't stress the cow.

2 MR. BELFORD: Yes, exactly.

3 [Laughter.]

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

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

18 Take it away, John.

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1 DEPARTMENT OF INTERIOR UPDATE

2 By: John Blair

3
4 MR. BLAIR: First, I would start by saying I
5 think the appropriate level of milk would be 6 to 8
6 park visits a year.

7 [Laughter.]

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

12 The biggest news items that we always have
13 are when the President elects to create new national
14 monuments. So since I was last here, we have two new
15 national monuments and the expansion of a third. The
16 Oregon Mountains Desert Peaks in southern New Mexico
17 was declared a national monument in May. Is about
18 500,000 acres that combines beautiful, beautiful
19 mountains, but a number of cultural and heritage sites
20 as well that were preserved.

21 Later in September, the President expanded
22 what is called the Pacific Remote Islands Marine
23 Monument which actually was a monument that President
24 George W. Bush declared at end of his Administration.
25 When President Bush made it a monument it was an area

1 out in the Marianas Islands, preserved and protected
2 waters 50 miles out from the shore. What President
3 Obama did in September was to expand that to 200 miles
4 out from shore, which covers now approximately 408,000
5 square miles of Marine life, which by all accounts has
6 some of the most pristine green area in the world and
7 it is actually the largest marine monument in the world
8 now. So that was very exciting.

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

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

20 So the Pacific remote islands, there is a
21 great deal of work done by the State Department. NOA
22 clearly played a huge role in that. Actually, the San
23 Gabriel Mountains, most of that land is Forest Service
24 land so that falls under the Department of Agriculture.
25 A lot of exciting things are happening in those areas.

1 There really is a group of Americans who pride
2 themselves on visiting all of the national monuments
3 across the country. So we've seen evidence that shows
4 how declaring an area that may be a state park already
5 or another set of land made a national monument, they
6 do see substantial growth to the local businesses
7 surrounding that monument very, very quickly. So that
8 is exciting stuff happening there.

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

20 Is not simply a matter of how this will affect
21 people who will visit our national parks, but we're on
22 the verge of losing a generation of scientists and
23 conservationists and people who will be the advocates
24 for the land. So the Secretary has really been focused
25 on her youth initiative.

1 It has got four components, play, learn, serve
2 and work in our public lands. We had a retreat on this
3 shortly after I started at the Department, about a year
4 ago, where she challenged her senior leadership team to
5 think about what was your first experience that you had
6 in a park, or your first defining experience?

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

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

22 Earlier this summer we announced that the
23 Coca-Cola Foundation has partnered with the Secretary
24 and has contributed a \$1 million towards her youth
25 initiative to try to get young people outside. The

1 Secretary and the Coca-Cola Foundation of leadership
2 and a number of Conservation Corp members from
3 California spent the day removing invasive species from
4 the Los Angeles River, which was very exciting for
5 everyone who was there and very wet.

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

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

19 There's a whole marketing campaign that
20 Northface has done about these sort of experiential
21 moments that people have across the country. I will
22 have Jenna forward out to you some of the press that
23 went out with this so you can see the video that they
24 have been putting out. Beyond that, while I can't
25 encourage anyone to download the song, we can make sure

1 you know where to go to find it.

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

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

20 They are going with a "Find Your Parks"
21 campaign and so this campaign toolkit will have the
22 logos, it will have public recommendations, research
23 that was done to help develop the campaign, audiences
24 that are being targeted for the campaign, you name it,
25 this website is than have it. There are going to be

1 three phases of this tool kit. It has been launched
2 this week. It will be updated in February of next year
3 and it will be updated again in the fall of 2015 as
4 well.

5 The campaign for the Find Your Parks Campaign
6 for the centennial is actually launching probably in
7 early February and it will go through the entirety of
8 2016. So we would ask that while we want you to go
9 visit the website, downloaded the logos, get your own
10 activities ready, that you don't display the logo or do
11 any of the promotions for the Find Your Parks Campaign
12 until it officially launches in 2015.

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

19 For many of us, particularly those who are not
20 lovers of the outdoors and don't go very regularly,
21 their first experience with the park is not going to be
22 Yosemite or Yellowstone. It will be a city park. It
23 will be a park just outside of the city limits. It
24 will be a part that is much closer and easier for their
25 families to get to.

1 That gets the taste in their mouth. I'd been
2 to the park downtown in New York City and now I want to
3 try and go upstate and see what I can see there, that
4 sort of thing.

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

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

20 The park service is working very closely with
21 a number of corporate sponsors to try and make this a
22 reality, to supplement the funding that is coming from
23 the government. And the campaign that is going to be
24 done is going to be across all media, traditional
25 media, social media, digital media. They are going to

1 have celebrity spokes people. There will be special
2 events, you name it and the Park Service is going to be
3 doing it.

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

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

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

24 CHAIRMAN GILLILAND: Thanks, John.

25 MR. BLAIR: Oh, one more thing I want to add

1 real quick. For all those of you who signed up for the
2 Washington Monument tour, thank you for doing that.
3 Once lunch gets going, we will connect with folks to
4 make sure that we can get everyone over so that they
5 can get up to the top and see what, if anything, has
6 changed post-earthquake.

7 CHAIRMAN GILLILAND: All right. Excellent.
8 Thank you, John. Any quick questions for John?

9 [No response.]

10 Okay. Then we will move on to the Department
11 of State for an update from Thomas Engle.

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1 DEPARTMENT OF STATE UPDATE

2 By: Thomas Engle

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

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

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

25 So we have got now 113 open skies agreements

1 and it remains our policy to negotiate that kind of an
2 agreement with any country around the world that wants
3 to do one with us. So we've had a lot of success over
4 the years, but we have not put ourselves out of jobs
5 yet.

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

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

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

22 China is a big one out there where we don't
23 have an open skies agreement where we would like to.
24 It is obviously a huge market. Ed is going to be
25 issuing those visas with ten-year validity now, so

1 hopefully even more Chinese will be coming to the
2 United States. We want to make sure that our bilateral
3 agreement with China is suited to those times and ready
4 to support the traffic that we hope will be coming. So
5 we hope to be resuming negotiations with China early in
6 the new year on updating our current air services
7 agreement.

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

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

18 CHAIRMAN GILLILAND: All right. Excellent.
19 Well thank you.

20 Any questions? Jonathan?

21 MR. ZUK: Could you expound a little bit about
22 the relationship with China and what is holding it back
23 or what we can do from our position as the private
24 sector to sort of put pressure on whatever log jam
25 there is to open the skies? Ten-year visas are great,

1 but if you can't bring them here, then it is not going
2 to help us.

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

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

18 My argument to them is look, we have this
19 incredibly broad and deep economic relationship now,
20 trade and investment and just the whole gamut has
21 become such an important economic relationship. We
22 have to make sure that aviation reflects the maturity
23 and breadth of that relationship. That is my talking
24 point. It hasn't won the day yet in terms of
25 convincing them that we should go all the way. But we

1 will keep trying. At a minimum, we will seek to ensure
2 that whatever we are able to negotiate, it provides
3 capacity for the kind of travel that is needed between
4 the two countries.

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

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

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

15 MR. ENGLE: Correct.

16 MR. ZUK: Thank you.

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

20 MR. ZUK: Next week.

21 [Laughter.]

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

24 [Simultaneous Speech.]

25 CHAIRMAN GILLILAND: Yes, Brandon?

1 MR. BELFORD: Just to make one point and
2 thanks, Tom for that overview. He stole some of my
3 comments.

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

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

22 So we will move on to a few subcommittee
23 updates and we will start with the Entry Subcommittee.

24 Dave, are you going to --

25 MR. BERG: Yes.

1 ENTRY SUBCOMMITTEE UPDATE

2 By: Mr. Dave Berg

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

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

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

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

1 point.

2 CHAIRMAN GILLILAND: All right. Good.

3 Questions for Dave?

4 [No response.]

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

7 MR. DAVIDSON: All right. Thanks, Sam.

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1 BRAND USA SUBCOMMITTEE UPDATE

2 By: Todd Davidson

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

12 [Laughter.]

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

24 Those two principle tracks that we are focused
25 on, one is the system of managing and evaluating the

1 matching fund requests from Brand USA to the Department
2 of Commerce and any subsequent, then, disbursement of
3 funds for applicable federal laws. The second is the
4 system of accountability whereby Brand USA prepares and
5 submits annual performance objectives and goals to
6 Secretary Pritzker.

7 We held a briefing yesterday where Chris
8 Thompson on behalf of Brand USA joined us and provided
9 our subcommittee with a detailed overview of their
10 balanced scorecard approach to performance measurement.

11 Now we all know because we've seen the research that
12 Brand USA is measuring their direct ROI, but one of the
13 things that really came up for this subcommittee is how
14 do we also measure the impact of their ability to set
15 the table for the rest of us to be able to enter
16 international markets where we might not individually
17 be able to go or they are able to help us accelerate
18 our efforts in those markets.

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

25 Now this is very large growth on a very small

1 number. But at one point, China was probably 10th or
2 12th in terms of market size for Oregon. They are now
3 easily in the top four.

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

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

19 This is not only true for Oregon. This is
20 true for a lot of states and destinations and private
21 businesses here in the U.S. So we are pleased to learn
22 that Brand USA has set increase trip generation in
23 visitor spending as a top-tier goal, but have also
24 added market share growth as a priority metric for them
25 as well.

1 As we see recommendations being developed in
2 this space around the performance metrics, what we are
3 envisioning is really the need to have a shared
4 definition of success. Obviously we are all very
5 focused on the President's goal of 100 million
6 international visitors by 2021, but there are also
7 opportunities to look at Brand USA's work and all of
8 our work in terms of extending length of stay, in terms
9 of making sure our international visitors are exploring
10 a diversity of states and destinations and so many
11 others, all of this with the goal of ensuring that when
12 we as an industry comprised of government agencies,
13 private businesses, not-for-profit corporations, that
14 we speak with one voice as to the contribution, the
15 success and the necessity of Brand USA.

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

19 CHAIRMAN GILLILAND: Any comments?

20 [No response.]

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

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

25

1 BRAND USA UPDATE

2 By: Chris Thompson, CEO, Brand USA

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4 MR. THOMPSON: Mr. Chairman, thank you.
5 Members of the board, it is good to see great
6 colleagues and friends.

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

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

21 So I would like to report on two different
22 fronts. One is our fiscal year is tied to the federal
23 fiscal year, so it closed September 30. I thought I
24 would give you just a quick highlight of what we
25 accomplished what are the highlights in 2014. I will

1 give you a quick overview of 2015 and then answer any
2 questions that anybody might have.

3 So 2014 -- we are a cooperative marketing
4 organization so our success is only as good as the
5 recognition and the value proposition in the
6 partnerships that we create. I can tell you that in
7 fiscal 2014 we grew our partner base. In 2012, we had
8 89 partners that had stepped up and contributed either
9 through cash or in-kind. In 2013, we had 339. In
10 2014, we have 475.

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

22 As far as partners that had been engaged with
23 us over these three years, we have a 94 percent
24 retention rating. That includes those that made the
25 leap of faith in the very first year when there was not

1 established value proposition to those that are now
2 seeing it to greater numbers, not only the large and
3 most established brands, but to, through and beyond the
4 gateways of destinations that represent all that is the
5 United States of America either as destinations or the
6 brands as they are represented around the country.

7 We talk about how we market in three buckets.

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

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

25 We have 12 international offices now that last

1 year had us in 20 markets. In the coming year it will
2 expand to a total of 25 markets. Last year we created
3 Brand USA pavilions in 24 major trade shows around the
4 world that enhance the presence of the United States of
5 America at those shows and in many cases increased
6 participation and certainly increased the effectiveness
7 and exposure and the reach of those shows. This year
8 we will be taking that to 30.

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

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

22 Our third bucket is what I call platforms and
23 programs. Over 50 percent of our resources are
24 deployed in cooperative marketing with our destinations
25 in our brands. We now have over 100 platforms and

1 about 200 different programs that is a menu of
2 opportunities that are brands that are destinations can
3 take a look at.

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

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

14 We have a path to 100 million visitors which
15 is what we project through our partners at the
16 Department of Commerce -- and in conjunction with our
17 friends at Oxford Economics and other resources, we can
18 bring to the table of how are we going to get to that
19 100 million visitors through 20, plus 2 markets. It is
20 our top 20 markets plus Russia and Chile.

21 That path included China before visa validity
22 and now we feel like, obviously, that is going to
23 accelerate our ability to be able to get to that 100
24 million, and particularly from the largest outbound
25 travel market in the world having the ability to do

1 that. So that was a huge win for all of us.

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

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

14 So two focuses in the coming year which is now
15 a month and a half old -- it is hard to believe -- is
16 great outdoors. We are building a great outdoor
17 content hub that is going to focus on everything that
18 is the United States of America that you can experience
19 through the great outdoors. A main focal point of that
20 -- I think I mentioned it to you before -- is going to
21 be our big screen film, one hundredth anniversary of
22 the National Park Service, obviously as was reported,
23 they've got a great and robust campaign to market these
24 treasures to the United States of America and endear a
25 new generation of people that are not only going to

1 enjoy it, but protect it. We are doing the same to our
2 international audience.

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

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

22 I think in China right now there may be less
23 than 100 big-screen films and by the time this
24 anniversary rolls around, there's probably going to be
25 300. So just in that market, those platforms and

1 opportunities for us are going to be great. And a side
2 benefit, though we really can't focus on that, is
3 because it will be in big screen or probably IMAX
4 designation by then, it will have a domestic
5 distribution. So that will be our way to add to what
6 our friends at Interior are doing to actually promote
7 the national parks.

8 The second focus or content is culinary. Last
9 year we launched a culinary guide, 31 celebrity chefs.

10 We launched it during our Independence Day
11 celebrations at all of our embassies around the world.

12 We're going to take the next generation of that
13 culinary diplomacy and that culinary promotion because
14 culinary may be among a few things that literally
15 resonate to any destination. There is a culinary story
16 to be told about any destination in this country.

17 And probably the focal point of that and the
18 bookends of that will be that the next world Expo is in
19 Milan, starting May of next year for six months, there
20 is going to be 25 to 30 million people descending upon
21 the World Expo. We are creating a, or enhancing in our
22 partnership with the Department of State, a USA
23 Pavilion and bringing storytelling through culinary to
24 the World Expo which is all about feeding the world.
25 So we feel like that is going to be a great opportunity

1 and two great examples of our partnership on the
2 public-private side of working and embracing two major
3 agency partners and huge initiatives on their behalf.

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

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

25 With that, Mr. Chairman, obviously there is

1 tons I could talk about and tons I could tell, but I
2 sincerely appreciate the support of this board, the
3 industry at large. I continue to be overwhelmed as I
4 was this morning when I presented with Roger Dapp to
5 the Virginia Governor's Conference on Tourism to the
6 unbridled enthusiasm that still exists as I enter my
7 third year and what we are doing in partnership with
8 the industry and with our federal partners as we move
9 down this path of living up to everything everybody
10 wanted when we passed the Travel Promotion Act and when
11 we created the National Travel and Tourism Strategy.

12 So I am happy to entertain any questions
13 anybody has.

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

17 [Laughter.]

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

22 So it is fantastic.

23 So, Mike?

24 MR. GALLAGHER: Sure. It is spectacular
25 success, Chris, you and your gang. When we talk about

1 this public-private partnership and this is an example
2 of good government that works and it should be held up
3 as that with no matter what party you are from.

4 So we are now coming to the renewal here
5 shortly, I just thought some of the discussion or
6 report on what is happening if it doesn't get renewed.

7 We have Patricia [indiscernible] from U.S. Travel
8 also. So I don't know -- Mr. Chairman, how you would
9 like to orchestrate that.

10 CHAIRMAN GILLILAND: Sure --

11 [Simultaneous speech.]

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

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

22 I can tell you that in marketing, you know,
23 you are usually 18 months out, at least. There are
24 some major decisions we are having to make as it
25 relates to investment in our digital platform. Moving

1 forward with anything that is a major investment,
2 anticipating that we are going to be looking at another
3 five years -- that is on hold right now.

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

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

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

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

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

24 We are basically in a position right now where
25 there really is a short period of time -- maybe two

1 weeks in December, and really that first week may or
2 may not have a lot of things on the agenda -- they are
3 working through a lot of leadership selections and
4 committee selections this week, so we don't anticipate
5 anything will happen. However we are continuing and
6 have been talking to people during the recess about
7 possible vehicles for moving Brand USA reauthorization.

8 So we have talked about moving it on its own.

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

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

19 So we are continuing to negotiate some sort of
20 agreement with those Senators and there is still
21 potential that we will come to an agreement. There
22 will be additional concessions that we will have to
23 make on the reauthorization legislation, but we have
24 all ready talked to Brand USA about those and we think
25 that they are doable. So that track is still in play.

1 The other track would be to try to attach the
2 legislation to any must pass vehicle. We think Brand
3 USA is a must pass vehicle, but leadership doesn't
4 necessarily see it that way. They are looking at other
5 things that actually expire in December as must-pass
6 vehicles such as the federal budget.

7 [Laughter.]

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

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

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

24 So if there is a continuing resolution, the
25 chances of us being attached become a lot smaller

1 because they tried to keep those clean. But we are
2 looking at -- there are about four or five other bills
3 that do expire this year, so we are trying to just
4 attach ourselves to any one of those moving vehicles
5 and we have a few strategies that we are considering.

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

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

19 CHAIRMAN GILLILAND: All right. It sounds
20 like U.S. Travel is on it. Thank you for that.

21 I think construction will start again in a
22 couple of minutes.

23 [Laughter.]

24 CHAIRMAN GILLILAND: Seriously. So Brandon,
25 you are the only person between us and my very brief

1 closing remark. So let's give you as much time as we
2 can without that construction.

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

5 CHAIRMAN GILLILAND: Okay.

6 MR. BELFORD: Again, I apologize for missing
7 the earlier portion of the meeting and Margaret's
8 presentation.

9 CHAIRMAN GILLILAND: It is great to have you.

10 MR. BELFORD: I did kind of go through the
11 letter and I think that -- really glad to kind of be as
12 supportive as we can to that recommendation for greater
13 collaboration between the two departments.

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1 DEPARTMENT OF TRANSPORTATION UPDATE

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

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

10 I think one, obviously, we are still -- we
11 have two major pieces of legislation that are still on
12 our plate at the Department. I think what is actually
13 very helpful about this group's engagement on
14 transportation issues is that Secretary Foxx, even last
15 week when he was talking to aviation stakeholders and
16 now as he is talking to transit stakeholders, he is
17 really trying to get the message out that
18 transportation -- and probably the industry at large --
19 needs to get away from kind of thinking about it being
20 a rail issue or a transit issue or a surface
21 transportation reauthorization bill or a FAA
22 reauthorization bill because if you don't have funding
23 for airports and aviation systems, that is going to
24 impact our roads, highways and rail systems and vice
25 versa.

1 So pulling in the travel and tourism related
2 equities and considerations is actually exactly what
3 we're trying to do at this point in time. So the
4 Administration has our four-year Grow America Act out
5 there for surface transportation. Our plan is to
6 continue to push that not only in the lame-duck, but
7 really into next year. Really a lot of that strategy
8 is going to be unpacking what some of those benefits
9 are.

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

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

25 I know there was a conversation earlier about

1 NextGen and where that stands. We are still in the
2 process of getting feedback from our stakeholders on
3 what exactly a FAA reauthorization bill looks like.

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

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

19 I think Tom already kind of mentioned a lot of
20 the things that we are doing in open skies to improve
21 access to international markets both domestically and
22 for foreigners coming to the U.S. So I just want to
23 touch on the other piece that was mentioned in the
24 letter around the 30-year plan that the Secretary's
25 undergoing right now.

1 Again, I think it is great that this group
2 wants to be engaged and ensure that we have got those
3 travel and tourism related considerations and not only
4 these legislative bills that are out there, but also
5 this longer term kind of 30-year plan. So where we
6 currently are is we are expected to kind of get our
7 first draft of what the physical text might look like
8 in that chapter -- in that 30-year plan and then go
9 forward with having continued conversations with our
10 stakeholders in broader industry on what are we
11 missing, what are more opportunities.

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

18 I guess I would just close on that last point.
19 I think the letter or the recommendation is great, but
20 I think the biggest thing that I kind of got from that
21 recommendation is that -- needing to have that direct
22 vehicle for the Commerce Department and the travel and
23 tourism industry by way of the Commerce Department to
24 really ensure that not just myself and not just Susan
25 [indiscernible] in our shop, but really the Secretary

1 on down, everyone on her leadership team has travel and
2 tourism related issues on their front burner at all
3 times when we are making decisions on funding a transit
4 system or when we are making decisions on cross-border
5 trucking or whatever it might be, that we are ensuring
6 that we are getting the travel and tourism industry's
7 perspective in that decision-making process.

8 So with that, I avoided construction.

9 [Laughter.]

10 CHAIRMAN GILLILAND: Thanks, Brandon, I
11 appreciate it and I'm sure you know that we are happy
12 to connect with anyone and everyone at DOT around the
13 travel and tourism perspective. You've seen that from
14 the TTAB over a longer period of time. So we would be
15 really happy to spend more time on this issue. That is
16 certainly reflective of the recommendations of the
17 subcommittee. So thanks very much for the update.

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

24 I really appreciate the work that has been
25 done and I know there is a lot more in front of us that

1 will come at the next meeting. I guess I would just
2 encourage as you think about the recommendations for
3 next time, I would encourage you to come back to the
4 message that we heard from Stefan today and also from
5 Bruce Andrews around prioritization.

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

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

13 MS. PILAT: We are working on it.

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

17 MS. PILAT: Lost and found.

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

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

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

24 MS. PILAT: I think they are on forever, for
25 the term, I should say.

1 CHAIRMAN GILLILAND: That is right, for the
2 term. So we will continue on with that, yes, Don.

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

9 [No response.]

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

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

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

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

25

C E R T I F I C A T E

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