

TRAVEL AND TOURISM ADVISORY BOARD

N.W. Room 4830  
DOC Building  
14th & Constitution Avenue.  
Washington, DC  
Tuesday,  
October 2, 2012

The meeting was convened, pursuant to  
notice,  
at 2:04 p.m., MR. TODD DAVIDSON, Chairman, presiding.

APPEARANCES:

MEMBERS OF THE BOARD

MR. TODD DAVIDSON, Chairman  
Chief Executive Officer  
Travel Oregon, OR

MR. SAM GILLILAND  
Chairman and Chief Executive Officer  
Sabre Holdings, TX

MS. HOLLY AGRA  
President  
Chicago's First Lady Cruises

MR. ADAM SACKS  
Managing Director  
Tourism Economics

MR. GREG STUBBLEFIELD  
Executive Vice President and  
Chief Strategy Officer  
Enterprise Holdings

MR. JOHN SPROULS  
Chief Executive Officer  
Universal Orlando Resort  
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Universal Parks and Resorts

MS. MAUREEN BAUSCH  
Executive Vice President of  
Business Development  
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MS. LINDA CARLISLE  
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North Carolina Department of  
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Founder, President and Chief  
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MR. ELLIOTT FERGUSON  
President and Chief Executive Officer  
Destination DC

MR. KIRK HOESSLE  
President  
Alaska Wildland Adventures, AK

MR. MICHAEL GIBBONS  
President, Mainstreet Ventures, MI

MS. CAROLINE BETETA  
Brand USA

MS. OLGA RAMUDO  
President and Chief Executive Officer  
Express Travel of Miami, Inc., FL

MR. JONATHAN ZUK  
Founder  
Chief Executive Officer and President  
Amadeo Travel Solutions, NJ

MR. MARIO GONZALEZ-LAFUENTE  
Executive Director  
Puerto Rico Tourism Company, PR

MR. CHANDRAKANT "C.K." PATEL  
President, BVM Holdings, Inc., GA

MS. CAROL WALLACE

President and Chief Executive Officer  
San Diego Convention Center Corporation, CA

MR. STEVEN THOMPSON  
Chief Executive Officer  
Johns Hopkins Medicine International, MD

EX-OFFICIO EXECUTIVE BRANCH MEMBER  
REPRESENTATIVES

MR. DOUGLAS SMITH  
Assistant Secretary for the Private Sector  
Department of Homeland Security

U.S. DEPARTMENT OF COMMERCE

DR. REBECCA BLANK  
Acting Secretary of Commerce

MS. NICOLE LAMB-HALE  
Assistant Secretary for Manufacturing  
& Services  
U.S. Department of Commerce

MS. JENNA PILAT  
Deputy Director  
Office of Advisory Committees

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CALL TO ORDER, OPENING REMARKS & INTRODUCTIONS

Todd Davidson, Chair

CHAIRMAN DAVIDSON: All right. Jenna will probably have a fit that I'm going to start this meeting and she's not in the room, but I've got the gavel. We'll call this meeting to order.

I hope you'll start by joining me in thanking Elliott. For those of you that were able to be at -- and see --

(Applause)

CHAIRMAN DAVIDSON: We saw Natitude. We had a chance to see Douglas Smith kind of do his super-hero routine where he ran out of the room in his suit, came back in dressed as a Nats mascot.

(Laughter)

MR. SMITH: Not Teddy, for those of you who -

CHAIRMAN DAVIDSON: But Elliott made sure that this -- was presented to the Travel and Tourism Advisory Board for Excellence in Travel and Tourism Promotion, National Park, October 1, 2012. Elliott, thank you for what was a really, really memorable evening for all of us.

1 (Applause)

2 MR. FERGUSON: You ended up bringing us luck  
3 even though we lost the game. So what, you know?

4 CHAIRMAN DAVIDSON: To the thank-you notes  
5 are going out to Pittsburgh for beating the Braves.  
6 Just checking.

7 Well, my name is Todd Davidson and my day job  
8 is -- I have the privilege and pleasure of serving as  
9 the CEO of Travel Oregon. I also am privileged during  
10 this charter to serve as the chair of the U.S. Travel  
11 and Tourism Advisory Board. It's my pleasure and  
12 honor to welcome all of you here today to one of our  
13 regularly scheduled meetings.

14 I would like to start by doing some self-  
15 introductions. Sam, we will begin with you, sir.

16 (Whereupon, the attendees introduced  
17 themselves.)

18 CHAIRMAN DAVIDSON: We also have several  
19 guests that have joined us, which is very encouraging  
20 as a board. Steve, if we could, we'll start with you  
21 and can do introduction around the room.

22 (Whereupon, the guests introduced  
23 themselves.)

24 CHAIRMAN DAVIDSON: Thank you all for joining  
25 us here today. It's great to have you all here. We

1 appreciate it very much.

2 I'd like to thank all of you as members of  
3 the TTAB, both the sitting members and our Federal  
4 partners, for just the sheer level of engagement. I  
5 don't know about you guys, but the excitement in the  
6 industry right now is unprecedented, in my opinion.

7 What we had a chance to experience with two  
8 Cabinet Secretaries coming in, as well as a number of  
9 other high-ranking appointed officials and the content  
10 that was there, it was rich. So thank you very much  
11 to everybody at the State Department for what was a  
12 very informative global summit this morning and your  
13 attention to the travel and tourism industry. We  
14 truly, truly appreciate that.

15 We've seen that engagement with our friends  
16 at the State Department, we've seen our colleagues  
17 with the Interior Department, as you heard today,  
18 recreation.gov, and the complete facelift that has  
19 happened there and their commitment to making that  
20 data portfolio, the itineraries that they're putting  
21 on recreation.gov that are originating in some of the  
22 major international gateway cities, but making sure  
23 that folks are getting out and exploring the rural  
24 parts of our state and our great national parks as  
25 well, and of course, being able to recently be in



1 Tokyo for the Japan Association of Travel Agents'  
2 Travel Showcase and participate in a signing ceremony  
3 for a Memorandum of Understanding with our friends at  
4 Brand USA and the Japan Association of Travel Agents,  
5 but to be able to walk the Brand USA pavilion and to  
6 see every destination, every corporate U.S. business  
7 there represented within that brand, embracing the  
8 brand, having the brand prominent within their booth.

9  
10 Their colleagues at Homeland Security, CBP,  
11 Steeping Right UP, all their information is well  
12 entrenched within that Brand USA pavilion and the  
13 Brand USA branding elements that were in their booth  
14 as well. I mean, there was no doubt that the Brand  
15 USA presence had arrived at JADA this year and it was  
16 obvious to everybody that was at the show.

17 For those of you that may not know, we were  
18 facing a situation last spring where we probably had  
19 about 12 booths registered for JADA. We typically had  
20 had many, many more booths than that, but there just  
21 hadn't been perhaps as strong a push to have the  
22 presence from the U.S. side.

23 Then Brand USA announced that Japan was going  
24 to be one of the major markets that they were going to  
25 launch their advertising campaign in, and several

1 folks picked up on that theme and realized that JADA  
2 was going to come at the culmination of a 90-day  
3 consumer-directed advertising effort. Why would we  
4 not want to be present at the show? Long story short,  
5 we wound up with the largest delegation the U.S. has  
6 ever had at JADA and the largest delegation period of  
7 any country present at JADA this year.

8 I give a lot of credit to the work of the  
9 Brand USA team for making sure that the U.S.  
10 businesses and destinations knew that there was an  
11 opportunity there for them to be able to leverage.

12 Of course our friends at DOT that just  
13 provided us with the NextGen briefing, that is such a  
14 critical element as we move forward. I really  
15 appreciate the time you put into compiling that  
16 NextGen briefing for us so that we can as a board help  
17 move that forward, as I know Sam had asked in the  
18 meeting specifically: what can we do as a board? What  
19 can we do as the private sector to help bring  
20 awareness to this particular project?

21 So our Federal partners have been deeply,  
22 deeply engaged, and you as members of the TTAB have  
23 been as well. Many of you know that Drew Baer has left  
24 us and decided to try a career in retail.

25 (Laughter)

1           CHAIRMAN DAVIDSON: Nancy, I know you're in  
2 the room so I'll be kind. Although she did share with  
3 me that as he departed Carlson to actually get his  
4 kind of foot in the door with the good folks at Best  
5 Buy, he actually worked on the floor at the Best Buy  
6 in St. Cloud, Minnesota, so he got a feel -- before he  
7 moved to the C suite he got a feel for what it was  
8 like on the retail floor. So those of us that know  
9 and love him know that he's a turn-around strategic  
10 export and he will do great things for Best Buy.

11           But into that vacuum, John, who had been  
12 serving as our vice-chair of our Travel Facilitation  
13 Subcommittee has stepped up. Kathleen has stepped in  
14 as the vice-chair of our Travel Facilitation  
15 Subcommittee.

16           So, I really appreciate the two of them  
17 readily and willingness succumbing to Jenna's kindness  
18 and pressure and agreeing to -- you didn't have to get  
19 the bat out for that one, but we do appreciate you two  
20 volunteering in that capacity.

21           And again, many of you are engaging with Sam  
22 and I in between meetings as well. Olga has reached  
23 out to me with questions and concerns that could be  
24 brought forward to the Travel Facilitation  
25 Subcommittee for consideration. Other members have as

1 well. I love that level of engagement. As we unleash  
2 you in between meetings to work within your  
3 subcommittees to generate those kinds of  
4 recommendations, that's where the really important  
5 work of this board is obviously going to happen.

6 I also want to take a brief opportunity,  
7 although I'm going to take a little bit longer one  
8 perhaps a little bit later, to thank one of our  
9 members who is going to get even more engaged, but  
10 perhaps in a different level, because he has agreed to  
11 come in and serve as the new president and CEO of  
12 Brand USA, and that's our very, very good friend, Mr.  
13 Chris Thompson, who is currently the president and CEO  
14 of --

15 (Applause)

16 CHAIRMAN DAVIDSON: I'll tell you, from a  
17 very personal perspective you couldn't have picked a  
18 better guy and I couldn't be more excited for the  
19 future as we move into Brand USA 2.0, as you two are  
20 affectionately referring to it. So we look forward to  
21 your update that you're going to be bringing to us in  
22 just a little bit.

23 So today's agenda. We are going to have some  
24 key updates. We'll hear from our partners at the  
25 Federal, with our U.S. Government partners, and then

1 we will hear from our subcommittee chairs as they  
2 bring some of the discussions forward that they've  
3 been having in their subcommittees and hear about that  
4 work.

5 We're going to make sure that we've got time  
6 at the end for discussion. It's probably going to  
7 ensue as we start bringing some of these ideas forward  
8 from some of our different subcommittees, and there  
9 may be asks that they bring to us as that broader  
10 board.

11 So as we open today's meeting and as we  
12 listen to the updates from our Federal partners and  
13 from our subcommittees, I would just ask that as we  
14 move forward you just kind of recall the encouraging  
15 words and the statistics that we've all heard this  
16 morning.

17 You contemplate the contents and the vision  
18 that are contained in the National Travel & Tourism  
19 Strategy and begin to deliberate in your own mind what  
20 some of the recommendations that this TTAB can, and  
21 must, bring forward to the Secretary to not only  
22 sustain the momentum that we're enjoying right now,  
23 but to accelerate it, to amplify it.

24 We talked a lot about the three-legged stool  
25 in the U.S. travel and tourism industry and that

1 there's a marketing role that is fulfilled by our  
2 friends at Brand USA. There's an industry advocacy, a  
3 lot of work being done on the Hill by our colleagues  
4 in the trade associations, most notably U.S. Travel.

5 There's the policy arena, and that's ours.  
6 That's where we have an opportunity to bring policies  
7 forward that are going to help direct the future for  
8 travel to and within the United States.

9 This board's recommendation is built on a  
10 legacy. When you look at the President in January of  
11 this year and the executive order that was issued and  
12 the national travel and tourism strategy that has now  
13 been borne out of that effort, a lot of the foundation  
14 for that was the work of the previous board that was  
15 chaired by our friend Rossi.

16 We, as a board, have a similar charge. So I  
17 would just ask that as we move forward, we stay true  
18 to that charge, that we bring that industry  
19 perspective to help prioritize many of the objectives  
20 and goals that are contained in the national travel  
21 and tourism strategy and help our Federal partners  
22 make that plan actionable as they move it forward.

23 In that regard, it is my pleasure at this  
24 time to re-introduce to everyone Mr. Ken Hyatt. Ken  
25 is currently the Acting Deputy Under Secretary for

1 International Trade at the Department of Commerce.  
2 Ken has been as committed to the success of this  
3 industry as anybody I've had the pleasure of working  
4 with here in the Department of Commerce.

5 When my phone rings about 3:30 in the  
6 afternoon I can usually look down and see that it's  
7 Ken and it means he's beginning his drive home, and I  
8 usually talk to him as he's commuting home. He's been  
9 thinking about travel and tourism all day as he's  
10 moved in and out of different meetings, and I seem to  
11 be this opportunity to kind of decompress.

12 MR. HYATT: Hands-free.

13 CHAIRMAN DAVIDSON: Always hands-free.  
14 Always hands-free. Then he drives up the driveway,  
15 his wife says hello, and it's time for him to hang up.

16 So Ken, it's great to have you here. Thank  
17 you for your support of the industry over the past  
18 many, many months.

19 MR. HYATT: It's been my pleasure.

20 CHAIRMAN DAVIDSON: The floor is yours, my  
21 friend.

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8                   REMARKS

9                   DEPARTMENT OF COMMERCE UPDATE

10                  AND TOURISM POLICY COUNCIL UPDATE

11                  Ken Hyatt, Acting Deputy Under Secretary  
12                               for International Trade

13  
14                  MR. HYATT: Thank you. Thank you. It is  
15 actually unusual to actually see Todd as we speak.  
16 I'm so used to those calls back and forth.

17                  Welcome, on behalf of Acting Secretary Blank,  
18 from CISCO. Nicole and I tend to trade off as to who  
19 comes to the TTAB. Everyone is on the road. As a  
20 couple of us were even talking this morning, they are  
21 jealous that I'm here. But on the other hand, they  
22 are supporting your industries. They are traveling  
23 somewhere, so they're staying in hotels, they are  
24 renting cars, they've been on airplanes. But I do  
25 welcome you here.



1           Being in the meeting this morning, and I  
2 understand there were sets of meetings yesterday, the  
3 level of energy, the level of commitment is pretty  
4 obvious. I think it's also fair to say that this  
5 board, thanks to both of you, has been a model for how  
6 these boards work. I think both the strategy itself  
7 reflects some of the thinking, but just the commitment  
8 to this board and actually the fact that everyone is  
9 here, just look around the room.

10           But I want to again thank you for everything  
11 you've done so far and, for those people who were at  
12 State this morning, there's just no question though  
13 that the energy must continue, right? It is great and  
14 wonderful to put plans on paper and articulate some  
15 goal out there in the distance. We have these little  
16 work plans for the strategy which we hope to share.

17           Secretary Salazar was traveling yesterday so  
18 we couldn't do it, but we still have now that  
19 continued challenge going forward about how you  
20 implement this, whether it is innovating in Douglas's  
21 space and/or Ed's space, how we continue to innovate.

22           But there is still this continued need going forward.

23           The team, as we were preparing for it, gave  
24 me a quote from Taleb Rifai, who many of you know--and  
25 I probably didn't pronounce his name correctly. Was

1     that correct? Close enough?--who I met as well.  
2     There's this great quote about tourism being a -- has  
3     evolved into a global phenomenon, one of the most  
4     important sectors and social activities of our time.  
5     He talks about the percentage of GDP, et cetera.

6             Although we are about the U.S., I was with  
7     sort of the Vice Minister of Burma--of Myanmar. To  
8     our State colleagues, Burma, to those from the  
9     country, Myanmar. We are still working through how to  
10    call it--but we were talking about -- and if you've  
11    been tracking there's been democratization in Myanmar  
12    over the last couple of years, right? There's a Nobel  
13    laureate who helped lead the transition and they are  
14    an economy, a country, and a government in transition.

15            I was in Egypt a couple of weeks ago,  
16    actually on 9/11, another government in transition.  
17    In both the countries, the conversation went to  
18    tourism almost immediately, in both countries.  
19    Obviously Egypt was the more developed tourism sector,  
20    but recognizing the importance of the sector globally.

21            So again, I think it's extraordinary to be  
22    here, and the work that people are doing here -- as  
23    people have said, the industry continues to be strong,  
24    up 9 percent this year in terms of international  
25    dollars, up 6 percent in terms of visitation through

1 July. So we continue to get very, very strong  
2 performance. Again, let me briefly update you on a  
3 couple of topics and then let me turn it to Brand USA.

4 Actually, I did want to also thank Brand USA,  
5 because I think that -- I was speaking with Roger Dow  
6 before the meeting today and thinking about  
7 conversations we had 60 days ago or 90 days ago. I  
8 think both the progress you've made as an  
9 organization, but also industry support in the  
10 organization, has been extraordinary, because again we  
11 had conversations 60, 90 days ago, where are the  
12 contributions going to come from, how do we value  
13 them, how do we take advantage of this two-for-one  
14 match.

15 So I really think, both to you the industry  
16 who did step up and to the organization, just a great  
17 thanks because I think the progress has been really  
18 extraordinary. Literally, I think 60 days ago I don't  
19 think this conversation -- I don't think the update  
20 you're about to give would be the update you're about  
21 to give.

22 That being said let me give three brief  
23 updates: tourism strategy, in-flight survey, and  
24 National Tourism Office. Some of you heard this  
25 earlier, but let me at least go through it quickly.

1 The tourism strategy. We created four working groups  
2 to take the words of the strategy and turn it into a  
3 work plan.

4 Again, we've sort of now been spending weeks  
5 with, how do you take an objective, translate it into  
6 tasks, assign responsibility dates, et cetera, et  
7 cetera? We were hoping to have this done yesterday,  
8 but again, Secretary Salazar was traveling.

9 Our hope is to lock down this plan within the  
10 month, hopefully. At least, we're trying to schedule  
11 it for October. It is in four different pieces.  
12 There is a set of activities on marketing and  
13 promotion, a set of activities on travel facilitation,  
14 a set of activities on visitor services, and a set of  
15 activities on research and metrics. Within each of  
16 those we have very senior folks within the government  
17 leading each of those subcommittees and we have, I  
18 think, a pretty robust plan.

19 Again, the hope is that we lock it down  
20 within the month, and then we're going to share it out  
21 and get your feedback. What else do we need to think  
22 about on the comment that came this morning on  
23 metrics? We'll make certain that that is imbedded and  
24 we consider that. So, that's number one.

25 In-flight survey, number two. If you have

1     been tracking Washington, a continuing resolution was  
2     passed on Friday. For those of you who are not in  
3     Washington, that at least means we get to keep working  
4     for a period of --

5             MR. SMITH: We'll still be working. The  
6     question is whether you can be paid for it.

7             MR. HYATT: And the continuing resolution is  
8     from yesterday to the end of March, a six-month  
9     continuing resolution. The implication of that for  
10    the in-flight survey is it means there is funding for  
11    the in-flight survey through March. All right. We've  
12    even spent the last 24 hours on that topic: are we  
13    really sure? Are we, like, really, really sure?  
14    That's been sort of confirmed up and down the board  
15    here.

16            So number one implication: critical -- we're  
17    funded through the end of March. Post-March, we are  
18    excited to hear the output of Rossi's and Laura's  
19    committee on research and how we're thinking about  
20    research and how we're going to fund it, but at least  
21    I can say we're funded through March. If you've been  
22    tracking the goings on here, it is very hard to say,  
23    talk about April 1st from the government perspective  
24    on this topic, right? But what it does say is we're  
25    funded through March 31st. All right.

1           And part of the issue is, you don't know,  
2           will there be another continuing resolution? Will the  
3           President's budget be passed? What will happen  
4           between the House and the Senate? The continuing  
5           resolution will actually prevent a fair amount of  
6           conversations on some of those issues short term, but  
7           we are good through the end of March.

8           The last comment, and I mentioned it this  
9           morning, on the National Travel and Tourism Office.  
10          One of the implications of the CR is that we cannot  
11          start something new, so it again pushes the -- likely  
12          pushes the creation of that office back. We are  
13          separately having conversations with the Office of  
14          Management and Budget and with the Hill, which could  
15          lead -- in the broader reorganization of the ITA,  
16          which could lead to something happening more quickly.

17          But again, it's very hard to predict. We need  
18          approval for something like that because under the CR  
19          you can't start something new. So that's, I think,  
20          the highlights.

21                 If there's a question from anyone --

22           CHAIRMAN DAVIDSON: Any questions for Ken?

23           MR. HYATT: On that or other topics?

24                 (No response)

25           CHAIRMAN DAVIDSON: All right.

1 MR. HYATT: Thank you. Thank you.

2 CHAIRMAN DAVIDSON: Thank you, Ken.

3 MR. HYATT: I'm excited to hear the Research  
4 Committee.

5 CHAIRMAN DAVIDSON: We'll save them for last  
6 then. That'll just be the tease. All right. Well,  
7 Ken, thank you very, very much.

8 It's my pleasure now to turn it over to our  
9 colleagues who are here to give us an update on Brand  
10 USA. I already took the liberty of recognizing Chris  
11 as one of the current TTAB board members who is now  
12 moving into this new position. I want to now take the  
13 opportunity to thank, as generously and graciously as  
14 I can, the very selfless efforts of Caroline Beteta,  
15 as the president and CEO of Visit California.

16 (Applause)

17 CHAIRMAN DAVIDSON: When Jim stepped down in  
18 June, Caroline stepped in as interim CEO. Her board  
19 supported that move. She has been bi-coastal.  
20 Probably felt a little bi-polar.

21 (Laughter)

22 CHAIRMAN DAVIDSON: But time zones are  
23 irrelevant to her right now. I get emails from her at  
24 all times, voice mail messages, anytime day or night.  
25 She has no clue where she is. She brought some of

1 her team in. Matt Sabatini is joining us here. Matt  
2 is one of her key staff in California and he's become  
3 instrumental with the Brand USA during this  
4 transition. Matt, it's great to have you here as  
5 well, sir.

6 But Caroline has really exemplified the  
7 spirit of hospitality that makes the U.S. travel and  
8 tourism industry so wonderful. So, Caroline, thank  
9 you very much for your leadership and for your service  
10 to this country, not only to our industry. So I  
11 appreciate it very, very much and we look forward to  
12 the update that you and Chris have for us today.

13 So, it's all yours.  
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BRAND USA UPDATE

Caroline Beteta, Board Chair, Brand USA

Chris Thompson, Board Member & Incoming CEO, Brand USA

MS. BETETA: Thank you, and everyone in this room. It's really gracious and it really couldn't have been done without all of us as individuals working together as one unit. Just as Ken said, we started 60, 90 days ago and we were in a completely different place, and a fantastic place.

Brand USA -- the first meeting I had with Ken I said, you know, launching a start-up in a Federal Government environment is -- I don't even know if there's an adjective to describe such a thing. But nonetheless, we all took that bold step and started

1 in. Like any start-up, speed to market is really  
2 important, and to show traction and results is  
3 critical.

4 That's really what that first phase was about  
5 with Brand USA. But I likened it to interval  
6 training. I think the first week I got here, you know,  
7 you start out with that sprint and you can only  
8 sustain that so long and then you've got to level out  
9 to bring the oxygen back into the red blood cells and  
10 deeply inhale. That piece of it was really some of  
11 the things that, as I came in at the first part of the  
12 summer, were to focus on five key areas, to talk about  
13 where we got to. It truly is a "we". First,  
14 maximizing resources and looking at cost containment  
15 and efficiencies. So within the first day, walking  
16 over to the Department of Commerce, sitting down with  
17 Ken Hyatt, I thought it was going to be a meeting of  
18 just the two of us and there were about 12 people in  
19 the room.

20 So working in a larger fishbowl, so to speak,  
21 which turned out to be a benefit and gift truly, and  
22 being able to create structure around really the  
23 operating protocols to enable Brand USA to maximize  
24 the revenue that was needed in order to put together a  
25 world-class national tourism commodity board, is what

1     it really is, a lot like what Chris and I have in  
2     Florida and California. We were able to do that  
3     because of incredible professionalism and leadership  
4     of Ken.

5             Many of you around the table, and of course  
6     TTAB, I think that was the first call. I never went  
7     home. I was in Holland when the call came and didn't  
8     get to go home, so I think I was texting Todd as I was  
9     landing at Dulles, going, can you help navigate some  
10    of this?

11            So you guys have been incredibly teaching me.  
12    You really have shown incredible results and  
13    relevancy in this process. Chris and I talked about  
14    just sitting in that room and the State Department  
15    this morning, as well as Rossi, saying, wow, we're no  
16    longer standing outside the room. We're not only in  
17    the room, but we're at the table.

18            Two Cabinet Secretaries? A dialogue that has  
19    now resonated in the very fabric and DNA? It's  
20    incredible, and for a justified reason: its revenue  
21    and jobs. But it was a monumental moment. We've  
22    worked with many of you around the room and there's  
23    been this kind of one-dimensional -- which is a  
24    compliment to all of you as individuals.

25            I saw that coming together today and it

1 really is in the -- when we looked at it from the  
2 private sector vernacular, I say a three-pronged  
3 stool: the TTAB board, U.S. travel, as well as Brand  
4 USA. I'm pleased that a four-pronged stool is much  
5 steadier, and that's our government partners that we  
6 value so much, all the people in this room.

7           So we looked at cost efficiency, which we  
8 were able to obtain, of course maximizing resources.  
9 It's really important as you finish that first spring  
10 in your leveling out and building an operational  
11 infrastructure, so really digging in deep and creating  
12 accounting systems and creating IT systems and  
13 implementing policies and procedures and alignment  
14 between staffing and resources, all the stuff that we  
15 all have to do and go back home every day, but we  
16 never talk about to our respective boards or  
17 constituencies, but it's the essential ingredients to  
18 ensure that you are able to sustain a long-term rate  
19 of success. You've got to have a foundation. That  
20 was what we attempted to do. Todd, thank you for  
21 recognizing that. He's just been an incredible -- for  
22 us.

23           We have an incredible operation at home in  
24 California. I know that between us and our board that  
25 embraced that, and with what Chris is bringing to the

1 table, you will have an exceptionally strong  
2 foundation. We are fierce competitors here, and he  
3 beat me on this one, but I had said in a meeting  
4 yesterday, Visit California has 15 years of  
5 unqualified audits with no management opinions. We  
6 will have that with Brand USA. It's tough medicine,  
7 but we will be strong and transparent. Chris says I  
8 have 16.

9 (Laughter)

10 MS. BETETA: So with that, we continued on to  
11 work with all of you in restoring relationships and  
12 communications and strengthening those on the Hill, as  
13 well as this administration. I thank you for  
14 embracing us on that because that really made the  
15 difference. I appreciate the support of this  
16 incredible board. David Lim is here with us today  
17 from Amtrak, who has also now taken on the  
18 responsibility as the vice-chair of Marketing, a very  
19 important position obviously.

20 Mike Gallagher introduced himself under two  
21 entities. We also liked the loaned executive so much  
22 with myself and Matt, I thought, well, let's just keep  
23 going. We brought in Mike Gallagher, who's on a three-  
24 month assignment, to really work with industry and  
25 continue to put together strategic relationships that

1 are meaning from beginning to end, along with the  
2 highly professional team at Brand USA, of course.

3 Finally, looking to the future, we have this  
4 first time where the board started to turn it over.  
5 Now, I remember, having been the first executive at  
6 Visit California, the first time the board turned  
7 over. Steven, as chair, did a great job at creating a  
8 start-up. It's a messy process. He, as an  
9 entrepreneur, I think thrives in that type of  
10 environment.

11 Other people like to then look at deepening  
12 and enriching operations as you go forward. We have  
13 turnover now. Arnie Sorenson has joined that board,  
14 the CEO of Marriott, and it's exciting to see that  
15 first turn of the new leaf. Then of course, Chris  
16 Thompson. I can't think of a better talent that could  
17 take over this organization this time.

18 I'm smiling ear-to-ear because I know between  
19 this board, the Brand USA board, our four-strong  
20 stool, and now with Chris, we are just in a position  
21 to continue that great traction and those results that  
22 we have seen through the summer. So I'm not leaving  
23 entirely. I'll spend the next year as chair and it  
24 will be absolutely my pleasure to work under Chris's  
25 leadership and umbrella with all of you. So, thanks

1 for your patience.

2 We will be bringing -- right up to the table  
3 as we have in our respective organizations as we go  
4 forward next year and -- enriching the planning  
5 process now that we have a better idea where our  
6 resources are. So I appreciate the support and want  
7 to recognize Aaron down at the end of the table as  
8 well. He's just been an incredible, stable entity  
9 within Brand USA, helping us and staffing us.

10 But he put up on the board, and I'll close  
11 with this--Todd opened with it--we have 260 partners  
12 that we are currently engaged in so we are no longer  
13 start-up and adolescent. We are a fully functioning  
14 and operating organization, thanks to all of you.  
15 This is just a snapshot of those. The list continues.

16 But this organization now has institution behind it,  
17 and that's all of you. We look forward to help bring  
18 about creating jobs and revenue for America.

19 So, Chris?

20 MR. THOMPSON: Well, thank you. She's  
21 wearing three hats now so I'm having a hard time  
22 figuring out how to address her. I keep reminding her  
23 that she is the interim president and CEO of Brand USA  
24 until November 1, when I will have the opportunity to  
25 take over full-time. And of course, she's the chairman

1 of the board as of yesterday. So I can't say enough.

2  
3 I knew Caroline from a distance as a  
4 competitor, a friendly competitor. I really got to  
5 know her when I was given the opportunity to be the  
6 president and CEO of Visit Florida, I guess, about  
7 three and a half years ago. I can tell you that she is  
8 being very humble and he had no idea what her summer's  
9 been like and wearing all the hats she's wearing. We  
10 owe her a debt of gratitude beyond anything that  
11 anybody could know. I'm only -- the appreciation for  
12 that -- started yesterday and over the next couple of  
13 days.

14 I've been processing this opportunity for  
15 quite some time now with -- and I'll just be very  
16 candid and honest with you. You'll notice of me as  
17 you get to know me, it took every bit of courage I  
18 could muster up to stand at the edge of this cliff and  
19 jump because Visit Florida is a 16-year-old  
20 organization. We've had a tremendous track record.  
21 We've had a great run over the last three or four  
22 years. I really saw myself riding off into the  
23 sunset.

24 Steven, Rossi and Caroline, you know these  
25 jobs aren't -- you never can take it for granted. You



1 never can be too comfortable in your position. But  
2 when you have your industry at the table and you're  
3 doing the things that you should be doing, you feel  
4 somewhat secure.

5 But I think the thing that really pushed me  
6 over the top, having been at the table here in this  
7 board, involved in the industry for so many years,  
8 aspiring to something like a Brand USA type  
9 opportunity, that is what really drove me to want to  
10 be part of this. It's the industry-defining  
11 opportunity that we have as an industry, with  
12 tremendous support. I have to echo what Caroline  
13 said.

14 I leaned across her and said to Rossi, you've  
15 been at this a lot longer than I have. Have you ever  
16 seen this kind of momentum? Have you seen the  
17 public/private partnership exemplified any better than  
18 right now, and he said never. That was his one word:  
19 never. So for those of us that have been around for a  
20 while, that is unbelievable, not the least of which  
21 happened this morning.

22 But certainly there's been summits and  
23 there's conferences and it just reinforces and  
24 demonstrates what we have going here. I'm excited  
25 about jumping from one leg of the stool to the other.

1 I can tell you the only way we're going to be  
2 successful is all legs being strong and holding this  
3 industry up high in this unbelievable stage that we  
4 have now to do what we're doing.

5 We've talked a lot at this table about the  
6 public side of the equation, which is all the things  
7 that are, each in their own right, unprecedented as it  
8 relates to focusing on the President's export  
9 strategy, which raised pretty a high-level goal,  
10 obviously with travel and tourism being the number-one  
11 service export.

12 We have a huge play in that and in the  
13 passage of the TPA, his executive order at Walt Disney  
14 World back in January, the national travel and tourism  
15 strategy, which is an amazing document, and as we  
16 actually implement that that's going to be a  
17 tremendous help. So the public side has stepped up,  
18 so it's time for the private side to step up.

19 Caroline and I have been referring to it as  
20 Brand USA 2.0. We're going beyond a start-up  
21 organization. The way I like to define it is we're  
22 going from a start-up to a fully functioning,  
23 cooperative destination marketing organization, and  
24 that is going to be the DNA that is going to carry us  
25 to the new heights that we all hope that this thing

1 can achieve.

2 One of the core marketing principles that we  
3 have in Visit Florida is, how do we add value and  
4 create value to the industry proposition because  
5 Steven, you know, being a local GMA, you're once  
6 removed from the product, we're twice removed from the  
7 product, and now you look at an organization that's  
8 three times removed from the product and solely  
9 focused on international, and that's a pretty distinct  
10 challenge to try to find that value proposition. So  
11 that's our job, is to find that.

12 One thing I learned early on is we were  
13 trying to put the Visit Florida model together is we  
14 tried to be everything to everybody. It doesn't  
15 matter what you do, we can't ever be everything to  
16 everybody, but we can be something to everybody. We  
17 ought to have some relevance today.

18 Every tourism entity in the entire country  
19 that raises their hands and says they want to be part  
20 of this amazing industry-defining effort, I can tell  
21 you that we will be something to everybody and that  
22 will be for each and every business in this country to  
23 determine what is that that's relevant to that. If  
24 we're doing our job, we'll put up enough things that  
25 everybody will find some relevance --

1           The magic of a fully functioning, cooperative  
2 destination marketing organization is can take the  
3 public resources that we're entrusted with and take  
4 one of theirs, add one of ours, and turn it into  
5 actually not just two, but three and four or five.  
6 That's the magic of cooperative marketing.

7           People say why will the industry step up and  
8 do what they've already demonstrated that they'll do?

9       It's because those of us that have been in the  
10 cooperative destination marketing world know that  
11 that's the magic of what that's all about. So the key  
12 partners that are on that team understand that and are  
13 doing that in their cities and in their states, and  
14 are now stepping up to do that in conjunction with the  
15 national destination marketing effort.

16           So I am honored and awed to be given this  
17 opportunity. I don't take it lightly. I can tell you  
18 I'm also not shy, so all of you that I don't already  
19 call friends, just know you're going to be receiving a  
20 phone call from me if you're not on that list already.

21           (Laughter)

22           MR. THOMPSON: And for those of you that I've  
23 just gotten to know, I look forward to getting to know  
24 you better in my new capacity. Those of you that I  
25 don't know, I also -- for me or somebody.

1           With every opportunity there's good and bad  
2           that comes with every opportunity, I would say. One  
3           of the down sides is that I actually have to step off  
4           of this board, but I do understand why that's the  
5           case. I understand I'm jumping to a new leg of the  
6           stool. But trust me, I will be in and around  
7           everything that you're doing.

8           What you're doing here is critically  
9           important. I can't thank Ken Hyatt enough, and his  
10          leadership. He and I have had lots of conversations  
11          before I had even entered into this role as we define  
12          ways for us to access the -- and do it in a  
13          cooperative and productive way so we can deploy the  
14          resources and -- productive uses and achieve the  
15          levels we want to achieve.

16          So with that, I appreciate all the kind words  
17          and support. Just know it's going to take every bit  
18          of that and more for us to take this thing from start-  
19          up to a fully functioning Brand USA 2.0 and for us to  
20          get reauthorization and beyond. Once we get to  
21          reauthorization and beyond, that's when it's going to  
22          look exactly like -- whatever your wildest dream was  
23          that this is going to look like, that's what it's  
24          going to look like once we get there. Thank you for  
25          your support. I'm happy to be beside my colleague.

1           Actually, three and a half years ago, the  
2           very first thing I had the privilege of doing was to  
3           come up here for a travel leadership summit sponsored  
4           by U.S. Travel. I don't know how it came about, but  
5           we brought our two delegations together. We said,  
6           hey, the two largest tourism -- in the country, let's  
7           bring our delegations together. I'm only like four  
8           months into the job and she introduced me to both our  
9           delegations and both of our industry heads --

10           (Laughter)

11           MR. THOMPSON: So that's what started the  
12           relationship back then and it's been nothing but a  
13           very productive -- relationship. What you've done and  
14           what you'll do in the year ahead -- as the chairman of  
15           the bring, and bringing people like David onboard, our  
16           industry is well represented and we have got a very  
17           bright future ahead of us.

18           CHAIRMAN DAVIDSON: Well, you can be honored  
19           and humbled. We're going to be thrilled and excited  
20           in joining Caroline in grinning ear-to-ear with how  
21           excited we are.

22           (Applause)

23           CHAIRMAN DAVIDSON: Steve, did you have a  
24           comment or question?

25           VOICE: Chris, can you assure us

1       unequivocally that this will not become the  
2       international -- symbol of American tourism?

3               (Laughter)

4               VOICE:   Friendly SEC rivalry going.   Our team  
5       is playing his team this weekend.

6               MS. HEIZER:   I hate to tell you, you're in  
7       Nats country.   This is our guy.

8               MR. THOMPSON:   Actually, I'm looking forward  
9       to establishing here in Washington.   I've actually  
10      never lived in an urban environment.   I'm looking  
11      forward to living right downtown and being part of  
12      what makes DC -- so I'm looking forward to that.

13              CHAIRMAN DAVIDSON:   Okay.   Well, thank you  
14      both for being here.   I know your schedule is  
15      amazingly packed, so if you need to slip out, by all  
16      means feel free to do that.   I had a chance to peek at  
17      your itinerary so I know you're headed to the Hill and  
18      other places as well.   But thank you for being here,  
19      thanks for the update, and most importantly, thanks  
20      for your service.

21              MS. MATTHEWS:   Could we just do a quick  
22      question before they move on?

23              CHAIRMAN DAVIDSON:   Sure.

24              MS. MATTHEWS:   The honeymoon is over.

25              (Laughter)

1 MS. MATTHEWS: Between the two of you and  
2 Ken, can you kind of give us an update as to where we  
3 were on that critical, I think, October 1 match date  
4 on kind of working through -- because you talked about  
5 all the great productive meetings you've had, working  
6 through some of the funding. Is there some good news?

7  
8 MS. BETETA: We see exceptional news on the  
9 horizon. I think it's more appropriate that Ken  
10 responds to it because we obviously have pushed our  
11 last bit of submissions to Commerce and we're working  
12 collaboratively.

13 MR. HYATT: So we have seen extraordinary  
14 progress and would anticipate--and I'm trying to be  
15 incredibly careful here--very good news. But we have  
16 to review the submissions, so as you can imagine, all  
17 these things came in in the last, literally, four  
18 days, three days, six days, et cetera.

19 MS. BETETA: Yes. So think the Federal  
20 Government in terms of submitting. We really didn't  
21 even start submitting until mid-July, but really late  
22 July when we were able to establish kind of an MOU and  
23 rules of engagement. I mean, I've worked in  
24 Washington. I started my career in Washington. I've  
25 never seen Washington pivot like this team did when we



1       were able to sit down and say, let's put some clarity  
2       and structure around it. It's amazing.

3               Perhaps what I could impart is that, as of  
4       our deadline, Brand USA pushed forward just over \$100  
5       million for ESTA submissions. Now, those are looked  
6       at and really go through a filter, and respectfully  
7       so, we're well aware, but at least it gives you an  
8       idea of where we might end up. Is that fair?

9               MR. HYATT: That's fair.

10              MS. MATTHEWS: And tell me the time table for  
11       sort of potentially announcing the good news or being  
12       able to tell us --

13              MR. HYATT: Well, that's, again, a joint  
14       thing that we need to work through because if you can  
15       imagine it, some of the submissions came in without  
16       some of the documentation that is required.

17              MS. MATTHEWS: Right.

18              MR. HYATT: So part of the answer to that  
19       depends on how fast things get in, but I would  
20       anticipate --

21              MS. BETETA: Three weeks.

22              MR. HYATT: Yes. Fifteen to 30 days would  
23       seem to me to be a reasonable time by which everything  
24       is in, because part of the challenge was, get it in so  
25       that it qualifies. Then even if the documentation

1     isn't there, it enabled us to then talk to Treasury  
2     and say, set it aside. So what we're in now, is let's  
3     get the documentation, let's let them all catch up and  
4     then we can roll it through. But it seems to me, 15  
5     to 30 days would be a reasonable time.

6             MR. SMITH: You can roll 2012 dollars into  
7     2013?

8             MS. HEIZER: Under the accrual process.  
9     You're not rolling, we accrue.

10            MR. HYATT: Correct.

11            MS. HEIZER: It is accrued based on the  
12     submissions.

13            MR. SMITH: So you lose out money.

14            MR. HYATT: Correct. That's what we worked  
15     out, was that we --

16            MR. SMITH: You're bearing a lead because  
17     that's a big -- you didn't lose out on the initial  
18     crutch of money.

19            MS. HEIZER: Right. That's correct.

20            MR. HYATT: Nor did we therefore lose the  
21     two-for-one. That was what we have all been focused  
22     on.

23            MS. MATTHEWS: And the critical point time  
24     for you is, you don't have money to spend until that  
25     is all resolved, right?

1 MS. BETETA: Right. By the time we went  
2 through the transition and really, again, at the end  
3 of June had no idea how this was going to be shaped or  
4 formed and actually had done a good job with those  
5 burst campaigns and we're sustaining that through  
6 digital and social, and of course now we've got  
7 representation in offices and a very robust trade show  
8 calendar that Todd mentioned earlier, is that we  
9 thought it was better as we were working through this  
10 to look at it as we turn to fiscal year 2013, the  
11 success coming on board now, to engage in some very  
12 in-depth planning with the industry of really how we  
13 shape this program for the 12-month period of this  
14 year, and then three years after the reauthorization.

15 MS. MATTHEWS: Thank you.

16 VOICE: Just a follow-up question. That  
17 number that you said, was that factoring in the two-  
18 to-one match, or that's the amount you submitted to  
19 get twice that amount in total?

20 MS. BETETA: Right. No, it was factoring in  
21 the two-to-one match. That's an excellent question.  
22 That was asked eight times a day the first week I was  
23 here. Let's get on the same page. So it was more  
24 like \$15 million.

25 CHAIRMAN DAVIDSON: All right.

1 MS. BETETA: So, because we were here this  
2 morning, we were going to step out for 20 minutes, but  
3 I would love to also hear the industry updates if  
4 that's okay, if we can come back.

5 CHAIRMAN DAVIDSON: Oh, you're welcome.  
6 Please, you're welcome to stay. I also just know that  
7 you may have some conflicts as well.

8 MS. BETETA: Okay.

9 CHAIRMAN DAVIDSON: So stay as long as you  
10 can, you are most welcome.

11 MS. BETETA: Actually, with Mark, if it's new  
12 I'm right here. If we're competing, because we are  
13 trying to work three times over, but I'd love to stay  
14 and hear what's going on.

15 CHAIRMAN DAVIDSON: All right. Awesome. You  
16 are more than welcome.

17 So moving forward in our agenda then I'd like  
18 to turn it over to Sam, as our vice-chair, to provide  
19 us with an update on how Sabre is using mobile  
20 enrollment for their global entries.

21 Sam, I'll turn it over to you.

22 GLOBAL ENTRY - SABRE'S MOBILE ENROLLMENT EXPERIENCE

23 Sam Gilliland, Vice-Chair

24

25 MR. GILLILAND: All right. Well, good.

1 Before I start I should extend my appreciation and  
2 congratulations as well to Carol, to Chris, and to the  
3 entire Brand USA team. We really do appreciate it.

4 And to Ken and Todd, whose dogged  
5 perseverance on evaluation and funding issues. It's  
6 been just fantastic, so we really do appreciate it.

7 MS. BETETA: Tom Kleinder sits on the -- that  
8 works for --

9 MR. GILLILAND: Nice to hear.

10 So one of this board's recommendations, for  
11 those of you that have been around for your second  
12 round on this board, you know that one of this board's  
13 recent recommendations was to move to risk-based  
14 aviation security and border protection programs.

15 So the Advocacy Subcommittee of the last TTAB  
16 made this recommendation the centerpiece of its work  
17 and it was featured in a final report presented to the  
18 Secretary in 2011. I can recall a spirited debate  
19 with Douglas during that session, although very tight  
20 alignment as we have moved forward together.

21 So in that report we highlighted research  
22 suggesting that millions of travelers were avoiding  
23 airline trips because of security hassles, resulting  
24 in billions of dollars in losses to the U.S. economy.

25 We underscored the importance of increasing

1 efficiency and decreasing the hassle factor for  
2 consumers while maintaining the firm commitment,  
3 obviously, to world-class security.

4 In particular, we recommended expanding CBP's  
5 Global Entry program, including integration with a new  
6 Domestic Traveler Program. That's exactly what  
7 Douglas and the team at the Department of Homeland  
8 Security have done. Global Entry and TSA Pre-Check  
9 have been launched and expanded. They're fantastic  
10 programs. While they're posting some impressive  
11 metrics, there's still more work to do.

12 In my mind, job one is to get more eligible  
13 travelers using these programs. We talked about this  
14 yesterday at the Travel Facilitation Subcommittee.  
15 This is an ongoing focus for both the Facilitation and  
16 Advocacy Subcommittees and I am delighted to see that  
17 Jenna arranged for Global Entry enrollment  
18 opportunities for us around this board meeting.

19 However, it is clear to me that continuing to  
20 invest in the infrastructure around these programs,  
21 including the kiosks, the dedicated lanes, the people  
22 who build and run them, is only justified if a  
23 sufficiently large segment of the eligible population  
24 is using and benefitting from it.

25 I'll offer up my own unscientific research as

1 a frequent traveler, and my regular informal  
2 discussions with CBP officers and with TSA workers at  
3 airports reveals they don't yet have enough businesses  
4 for these programs. That, as we talked about  
5 yesterday, has to change.

6 Now, I am mindful that the government does  
7 not have marketing and advertising budgets to get the  
8 word out, but this is where the private sector--and  
9 particularly those of us in the travel and tourism  
10 sector--can make a difference. People in our industry  
11 really need to become ambassadors for these programs  
12 that make the travel experience better for our  
13 customers.

14 So I asked for some time today on the agenda  
15 to share what Sabre has been doing, and very recently  
16 been doing, to promote Global Entry to our employees  
17 and to the travelers we serve. We're just one  
18 company. We're certainly not the only organization  
19 that has supported Global Entry and TSA Pre-Check, and  
20 certainly there are some among us that have provided  
21 similar types of support. But I'm hoping that by  
22 sharing our story we might inspire others to undertake  
23 similar efforts to help Global Entry and TSA Pre-Check  
24 grow and thrive.

25 So last week, on September 24 and 25, Sabre

1 had a mobile enrollment event on our campus. We had  
2 four CBP officers come out to the campus in South  
3 Lake, Texas, and signed up over 200 of our employees.

4 We subsidized the \$100 enrollment fee for every  
5 employee who routinely takes at least two  
6 international business trips per year.

7 We also ran an educational campaign around  
8 the program, its benefits. We worked closely with CBP  
9 officials at DFW Airport and in Washington, and in the  
10 process learned a lot about what's working well and  
11 also some opportunities for improvement.

12 So first I thought I'd show you a short, 90-  
13 second video that captures the spirit of what happened  
14 on our campus last week and what some of our employee  
15 ambassadors had to say about Global Entry. So I think  
16 Jenna is helping me with this. Hopefully this will  
17 work.

18 (Whereupon, a video clip was shown.)

19 MR. GILLILAND: So that's really the  
20 celebratory part of what we did. As you saw at the  
21 end of the video, we're also using a lot of our  
22 marketing and social channels to raise awareness in  
23 the program. We will continue to raise awareness of  
24 the program with our employees. We will host regular  
25 on-site enrollment for them. But as I mentioned,



1     there are also important lessons that we learned along  
2     the way. We have a fantastic global travel manager at  
3     Sabre, Michael Stewart.

4             She may now be one of the most knowledgeable  
5     private sector people on the planet with respect to  
6     Global Entry and TSA Pre-Checks and she's been  
7     spending all of her time answering questions around  
8     the program and the initiative. Those questions came  
9     from Sabre employees who are in general very savvy  
10    travelers relative to the population at large.

11            So I thought, in the spirit of offering  
12    constructive feedback to help improve the program that  
13    we staunchly support, here are really the top four  
14    things that we heard. I think the good news is that  
15    these are things that we can collectively solve.  
16    These are good things to solve from a private/public  
17    partnership perspective.

18            So the first was regarding the overall  
19    program clarity. There is a lot of traveler confusion  
20    about what's meant by Trusted Traveler, Global Entry,  
21    TSA Pre-Check, and how all those things come together,  
22    how they're related. Then you add to that the  
23    separate program that's called CLEAR that's run by a  
24    private sector company, and many employees were left  
25    scratching their heads, not really knowing what was

1     what.

2             Also, the Pass ID. For those of you that  
3     have participated in this program, you'll probably be  
4     familiar with what's called the Pass ID number. It's  
5     not well understood and it's referred to by varying  
6     names depending on where you're using it.

7             When we asked for our employees to provide  
8     their Pass IDs when they were registering for the on-  
9     site enrollment, we often get login IDs, we got  
10    passwords, we got all sorts of things that are not  
11    Pass IDs, and they probably shouldn't have provided us  
12    with their passwords, I suppose.

13            (Laughter)

14            MR. GILLILAND: There's a real opportunity  
15    here, I think, to better clarify the communications  
16    around such things.

17            The second thing, regarding the online  
18    application process, some employees were challenged  
19    navigating through this site. So, for example, some  
20    got caught in a loop, struggled to move forward in the  
21    process. They found the application a little bit stiff  
22    and they were really looking for a more intuitive and  
23    consumer-friendly experience. We talked about this  
24    last meeting. We talked about the opportunity to work  
25    with Global Entry on that.

1           Third, regarding our mobile on-site  
2 enrollment experience, we did get some conflicting  
3 information on how many officers could actually come  
4 for our enrollment days and how many hours they could  
5 work, how many interviews they can actually process  
6 during that time.

7           Some of the automatically generated messages  
8 after they'd gotten conditional approval were  
9 confusing to employees, particularly messages that  
10 threatened to deny applications if they didn't go  
11 through the interview process within 30 days. Of  
12 course, we had scheduled this out further than 30  
13 days, so they were worried about that. A well-  
14 documented process for on-site enrollments would  
15 certainly be really helpful.

16           Then fourth, regarding feedback on using  
17 Global Entry, the process of using Global Entry seems  
18 to work well when coming back into the country.  
19 However, there have been challenges about using Global  
20 Entry to get through TSA Pre-Check lines. Again,  
21 another thing we talked about yesterday in the  
22 subcommittee.

23           So the integration of these two programs  
24 isn't really clear yet to travelers. Based on what we  
25 talked about yesterday, there seem to be opportunities

1 to consolidate participation across a number of like  
2 programs, so I think that's one of the things that we  
3 may have the opportunity to take up.

4 Many do not realize how critically important  
5 it is today for their name to be exactly the same as  
6 their Global Entry membership -- on their Global Entry  
7 membership as on their airline ticket to get through  
8 the pre-check line. So there are some idiosyncrasies  
9 that you just have to get right for it to work well.  
10 I think those are understandable things, they just  
11 need to be communicated.

12 So Michael Stewart, our corporate travel  
13 manager, is now a student of these programs, has a  
14 raft of ideas about how to make them better understood  
15 and more successful. She's busy, obviously, but I'm  
16 quite sure she'd be delighted to share more of what  
17 she's learned, Douglas, and I think we'll try to get  
18 more of that information to you.

19 There are a lot of private sectors Michaels  
20 out there who also can help, and there are many  
21 members of this board who will be offering their  
22 industry expertise and marketing savvy to you as they  
23 make further recommendations.

24 Finally, in addition to what we've done with  
25 our employees at Sabre, I wanted to let you know what

1 we're doing to get the work out about global entry to  
2 our millions of customers, which is where the dramatic  
3 enrollment numbers are ultimately going to be  
4 generated.

5 We're going to be using a longer version of  
6 the video that I showed earlier to raise awareness  
7 about the program among our thousands of travel agency  
8 and corporate customers so they can encourage their  
9 customers to sign up.

10 (Showing of slides)

11 MR. GILLILAND: But I wanted to talk a little  
12 bit about a few of the things we're doing. So,  
13 through Sabre's various brands we were able to start  
14 promoting Global Entry and its benefits to customers  
15 and their travel agents or corporate travel managers.

16 We promoted Global Entry as obviously the  
17 answer for faster, easier international arrivals. To  
18 travel agents and corporate travel managers we  
19 stressed really the great customer service they'd be  
20 offering travelers by telling them about this program,  
21 and even perhaps having similar programs to the one  
22 that I just described.

23 So this particular slide here, we sent emails  
24 to travelers, travel agents, corporate travel managers  
25 through the four brands that you see on this slide.

1 Our Travelocity email was delivered to more than 12  
2 million travelers. In addition, the message of Global  
3 Entry was included, and will continue to be included,  
4 in other emails when the brands are promoting  
5 international travel.

6 (Changing of slides)

7 MR. GILLILAND: So as we move to the next  
8 slide, our promotion is on the go, if you will.  
9 Message are included on smartphones when travelers are  
10 using Trip Case, which our mobile app that's used to  
11 organize and stay up-to-date on both personal and work  
12 trips.

13 So as you see here, you see some  
14 international itineraries here, or one. If an  
15 international itinerary is presented, the Global Entry  
16 message is triggered to show on the screen and they  
17 have the ability to click through and get more  
18 information and apply for the program.

19 (Changing of slides)

20 MR. GILLILAND: On the next slide you see  
21 digital web band. These have been presented on four  
22 branded websites. This one here is Travelocity  
23 Business. We also included the message in our travel  
24 agent portal, where in a month's time we're looking at  
25 more than about 5.5 million impressions to those

1 travel agency customers.

2 (Changing of slides)

3 MR. GILLILAND: I think as we get to -- I'm  
4 getting near the last slide. I'll be done in just a  
5 minute, Todd. We're very active with social media,  
6 obviously, at Sabre and we included a promotion in a  
7 few different vehicles. We have two corporate blogs  
8 that posted stories, and we also discussed it on two  
9 different Facebook pages and four different Twitter  
10 accounts.

11 Last, this is maybe the result of all the  
12 work here. You see a fairly long list of work that's  
13 been done to promote the program and will continue to  
14 promote global entry in the future. If you total that  
15 all up for the month, that's where you get to the  
16 roughly 18 million impressions in a month.

17 So we think there's a lot of opportunity  
18 here, both in the consolidation of some of these  
19 programs but also in getting the word out to a lot of  
20 people that simply don't know or may be a bit confused  
21 on what the benefits are, how it works across  
22 programs.

23 So thanks for allowing me the opportunity to  
24 tell the story today. I hope that the next time we  
25 meet, or maybe the time after that, we'll have

1 exceeded our most optimistic expectations for us of  
2 Global Entry, the domestic pre-check lanes, and I'm  
3 really just hugely appreciative of this program.  
4 We've just got to get a lot more people using it, as  
5 we've talked about. So, thank you.

6 CHAIRMAN DAVIDSON: Sam, let me ask you, as  
7 we go forward as TTAB members and others that are here  
8 in the room and want to be able to kind of evangelize  
9 the work that you've done, using Sabre is an amazing  
10 example, I mean, 18 million impressions and getting  
11 folks signed up and getting the word out to a number  
12 of your current and existing customers. Who would you  
13 like us to work with? What would be your advice for  
14 kind of the next best step if somebody wanted to reach  
15 out to you and kind of replicate it corporately?

16 MR. GILLILAND: Well, yes. It's easy to get  
17 in touch through Bruce and Tasha and they can set you  
18 up with the folks that they worked with to get this  
19 done.

20 CHAIRMAN DAVIDSON: Perfect.

21 MR. GILLILAND: Happy to do it.

22 CHAIRMAN DAVIDSON: Other questions for Sam?

23 MS. MATTHEWS: Most of that is actually  
24 customer facing too. For example, Marriott, two years  
25 ago, did a Global Entry sign-up.



1 MR. GILLILAND: Yes, that's right. That's  
2 right.

3 MS. MATTHEWS: We put it out to our rewards  
4 members. But it seems like the program is at so many  
5 more airports and it's so much easier to get onto so  
6 we can actually look at yours and sort of see what  
7 your messaging is, because I think there's an  
8 opportunity to leverage the same messaging rather than  
9 for us all -- it should be the Global Entry brand as  
10 opposed to our own personal brands.

11 MR. GILLILAND: Yes. And we were careful in  
12 how we executed this to make sure customers knew this  
13 is Global Entry, this is not necessarily Sabre. This  
14 is Global Entry. But we were able to put the envelope  
15 around it, if you will, in all these different  
16 programs that we pushed the message out through.

17 MR. ZUK: I have a question. Can you expand  
18 a little bit on the connection between the TSA Pre-  
19 Check and Global Entry and how you migrate from one to  
20 the other? Can you --

21 MR. GILLILAND: Sure. You want me just to  
22 start or do you want to see if there are any more  
23 questions?

24 CHAIRMAN DAVIDSON: I'm next so I can --  
25 within the context of Sam's comment about last year's

1     spirited discussion, we put Douglas immediately  
2     following Sam so -- so if there aren't any other  
3     questions for Sam specifically, Douglas, yes. I'm not  
4     seeing any, so Douglas, we'll start our partners'  
5     report with your rebuttal.

6             (Laughter)

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25                   USG UPDATES

1                    DEPARTMENT OF HOMELAND SECURITY UPDATE

2                    Douglas Smith, Assistant Secretary

3                    For the Private Sector

4  
5                    MR. SMITH: So first of all, Bruce, Suzanne  
6 and Jay should all get bonuses.

7                    (Laughter)

8                    MR. SMITH: Bruce, Suzanne and Jay, Christmas  
9 bonus time. Remember that.

10                   (Laughter)

11                   MR. SMITH: First of all, thank you.  
12 Actually, I wrote down a lot of notes. There's some  
13 great stuff there. But I would be remiss if I didn't  
14 publicly thank Jenna for coordinating the global  
15 enrollment here.

16                   (Applause)

17                   MR. SMITH: And in fact, all the work that  
18 Jenna does. It makes all of us look good and keeps us  
19 all honest, so thank you, Jenna.

20                   MS. PILAT: Thank Brianna.

21                   MR. SMITH: Well, I have to thank her every  
22 day.

23                   A couple things. First of all, let's start  
24 with your question because it blends into your  
25 question of branding. It's a giant issue for us. One

1 of the challenges with DHS is there are a lot of  
2 legacy programs and we are desperately trying to pull  
3 them together and we are working diligently to try to  
4 get a single brand, much like a member of the Star  
5 Alliance, or a member of the One World Alliance.

6 We're trying to create -- working towards an  
7 umbrella brand that pulls all of this together,  
8 because you're absolutely right. Nexus, Century,  
9 Global Entry. I won't really touch on CLEAR, only to  
10 say that it is a private enterprise. It's a  
11 completely different approach. It's got nothing to do  
12 with security. It all has to do with, pay us money  
13 and we'll bring you to the front of the line, but we  
14 have no -- despite a former member of the head of  
15 Homeland Security being on their board, we have no  
16 part in it.

17 What we are trying to do though, and this is  
18 where you guys could be really helpful, is get the  
19 word out to better explain it. In terms of your  
20 point, Kathleen, on recording the message, we actually  
21 put together some pretty good stuff, which we don't  
22 have the capacity, the money, or the ability to push  
23 it out the way you can, but you can take it. I will  
24 give you my permission and you can have an IPR  
25 infringement on us any day.

1           One of the things we've done, which is really  
2 neat and you could probably do it--I didn't say this,  
3 but I'm not going to come after you either--we put out  
4 these bookmarks, which is, I guess, kind of an out-of-  
5 style things, because who reads books now? Maybe we  
6 should call it a Kindlemark or an I-Padmark.

7           But it's a tag, it's about this big, and on  
8 one side it's TSA Pre-Check, the other side is Global  
9 Entry, and we have one of those smart tags where if  
10 you put your smartphone up to it and take a picture it  
11 automatically routes you to the enrollment page. It's  
12 a really cool thing. We try to hand them out at all  
13 the airports. But we have a lot of that in the  
14 language and the art all built. Take it. Use it.  
15 Link to it. I think it would help a lot. If you come  
16 back with ideas that can help us improve it, it would  
17 be great.

18           We have been working but we need to light a  
19 fire under it, sticking with our Trusted Traveler  
20 program, with the GOES site. We refreshed it. It  
21 definitely needs some more help. Steven, before he  
22 left, had said that he was going to show Len and some  
23 people how to do that.

24           So that would be an area, maybe, John, in  
25 your new capacity, you could help drive, or Sam, help

1 us--Suzi Shepherd, and John Wagner, who you saw today-  
2 -we'll take all comers on this. They know they need  
3 to continue to improve it, particularly with the  
4 staggering numbers of increases.

5 People have realized that it is the fastest  
6 back way door into TSA Pre-Check. So once again, you  
7 run a multi-national global technology company. We  
8 don't. So the rebuttal is, help. Bring it on. We'll  
9 take it. We absolutely need the help on that.

10 We talked a little bit yesterday and a little  
11 bit more today that TSA Pre-Check is taking off like  
12 wildfire. It's been a huge, huge success. Along the  
13 way though, we have definitely had some technology  
14 glitches. Each of the carriers, as you know, have  
15 different -- systems.

16 Ironically, today I found out that one of the  
17 big glitches actually is the government booking  
18 system, so SATO, who does a lot of our stuff, their  
19 system isn't syncing in properly with the TSA Pre-  
20 Check system. So if you are a government employee and  
21 in TSA Pre-Check and book your ticket, unless you  
22 manually enter it into the U.S. Air site day of  
23 travel, it doesn't work. That was kind of a wake-up  
24 call when I discovered that one.

25 So, I mean, working towards that, I think our

1 goal as a department is to continue to work to  
2 consolidate and to better bring all these under one  
3 umbrella so people better understand and there's a  
4 single point of entry where to go to add more  
5 countries and reciprocal treaties, to get more  
6 benefit. I mean, this is the grand bargain.

7 If you are willing to share with us your  
8 life, in return you're going to get a lot of  
9 privileges out of it. We're working on a Global Entry  
10 light, if you will, if you don't travel  
11 internationally, so there's still -- you get the  
12 vetting purposes but a slightly faster way. So one of  
13 our challenges right now is the backlog on the  
14 interview side.

15 The online, we are under five days. The  
16 fulfillment side though, we're at capacity. The  
17 challenge is that for those in the airline business  
18 here, every person that I put out to do an interview  
19 is a person I'll pull off the front line. With the  
20 gap between what I have and what I need, it makes it  
21 challenging.

22 I mean, we could -- what we're trying to do,  
23 is we keep looking for a lull. If there's a little  
24 bit of downturn--not economic downturn but just a  
25 slight lull--in travel schedules where we can then add

1 a bunch of agents and try to clear out the queue,  
2 we're going to do that.

3 DC was supposed to open already, but our  
4 friends at GSA are a little slow, a downtown office  
5 here. We're going to look to open up enrollment at  
6 Customs houses in downtown locations across the  
7 country to try to catch up on the backlog on that. In  
8 some locations, like in Boston right now, you're into  
9 December. Easily into December. So, we are sensitive  
10 to that.

11 We are, Sam, working towards if we can get  
12 assurances from the hosts in Asia to send teams to  
13 Asia and do on-site enrollments there. That is going  
14 to be hugely--as you and I have talked about--  
15 dependent on the numbers of pre-enrollments being  
16 there. We can't afford to send it for 139, but if we  
17 could go over there and in the course of a 10-day  
18 swing capture 5,000, all of a sudden the return on  
19 investment for us absolutely makes it worthwhile, so  
20 we're going to work aggressively towards that.

21 You know, the last thing--and I'll allow a  
22 little time here for questions--is something that came  
23 up this morning and it's been alluded to here. It's  
24 just the challenge of the budget atmosphere right now.  
25 It is challenging. I mean, there are a lot of people



1 clamoring for slices of that pie and the pie doesn't  
2 have enough slices to feed everybody. I think, as you  
3 look down your list of all the things out there that -  
4 - I need help on this, I need help on that, you need  
5 to self-police a little bit.

6 I mean, it's one of the reasons that I tried  
7 to talk to the folks -- I talked to Roger Dow and  
8 others as often as possible so we can sort of  
9 strategize a little bit, where do you put all that  
10 energy, where does it make the most sense? Does it  
11 make the most sense to put all the eggs in the push  
12 for VWP? Does it make the most sense to add officers?

13  
14 I would just offer a bit of unsolicited  
15 advice in a very challenging and political and  
16 economic environment in DC right now, is be very  
17 strategic. I mean, this is what you do, return on  
18 investment. If I spend \$100 million to build Harry  
19 Potter, when am I going to get that money back? More  
20 than that? Wow, you blanched when I said that number.

21 It's phenomenal. If you go down there, you should  
22 go.

23 But I can't emphasize enough because I am  
24 unfortunately in this seat on the Hill all the time,  
25 testifying and singing for my supper. My colleagues

1 are up there all the time doing the same thing. The  
2 climate is challenging at best, caustic at worst. My  
3 editorial comment would be sort of amongst the board,  
4 to really be selective. Really decide, these are our  
5 top three things that we're all going to get behind  
6 and whether it's helping State, us, whatever, you guys  
7 pick. I'm not going to tell you what to pick. But be  
8 very strategic, because the ability for you to get it  
9 over the end line -- we've come so far and now is the  
10 time to narrow the funnel, narrow the funnel. What  
11 are the things that have the greatest achievement?

12 Did I get your question answered?

13 MR. ZUK: No.

14 MR. SMITH: All right. Ask me again.

15 MR. ZUK: Can you explain a little bit about  
16 the migration or the opportunity to use your Global  
17 Entry enrollment to enroll in TSA Pre-Check.

18 MR. SMITH: TSA Pre-Check. Okay. Yes. All  
19 right. So Global Entry was the legacy program that  
20 came out of Customs and it was designed for  
21 international travelers, hence the collection of your  
22 passport, a lot of extensive biometric data tied into  
23 that. When TSA Pre-Check came online there were two  
24 avenues in the Pre-Check.

25 One, was if you were a Platinum member on one

1 of the original legacy carriers that came in, either  
2 American or Delta, so we had a pretty high  
3 understanding and we saw Rossi's travel patterns back  
4 and forth to Vegas over 20 years, twice a month he was  
5 doing these flights, you know, a lot of history there.

6 The carriers would invite that customer in. So they  
7 would invite them in based on their -- now, working  
8 with us, but based on a whole set of criteria that  
9 they would look at. One path.

10 The second path was, if you were in Global  
11 Entry and had gone through the extensive criminal  
12 background check that we do to get you in that, you  
13 could waive into it. The way you would have to do  
14 that had a couple of challenges. One, is privacy  
15 concerns, one is collusion amongst the airlines, which  
16 would have the Department of Justice coming after  
17 them. You had to opt into the program.

18 So you could log into Delta, into your  
19 profile, and say -- there's a thing in there, "Do you  
20 have a Trusted Traveler number?" Well, yes, I do. To  
21 your point on what is -- is it the thing on the back  
22 of the car, is the GOES? I wrote that down, too. Very  
23 confusing, you're right. The GOES thing disappears  
24 once you get your -- so you're able to enter that in  
25 and that has been saved.

1           You give Delta, American, United, or Alaska,  
2           U.S. Air, you give them the right to store that data.

3           So when you go online in a week, a month, to go book  
4           your ticket to fly to Universal Orlando to take your  
5           kids to see Harry Potter, it's in your passenger name  
6           record. So it is tied into your ticket, so when your  
7           ticket gets issued and you go to an airport with Pre-  
8           Check, it is imbedded into your ticket. So that's how  
9           that works.

10           MR. ZUK: Not to belabor the point, and  
11           obviously my personal situation does not apply to  
12           everybody, I enrolled in Global Entry before there  
13           were cards two years ago.

14           MR. SMITH: Yes. The card is irrelevant to  
15           the air domain environment.

16           MR. ZUK: I was a member of United, but I  
17           started getting -- I went online, I filled out the  
18           forms and all that, and since then it's just not --

19           MR. SMITH: Well, you don't apply to TSA Pre-  
20           Check.

21           MR. ZUK: Well, they have on the website  
22           some --

23           MR. SMITH: Yes. You store -- you would go  
24           to your United -- I can't remember how United has it  
25           laid out, but you'd go under your profile in United

1 where you put your name, your birth date, all of the  
2 information that you would automatically have to put  
3 in anyway every time you fly, and there is a spot  
4 there.

5 Most of them have, on the left side, a  
6 redress number, meaning you've had a challenge and  
7 we've knocked you out a few times and now we've given  
8 you a number to prevent that from happening, or your  
9 Trusted Traveler number, the Trusted Traveler number  
10 being your Global Entry number. You put that in and  
11 save it into your profile.

12 MS. MATTHEWS: And I think this is the  
13 problem a lot of us have had, is we just can't find  
14 that number and we don't know how to get it. So that  
15 goes to your issue of --

16 MR. SMITH: So the Global Entry number -- if  
17 you still have your login for when you first did your  
18 GOES enrollment, you would login to your account and  
19 there would the number be.

20 Now, you should have also gotten one when we  
21 first emailed you and said you have been conditionally  
22 approved. In that email should be that number as well.

23 But I will -- I have not had to go search, but I will  
24 take that on, Sam, to go look at the site to see if  
25 there is a "Help" icon where --

1 MS. MATTHEWS: Very difficult. But we're  
2 unique. There are not that many of us that signed up  
3 that early, so it's a legacy early problem but it is -  
4 -

5 MR. SMITH: But I think a fixable --

6 VOICE: Douglas, isn't it also true that you  
7 cannot use Pre-Check if you are flying global out of  
8 the United States into a different country?

9 MR. SMITH: Right now, yes. It is our hope -  
10 - we are in the final throes of PNRs, Passenger Name  
11 Records. The data that the carriers share with us  
12 before your flight ever takes off from Stockholm to  
13 come here, I know every single person on that plane,  
14 I've checked them against every single list. It is  
15 how we keep planes secure. Last fall, after a very,  
16 very long multi-, multi-, multi-year effort, we  
17 successfully signed the PNR treaty with the European  
18 Union, which is a huge breakthrough.

19 Why that is so important, one, is to keep us  
20 all that much safer; two, that much more efficient;  
21 but three, inspirationally, that we will be able to  
22 get to the point where we will have programs that we  
23 recognize each other. So if you were eligible for Pre-  
24 Check in the United States and you go through  
25 Frankfurt, you'll be able to take advantage of the

1 same thing there. That's where we are going. So when  
2 that happens you will be able to do that  
3 internationally.

4 Assuming you are going to a flight -- see?  
5 Look at that. He's so organized. He has it. It's  
6 right there on your GOES form. It has your number.  
7 Actually, no. Sorry. See, this shows you why this is  
8 so screwed up.

9 (Laughter)

10 MR. SMITH: No, this is not yours.

11 MR. ZUK: That's the only number you get.

12 MR. SMITH: Okay. I'm taking this on.

13 (Laughter)

14 MR. SMITH: Point proven. I acknowledge  
15 that.

16 MR. ZUK: I'm sorry, but --

17 MR. SMITH: No, no, no. It's a good point.  
18 I will -- look, we're in the process of once again  
19 updating the SS site, but also looking at this. I'm  
20 delighted to get a smart team of people who are guinea  
21 pigs and say, here's where it's wrong, here's where  
22 it's wrong, and do that.

23 CHAIRMAN DAVIDSON: That would be great.

24 MR. SMITH: No. No fly list. Sorry.

25 VOICE: I just wanted to mention that -- we

1 get a lot of these questions as well -- over to TSA to  
2 meet -- and they've agreed to work with us on a  
3 webinar hopefully this month, so we'll invite whoever  
4 is interested. Even Roger has questions about, how  
5 does he use -- I've had questions about it as well. I  
6 think probably all of us have. So I thought, one, for  
7 the people who are pretty knowledgeable about Pre-Check,  
8 do a webinar and they can skip the What is Pre-Check  
9 and just get to the meat, and then have a broader one  
10 for the bigger industry. So sometimes we'll send it  
11 around and we'll work with them to make sure we get --

12 CHAIRMAN DAVIDSON: Thank you, Patricia, and  
13 thank you, Douglas, very much. We appreciate the  
14 update. Your comments specifically about this board's  
15 role in prioritization, thank you. It goes back to my  
16 opening remarks where we're looking at the national  
17 travel and tourism strategy within our subcommittee  
18 infrastructure here on this board. Part of our role,  
19 really, is to help lend some focus and prioritization  
20 to those so we can think about it strategically. So,  
21 thank you. We appreciate that very much.

22 I want to just remind everybody of the time  
23 as we move forward with our continued updates.

24 Frederick, I will turn it over to you, sir.

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USG UPDATES

DEPARTMENT OF TRANSPORTATION UPDATE

Frederick Eberhart, Acting Deputy Director  
Office of International Transportation and Trade

MR. EBERHART: Sure. And I think I can save you a lot of time, because we've dominated a good part of the day with our NextGen presentation.

CHAIRMAN DAVIDSON: Which was awesome, by the way. Thank you.

MR. EBERHART: We're glad that we could do that.

CHAIRMAN DAVIDSON: It was great.

MR. EBERHART: Let me just focus in. First of all, Susan Kerlin sends her deep regrets. I say that honestly. She considers this program to be one of the highest priorities she's got on the table. As my boss, she's talking about this all the time and she

1 really cracks the whip over us to keep things moving.

2           What I'd like to do, and she mentioned during  
3 the last infrastructure meeting in July, the new  
4 surface transportation legislation, MAP 21, which  
5 stands for Moving Ahead for Progress in the 21st  
6 century. I think that's a pretty good acronym and our  
7 acronym office gets a lot of credit for that. I'm  
8 just joking. We don't have an acronym office.

9           (Laughter)

10           MR. EBERHART: It sure beats ICET and SAFET  
11 as far as I'm concerned. Yesterday, October 1, MAP 21  
12 did go into effect. I have to say that I can give you  
13 sort of an overview of the high level provisions in  
14 MAP 21, but we're right now still developing guidance  
15 for the program. Many of the details are still out  
16 there and we'll keep you abreast.

17           In fact, I think that's something we see as a  
18 major issue, is continuing to keep you informed as new  
19 developments come up. I think the bottom line is that  
20 MAP 21 does continue to move forward our ongoing  
21 efforts, focusing on key issues.

22           I mean, we've got core objectives, which  
23 include maintaining a state of good repair of our  
24 infrastructure, maintaining safety, ensuring that we  
25 are economically competitive. I think at DOT we see

1 travel and tourism as a critical element of economic  
2 competitiveness. So we see MAP 21 as a program that  
3 will continue and enhance our ability to be responsive  
4 to the travel and tourism industry.

5 I think that maybe rather than getting into  
6 too much detail, let me just focus in one particular  
7 area. We have programs through the Federal Highway  
8 Administration, focusing on Federal lands and also  
9 tribal transportation programs. We know that's an  
10 important area to the travel and tourism industry.

11 We're going to continue to implement programs  
12 that improve connectivity, intermodal transportation,  
13 rail, highway connectivity, to improve the  
14 infrastructure to our Federal lands and our tribal  
15 lands. We are working very closely with the tribal  
16 communities to do that, to find out what their  
17 requirements are and to advance those issues as much  
18 as we can.

19 I think the other thing that people are  
20 always interested in is, where's the money? How much  
21 is there? I think probably from our point of view one  
22 of the strongest points is that we are able to extend  
23 the solvency of the Highway Trust Fund for another two  
24 years.

25 I think obviously it's in everybody's

1 interest to have a much longer duration so that the  
2 states and stakeholders can actually plan more  
3 effectively for transportation infrastructure. It's a  
4 long planning cycle to build infrastructure, so I  
5 think we continue to work to move the horizon out much  
6 longer than the two-year horizon.

7           Probably the most important aspect is \$82  
8 billion in Federal funding in FY 2013 and 2014 for  
9 road, bridge, bicycle, walking improvements, many of  
10 which support the travel and tourism industry. A  
11 program that we think is increasingly important is the  
12 TFIA program, which is essentially our innovative  
13 financing, our biggest innovative financing mechanism  
14 which provides loans which leverage public/private  
15 partnership financing for important projects.

16           This year we have funds which would leverage,  
17 I think, about \$17 billion over the next two years.  
18 So, that really significantly increases the clout that  
19 we have through our TFIA program. Again, it would  
20 have potentially a strong impact on travel and  
21 tourism.

22           Specific programs that also you may be  
23 interested in. First of all, MAP 21 does create a new  
24 discretionary program, the Tribal High Priority  
25 Project program. Our acronym office calls it the

1 THPP. It essentially continues to follow current  
2 discretionary programs, but again focuses in on how we  
3 can help in our native communities to enhance the  
4 tourism impact.

5 We also have maybe a little bit on -- I  
6 wouldn't say down side, but MAP 21 does consolidate  
7 things and so you're going to see fewer discretionary  
8 programs within DOT. The National Scenic Byways  
9 Discretionary Program -- the program is -- and I have  
10 to be careful how I frame this.

11 I think the eligibilities for that program  
12 have been pushed out to the states, if I am correct,  
13 so we don't have that discretionary ability anymore,  
14 but it still remains an important issue in pushing out  
15 to the states. I think maybe that is important in  
16 terms of marketing the objectives of this group to key  
17 stakeholders that spend money.

18 I think in future briefings we'll talk a  
19 little bit more about who takes over those, where the  
20 specific pots of money are, who has the responsibility  
21 in making those decisions. Much of this has moved to  
22 the state and local level, so Oregon, for example,  
23 would probably be very interested in knowing how you  
24 can have an influence on spending these funds.

25 Let me just, in closing, say that we are

1 working with the Commerce to schedule more modal  
2 briefings similar to the briefing that you got with  
3 NextGen--it may be in the form of a conference call--  
4 clearly, highways, railroad, maybe maritime, other  
5 topics of interest. So we'd like to continue to reach  
6 out to you, particularly as we get a better handle on  
7 how we're going to implement MAP 21 and really hone  
8 in.

9 I think the interest from our point of view  
10 is getting your feedback: how can we do a better job?

11 Susan Kerlin wouldn't let me out of the room if I  
12 didn't ask you that. She wants to hear where we're  
13 doing well, but even more importantly where we could  
14 do better. So we'll look forward to continue to  
15 participate and to get that feedback.

16 I hesitate to give it to you there, so if  
17 you're interested in MAP 21 there's a fairly simple  
18 website that you can access if you're interested in  
19 writing it down: [www.fhwa.dot.gov/map21](http://www.fhwa.dot.gov/map21). That's  
20 probably the best place to stay right on top of what  
21 the developments are with MAP 21 and descriptions of  
22 the specific programs. I think I'll leave it at that.

23 CHAIRMAN DAVIDSON: Thank you, Frederick. I  
24 appreciate that. I also appreciate members of the  
25 transportation team that were able to participate in

1 the Infrastructure Subcommittee meeting yesterday.  
2 That kind of engagement not only from Transportation,  
3 but from all of our Federal partners, really helps  
4 move those subcommittee discussions along.

5 So, there will be opportunities, I know, for  
6 additional briefings, especially as you develop  
7 guidance around MAP 21. That's where a lot of this  
8 great work can happen in the interim between our major  
9 board meetings, so thank you for your engagement there  
10 as well, Frederick.

11 MR. EBERHART: Thank you.

12 CHAIRMAN DAVIDSON: We appreciate it very  
13 much.

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USG UPDATES

DEPARTMENT OF STATE UPDATE

Ed Ramotowski, Deputy Assistant Secretary  
for Visa Services

MR. RAMOTOWSKI: Thank you. Most of the board was present this morning. I heard directly from the secretary. For those who weren't, let me just recap quickly your three main points. First, the Department has already achieved the objectives of the President's executive order.

We have a 40 percent increase in visa capacity in China and Brazil and we have 88 percent of all these applicants worldwide being interviewed in three weeks or less. The interview wait times in the



1 key target markets are all in the single digits. So  
2 the President gave us a year and we've achieved that  
3 in eight months.

4 Second, the Secretary gave her commitment,  
5 and this is an institutional commitment, to continue  
6 and expand the travel facilitation efforts. This is  
7 not something that's going to depend on the results of  
8 the election in November or who is in the Secretary of  
9 State position, it's an institutional commitment to  
10 work with you and our governmental partners to  
11 continue to make progress in this area.

12 Three, the Secretary committed the Department  
13 of State to the public/private partnership which is  
14 exemplified by the committee meetings here. The  
15 President did not just pick the names "China" and  
16 "Brazil" out of thin air.

17 It goes back to the point that Todd made and  
18 that John made yesterday in the committee meetings  
19 that the private sector is able to help us focus. By  
20 pointing out that China and Brazil were the key areas  
21 of interest to the travel industry, you were able to  
22 leverage governmental resources to achieve success in  
23 those areas. So, we want to continue to maintain and  
24 expand these things. So again, thank you for coming  
25 to the State Department this morning, and thanks for

1 your support.

2 CHAIRMAN DAVIDSON: Thank you, Ed, very much.

3 It was fabulous this morning, and I appreciate your  
4 recap now.

5 Moving into our subcommittee reports and  
6 issue updates, we will start with Maryann.

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12 SUBCOMMITTEE REPORTS AND ISSUES FOR DISCUSSION

13 BUSINESS CLIMATE

14 Maryann Ferenc, Subcommittee Member

15

16 MS. FERENC: Thank you very much, Todd. I  
17 want to thank Todd for bringing up this strategy  
18 again, the five-year strategy, and the opportunity  
19 that it brings to us. I think that is something that  
20 we really need to stay focused on and it's very  
21 important for our particular committee, which is  
22 Business Climate, to stay focused on because that is  
23 where our first and most important work lies.

24 As Douglas was mentioning, really using the  
25 private sector in ways that we can and already

1 existing programs to bring some of those strategies  
2 forward and to bring some of those programs to  
3 capacity is where the Business Climate Committee  
4 really sees themselves.

5 As we mentioned in our last meeting, we've  
6 broken our initial efforts into three areas: workforce  
7 development, small business, and taxes that affect our  
8 industry and its potential growth. Most of our work  
9 right now is being done in the first two, workforce  
10 development and small business. I will keep the  
11 entire report brief, but give a brief update on the  
12 small business aspect of it.

13 Again, our strategy really reminds us of the  
14 importance of small business to the travel and tourism  
15 market because it creates a place, and place is very  
16 much what travel is all about. So small businesses  
17 have a very important role there, and what can we do  
18 within that realm?

19 In our conversations with the Small Business  
20 Administration, one of the things that they have  
21 identified as a challenge that we can help them with  
22 is that many small businesses that are a part -- that  
23 come under the travel and tourism umbrella don't even  
24 know that they're under the travel and tourism  
25 umbrella and don't see themselves as travel and

1     tourism businesses, and how can we help to make them  
2     understand that and add value to their world by  
3     showing them what's happening within the travel and  
4     tourism industry for small business and what new  
5     possibilities might be there for their business,  
6     whether that's in terms of education or whether that's  
7     in terms of funding.

8             So the couple of things that we're working on  
9     there is to bring that message to our industry, such  
10    things as the National Tourism Association has already  
11    done a webinar. We're looking for greater  
12    opportunities to do that. I know that Chris has left  
13    the room. I just recently joined Chris -- and began  
14    working with him on this program, and he immediately  
15    left -- board.

16            (Laughter)

17            MS. FERENC: But -- continuing to work with  
18    Visit Florida and -- is taking over as interim  
19    director, to use Visit Florida, as well as our two  
20    CPBs in my local market in Pinellas County to look at  
21    using the destination marketing organizations to  
22    really bring that message out to the small businesses.

23

24            So we're going to pilot it there to see  
25    whether we can talk to other DMOs and say this is

1 really working, this is really value added to your  
2 members, this is one of those things that there can be  
3 something for everyone. This can be somebody's  
4 something.

5           So that's an area where we're going to start  
6 right away, also looking at whatever private sector  
7 opportunities there might be, whether it's Visa,  
8 American Express, or something like that where we can  
9 again get this message out to the small businesses,  
10 tell them that they're a part of this movement, and  
11 help them to bring, again, educational opportunities  
12 as well as funding. So that is what I will say about  
13 that.

14           In terms of the workforce development, one of  
15 the things that we started with there was research.  
16 Obviously, U.S. Travel has just done a tremendous bit  
17 of research on this with some really fabulous reports,  
18 so we did a bit of a deep dive on that with the folks  
19 from U.S. Travel. Laura and her team, with Ginny, are  
20 helping us to now aggregate research beyond that, as  
21 well as government research, as well as some other  
22 research and look at, what does that research really  
23 tell us about what we need to be doing in workforce  
24 development.

25           Is it simply bringing programs together? Is

1     there a program that's missing? That kind of thing.  
2     Laura has already done some research and looked into  
3     the Canadian programs there that are going to inform  
4     us of possibly some things that we could do that we  
5     could do very quickly. We have invited the Department  
6     of Labor and the Department of Education to -- or at  
7     least on future conference calls so that we can move  
8     forward in that area as well.

9             On the taxes issue, the only thing that I  
10    will say is that -- agenda is in almost every  
11    conversation that you have in any area of this, with  
12    county, state, whatever, and looking at the things  
13    that need to happen in communities. People are always  
14    looking to the tourism taxes to pay for those things,  
15    so it's something that -- in a matter of business,  
16    certainly it's something to be aware of. That's what  
17    I will say about that.

18            I think, Todd, that was our report, outside  
19    of thanking Caroline and her staff, and Steve, and  
20    certainly Greg and Bryan, who have done a tremendous  
21    amount of work already in terms of bringing us this  
22    far --

23            CHAIRMAN DAVIDSON: Thank you, Maryann.  
24    Great report.

25            MR. HYATT: Do you need any help with

1 speaking with the right people at either Labor or  
2 Education? It sounds like you're good with the SBA.

3 MS. FERENC: Yes.

4 MR. HYATT: Do you need any help?

5 MS. FERENC: No, we do need some help. We  
6 have brought that up to Jenna already, just making  
7 connections. But we will say yes, we still need help.

8 MR. HYATT: Okay.

9 MS. FERENC: And I think with SBA, what we  
10 need is just -- our initial conversations with them  
11 were, yes, yes, okay, and now we seem to be digging in  
12 to just any support there to say, yes, this could be  
13 really meaningful for what you're trying to do, would  
14 definitely be helpful to us.

15 MR. HYATT: Okay. Great.

16 MS. PILAT: We'll make sure that it's  
17 incorporated. Not to throw more acronyms into the  
18 room, but the National Export Initiative has an  
19 interagency group that focuses on travel and tourism  
20 being our largest services export. We'll make sure  
21 that it's highlighted in that way for our Federal  
22 agency partners in that context as well.

23 MS. CARLISLE: Todd, may I add one quick  
24 comment?

25 CHAIRMAN DAVIDSON: Yes, please.

1 MS. CARLISLE: Maryann, I thought I'd mention  
2 to you, when you talk about small business, I think  
3 also in this particular sector, we have a nonprofit  
4 sector that is small business, but it's the nonprofit.

5 Many of our cultural and heritage resources are  
6 nonprofits or are public sector supporter, but they  
7 are, in the vernacular that you use, the entities  
8 creating that sense of place, that authentic  
9 experience. So we need to expand that from just small  
10 business to include that very significant nonprofit  
11 sector as well.

12 CHAIRMAN DAVIDSON: Thank you, Linda.

13 Mr. Perry, our Advocacy Committee?

14

15 SUBCOMMITTEE REPORTS AND ISSUES FOR DISCUSSION

16 ADVOCACY

17 Stephen Perry, Subcommittee Chair

18

19 MR. PERRY: We have an incredibly, in some  
20 ways, amorphous sort of task because it almost covers  
21 everything, and everything that we're trying to do in  
22 every one of the other committees. We've tried to  
23 break it down through a number of meetings and through  
24 the utilizations of not only the terrific work Sabre  
25 has done, and I want to specifically thank Bruce for a



1 draft getting really into the weeds and into some  
2 details of this with how advocacy can really impact  
3 and enable a lot of this to occur much more fluidly,  
4 much more clearly.

5 I just pulled out, for example, my last  
6 week's effort on Global Entry. The letter I got,  
7 compared to the one Kathleen got a couple of years  
8 ago, mine -- literally that number is the first line  
9 right at the top so that you can take it, use it, and  
10 it's just worlds more clear than it was just a couple  
11 of years ago.

12 So what we're looking to do, and to adjust as  
13 time goes on, is to come up with a set of pillars, if  
14 you will, about what we can accomplish that deals with  
15 recommendations specifically within the Federal  
16 Government, within specific departments, with  
17 communications between departments, but also with the  
18 private sector.

19 I mean, literally like the light bulb going  
20 off, Kathleen was thinking they did X two years ago  
21 with the rewards customers. Now it's really  
22 exponentially grown here in the last couple of years  
23 in terms of awareness, but that still hasn't  
24 translated into enough users, right? I mean, we're  
25 just starting to scratch the surface there.

1           So among the pillars, we feel the advocacy  
2     has got to communicate across multiple platforms  
3     simultaneously: 1) making sure that elected officials  
4     at Federal levels, state levels, and local levels  
5     grasp and understand in very comprehensible ways the  
6     value, the extrinsic, the economic impact, the job  
7     creation value of tourism, the role it plays in our  
8     export numbers, those kinds of things. So that's one  
9     element.

10           But also begin to imbed in the mind of the  
11    average American in the way that the First Amendment  
12    is imbedded and the way that some groups have done  
13    that with the Second Amendment, the ability, the  
14    freedom, and the power to travel and to travel  
15    smoothly and easily should be something that is  
16    considered among the most fundamental of all American  
17    rights.

18           So we're looking at that as a combination  
19    that is both specific, but also creates a palpable  
20    change in how we look at tourism. Obviously, part of  
21    that is going to be in definitionally changing tourism  
22    from this rather non-integrated, unknown sort of hard-  
23    to-understand business enterprise that is understood  
24    as easily as when you say the American automotive  
25    industry. U.S. Travel has done a tremendous job in

1 doing that.

2 I will tell you, from having been -- I think  
3 Rossi and I are probably the two longest-serving  
4 members on this board, what's happening here in the  
5 last year or two has been really exciting because it's  
6 parallel with what's happening at U.S. Travel. The  
7 same is occurring with the various departments and  
8 there's more meaningful dialogue than really has ever  
9 occurred.

10 So one of the focuses for us in the advocacy  
11 has got to be in how do we sweep away some of these  
12 impediments to the ease of travel, which other groups  
13 here are working on in terms of facilities, NextGen,  
14 all these types of things.

15 So we see our role is in crafting these  
16 elements in a way that we can literally harness from,  
17 Arnie and your company, down to those in the hotels,  
18 both a recruitment process for these types of things  
19 for Pre-Check or Global Entry to a deep appreciation  
20 for what travel is and does.

21 So in doing that, we feel like we're  
22 naturally going to build support for the kind of  
23 funding that's going to be required to keep NextGen  
24 moving apace or the kind of support that's come from  
25 what -- when you look at the accomplishments of State

1 right now with the President's executive order, I  
2 mean, those are truly the kinds of things that people  
3 out in the country feel like, wow.

4           They took a specific task with great metrics  
5 and they went and they did it. So those kinds of  
6 things from a communication perspective for us, just  
7 build more appreciation of what government does, and  
8 then also at the same time puts a little more pressure  
9 on because then people want to keep coming and doing  
10 more things.

11           What we're trying to figure out and what  
12 we're going to do in putting together two documents,  
13 and I want to really recognize Maureen Bausch from  
14 Mall of America who did a tremendous job in pulling  
15 together some of the organics from really a holistic  
16 viewpoint of a lot of this, and we're going to combine  
17 these two documents.

18           We've got almost 20 single-spaced pages  
19 already with broad strategies, very specific  
20 strategies. We're going to combine those and then  
21 send those to each of you so that we can identify the  
22 things that make Commerce or other Departments  
23 uncomfortable. Are there things where we can look in  
24 this public/private partnership model?

25           Really, what Sabre has done, if we could

1 figure out -- with that, from a microcosm, as big as  
2 it was, if we could make that spread across the entire  
3 world of business and of travel, then the impact of  
4 that is going to be phenomenal.

5 So what we're really looking to do is to draw  
6 on the work of our other committees. Every one of  
7 these discussions deals -- almost every single report  
8 deals with some element of advocacy, so we take that  
9 down and we refocus and channel that into two or three  
10 tiers of very specific strategies as a recommendation.

11 So we should have within a week these two  
12 documents that the committee members have worked so  
13 hard on, and particularly Maureen and Bruce, and  
14 provide those to you, one of which will give a  
15 specific blueprint, another of which will identify  
16 some bigger picture things.

17 But to give you an example of the depth that  
18 we're trying to go to for you, we're trying to look at  
19 -- you know, this is something that Maureen and I both  
20 happen to have the same public  
21 relations/communications company, Weber Shandling. I  
22 use the New York office and she uses the Minneapolis  
23 office.

24 We've done work with the two of them together  
25 and started to explore things like, what about having

1 an America's Traveler Twitter account where the  
2 ownership of it sort of rotates among different ones  
3 of us from time to time, even part of it going to you  
4 guys at some point, where there are different elements  
5 highlighted?

6 One of the things that we have looked at is  
7 we always talk about the fact that travel is so  
8 experiential, so we want to create this cadre of  
9 national and global storytellers about travel, the  
10 power of travel, the economics of travel, the things  
11 in travel that are working that can help build a  
12 publish push behind so many of the good things that  
13 you guys are all implementing, and also specifically -  
14 - I know it's hard for you guys to talk about funding,  
15 but of course you're going to have difficulties in  
16 trying to figure out from now over the next 15 years  
17 the funding strategies on NextGen with our so  
18 incredibly bipartisan budget environment.

19 We've got some things that really are popping  
20 up in numbers of ways. One of these things in  
21 communication and advocacy is going to be in -- I  
22 mean, can you imagine the very discussion that you had  
23 here today, when we're a little bit confused about  
24 something, you can imagine what a family in Iowa is  
25 thinking. So that has got to be one of our tasks.

1           We've got to make this digestible down to the  
2   9th grade level to where it's foolproof, it's easy to  
3   follow, it's easy to fill out, and it's transportable  
4   across the multiple platforms. So without going into  
5   any more detail, what we're going to do is pull these  
6   great documents together, give you a comprehensive  
7   plan with pillars, with strategies, with the organics  
8   that should flow from each one of them, with very  
9   specific implementation mechanisms and suggestions  
10   that will flow from private sector alone, Federal  
11   Government alone, but specifically from partnerships  
12   together.

13           If we do that and take advantage of where  
14   we've gone, I think it's going to play a tremendous  
15   role. Brand USA is another one of those areas where  
16   we want everyone in the universe to understand that  
17   America wants visitors, has a strategy to get  
18   visitors, is now funding that for the first time, that  
19   it's incredibly worthwhile, and we haven't quite  
20   gotten to that point yet.

21           That's going to be extremely important on the  
22   Hill for all of our executive committee and all of you  
23   and the things that you're working on. So we hope  
24   that we're going to be able to plow that ground for  
25   you and do it in an absolutely unprecedented way with

1 individual corporations, with all of our major trade  
2 associations.

3 CHAIRMAN DAVIDSON: Thank you, Stephen, very  
4 much.

5 Jonathan?

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19 SUBCOMMITTEE REPORTS AND ISSUES FOR DISCUSSION

20 INFRASTRUCTURE AND SUSTAINABILITY

21 Jonathan Zuk, Subcommittee Member

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23 MR. ZUK: Thank you, Doug. Infrastructure  
24 and Sustainability. During our deliberations that  
25 started obviously in LA and then -- yesterday as well,



1 we were looking at the major elements of what we're  
2 interested in -- rail sustainability, roads, and we  
3 ended up focusing on NextGen, surprise, surprise.

4 Last night when I was sort of trying to think  
5 how I was going to convince everybody in this room  
6 that NextGen is absolutely 100 percent important and  
7 we need to focus on it, and taking Douglas's  
8 suggestion of drilling down and focusing on an issue  
9 that is very, very important. NextGen fits exactly  
10 that bill. Thank you to the Department of  
11 Transportation. You did an amazing job and -- so  
12 thank you for that.

13 Obviously, half of what I wrote doesn't need  
14 to be explained because she explained it very, very  
15 well today, how the effect of the implementation of  
16 NextGen will influence basically every sphere of what  
17 -- advocacy to business climate, to facilitation, to  
18 everything we do because NextGen will have such far-  
19 reaching effects on all parts of the travel industry.

20  
21 Now, just to summarize a little bit of what  
22 she said at lunch on how do we improve the travel  
23 experience and increase capacity, save fuel, safety,  
24 reduction in delays, enhance the flight experience,  
25 noise pollution, effective maintenance, all those

1 things that will be obvious and immediate. But more  
2 than that, it will influence much more than that.

3 We recognize that there is a problem because,  
4 other than the NextGen people and maybe the airlines,  
5 and now the people in this room, nobody really knows  
6 what NextGen is. I remember the first time somebody  
7 said to me, NextGen. I thought, Generation X, now  
8 it's NextGen.

9 (Laughter)

10 MR. ZUK: I was trying to figure out where  
11 we're going with this, NextGen. I think that is a  
12 situation -- we think that is a situation throughout  
13 the industry. People that live by the tourism  
14 industry, the majority of the people in the industry  
15 do not understand NextGen.

16 Definitely the public, that family in Iowa  
17 that Stephen was talking about before, they definitely  
18 don't know what NextGen is all about. On the other  
19 hand, the people who are administering the NextGen and  
20 implementing it and building it as we go along is the  
21 FAA, which is a regulatory agency. I'm sure they're  
22 doing an amazing job with PR -- prerequisites when  
23 they start.

24 To tell their story and to explain why it's  
25 so important and what it means for all of us, that is

1 something that we think is paramount to what we do.  
2 As NextGen develops and as NextGen basically is  
3 implemented, it will translate into jobs and it will  
4 translate into enhanced travel.

5 If we increase the efficiency of the  
6 airlines, we'll increase passengers, but then that  
7 will put pressure on all of you government gentlemen  
8 here who are stretched to your max as it is.  
9 Implementing would be good now. If we add 40 million  
10 people, you're going to have a problem at your  
11 borders, and so on and so forth.

12 That is something that we need to make sure  
13 that the administration and the Secretary, or whoever  
14 tells the story on the Hill with respect to financing  
15 -- everything else that is prepared for these people  
16 to arrive, because it won't do us any good to go and  
17 market with Brand USA and with all the other tools  
18 that are at our disposal and then implement NextGen  
19 and not be able to facilitate the people and have them  
20 bottlenecked at the airport, or have them bottlenecked  
21 getting out of the airport, or if they're in Customs,  
22 or wherever, whichever link in the chain that they  
23 need to be.

24 So part of what we see is the importance  
25 of our committee basically creating the story, both

1 for the public, for our industry, and for the people  
2 who are participating in our industry to understand  
3 that they need to support NextGen and get the story  
4 out there.

5 But on the other hand, absolutely, to get the  
6 administration and the Department of Commerce to get  
7 behind the NextGen publicly and force legislators to  
8 enhance and to secure the funding. We heard at lunch  
9 that the funding is good for one year. One year is a  
10 very short time.

11 Obama announced his initiative in January.  
12 January is coming up very soon. It's very quick. A  
13 year will go by and then you'll sit here and ask the  
14 same questions, where's the money coming from? We  
15 need to act on that now so we don't run into a work  
16 stoppage, because at the end of the day, while NextGen  
17 is implemented, it will help us reach the \$100 million  
18 -- 2021 and it will help us enhance our travel  
19 experience.

20 We feel that this is a subject that we  
21 absolutely have to get behind and -- again, I'm sorry,  
22 twice -- but we need to focus on something that is  
23 far-reaching for everybody around the table, and far-  
24 reaching for all the committees. This is the subject  
25 that we should get behind and make sure that it's done

1 right, and I think everybody will benefit from that.

2 CHAIRMAN DAVIDSON: Thank you very much.

3 Thank you, Jonathan.

4 MR. ZUK: I apologize. I just want to say  
5 thank you to you guys from DOC. You did an amazing  
6 job yesterday and gave us all the information we  
7 needed without --

8 (Laughter)

9 MR. PERRY: Now, think of what he just said  
10 and what we've all learned today, and then think about  
11 that from the advocacy side. How easy would it be to  
12 say that what we're going to do with NextGen is to  
13 make it safer for you to fly, we're going to make it  
14 easier for you to move through airports and to get on  
15 a plane, we're going to make it better for the  
16 airlines to keep costs down, thus keeping your ticket  
17 prices in better shape, and what we're doing is going  
18 to be better for the environment. We start  
19 translating these into these lower level messages and  
20 then we can start getting resonance in a way that's a  
21 little bit different from the more complicated  
22 explanations that sometimes we do.

23 CHAIRMAN DAVIDSON: Stephen, I think you're  
24 right. I think there's no doubt NextGen is certainly  
25 a priority for this subcommittee, and if as an issue

1 it were to pivot from being seen as an airline issue  
2 to being more of a consumer issue, it would totally  
3 change the dynamics for how it's communicated. So  
4 Jonathan, thank you again. Stephen, thanks for that  
5 additional insight.

6 John, Travel Facilitation.  
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22 SUBCOMMITTEE REPORTS AND ISSUES FOR DISCUSSION

23 TRAVEL FACILITATION SUBCOMMITTEE REPORT & DISCUSSION

24 John Sprouls, Subcommittee Chair  
25

1           MR. SPROULS: Thank you. I will go very,  
2 very quickly. I do want to thank you for, yesterday,  
3 having the minister counselors in the meeting. We had  
4 those four minister counselors in our meeting for the  
5 entire subcommittee and it was a fascinating  
6 discussion. It really, really helped and it really  
7 helped us think about how we're going to go forward as  
8 a committee.

9           We're completing our data collection efforts  
10 but we think we've got a good handle on where we  
11 anticipate going. We anticipate a series of  
12 recommendations that are going to build on both the  
13 work of the previous version of this subcommittee,  
14 which led to some of the things that were included in  
15 the President's executive order and in the national  
16 travel and tourism strategy. The Travel Facilitation  
17 Subcommittee, the last go-round, a lot of that stuff  
18 we're now seeing happen.

19           A lot of the stuff that we talked about  
20 there, the State Department has made happen. So we'd  
21 like to build on that and go forward in a number of  
22 areas. One, we want to build on the model port  
23 initiative. We think we've cracked the code in  
24 Orlando as to how to make that happen.

25           As Doug mentioned yesterday, it's sort of a

1 restart of what had happened a few years ago. We want  
2 to identify the next five and we want to identify also  
3 how we take the knowledge gained in Orlando and bring  
4 it to the next five airports, and then beyond that.

5 Secondly, we want to work with DHS to  
6 understand and support their efforts in terms of  
7 reciprocity agreements for Global Entry, because to  
8 the extent we can make that happen, that again is  
9 going to improve the process at the border for more  
10 and more people.

11 Everything we've been talking about in terms  
12 of ramping up Pre-Check, including understanding how  
13 we can make it work better, how we can ramp it up  
14 faster, because to the extent it's a great lane but  
15 it's empty, it's not helping us. It's not changing  
16 anything that's going on there, including things like  
17 just identifying how it's easier for people to use it  
18 and to know that they have it.

19 We talked about, it's as simple as putting  
20 the Pre-Check trademark symbol on people's boarding  
21 passes so they know enough to ask, just those kinds of  
22 things, anything to keep the line moving. We've got  
23 to continue to streamline the visa process with Visa  
24 Waiver, exception to the interview process,  
25 outsourcing parts of it because even with all the



1       tremendous progress we know that there's finite  
2       physical capacity, and if we achieve filling the top  
3       of the funnel with the amount of visitors who want to  
4       come here, we're going to fall backwards against some  
5       of the progress that we've made.

6               So anything that we do -- I was pleased to  
7       hear yesterday that there is a team from State and DHS  
8       that are actively working on that and we look forward  
9       to understanding what they're trying to do and see if  
10       we can help that along with recommendations as well.

11               We want to further explore and then make  
12       recommendations with respect to all of the fees that  
13       are collected throughout the travel and tourism  
14       process, be they ESTA fees, visa fees, et cetera.  
15       There's a lot of money that's collected, there's a lot  
16       of it that then goes back into the travel and tourism  
17       process, but there's a fair percentage that does not.

18       So we'd like to better understand that and make  
19       recommendations about how it ought to.

20               Again, if we're looking at where we expect  
21       travel to be in 2020 and beyond, we can't have --  
22       there has to be a funding source for us to be able to  
23       do what we need to do to keep all the parts of the  
24       system functioning. If we have to be worried about  
25       appropriation processes and what's happening in terms

1 of the economic climate, we're not going to be able to  
2 do the things we need to do in terms of building  
3 visas, improving the process, or improving the  
4 websites.

5           There's a lot of money that flows into the  
6 process. There may be opportunities to flow more  
7 money into that process, but we believe, selfishly as  
8 the travel and tourism industry, all the money that's  
9 flowing into that process will be flowing back into  
10 the areas that are supporting that process. We're  
11 building American jobs if we're increasing exports.  
12 We ought to try to have as dependable a funding source  
13 as we possibly can.

14           We also, in terms of just talking about -- we  
15 talked about Global Entry and Pre-Check and all of  
16 those pieces. We collect a lot of data, and in some  
17 cases with respect to individuals we collect it in two  
18 or three different places. We'd like to see a way for  
19 that to be a streamlined process, number one, and  
20 number two, that those processes could better feed  
21 them.

22           We talked in the subcommittee yesterday about  
23 the information that's collected in the visa process.

24           It pretty much collects just about everything you  
25 need to be part of Global Entry, but there isn't an

1 easy way for that just to happen automatically.

2 To the extent we can get the reciprocal  
3 arrangements in terms of Global Entry, we ought to be  
4 able to streamline that process and put more people in  
5 the Global Entry lines as they start coming forward.  
6 So that's what we anticipate. I think we would be in  
7 position by the next committee meeting to at least  
8 have a draft of the recommendations coming out of our  
9 subcommittee.

10 CHAIRMAN DAVIDSON: That's great. That's  
11 great. John, thank you again for stepping into the  
12 chair position, and Kathleen, stepping into the vice-  
13 chair position. Great report.

14 MR. SPROULS: Thank you.

15 MS. MATTHEWS: If I could just add on the  
16 speed thing too, I think that this is really critical  
17 because we've seen how successful a fee-based system  
18 has been for the expansion in the consular affairs  
19 area. To hear Douglas talk about the challenge he has  
20 on coming up with the funding he needs for these CPB  
21 officers and TSA officers, so right now we look at  
22 something like the ESTA fee and that's targeted for  
23 the marketing.

24 But I think we've got to make some really  
25 tough kind of -- we've really got to look at that

1 because we shouldn't welcome people that we can't  
2 create a welcoming experience for, so we shouldn't be  
3 inviting them to come if it's not going to be a nice  
4 process when they get here.

5 So I think it really is -- well, ESTA fees  
6 have been sort of targeted for this marketing with  
7 Brand USA I'm sorry that they had to leave. I would  
8 say that the extension of that experience is something  
9 that should be on the table. Whether there could be  
10 funds in the future or those funds could be looked at  
11 to actually address some of those from TSA --

12 MR. SMITH: There is another pot. There is  
13 money from the cap and above which has not been -- a  
14 food fight over.

15 MS. MATTHEWS: This should be sooner than  
16 later because you talk about the lead times it takes  
17 to recruit, train. If we continue at the acceleration  
18 that we're continuing now, if State continues to do  
19 their job the way they've been doing, these 40 percent  
20 increases, I mean, the bottleneck is happening as we  
21 speak.

22 MR. SMITH: Patricia, do you know, have you  
23 guys ever done an analysis across industry on all the  
24 fees collected?

25 VOICE: We haven't done it across all of the

1 agencies. Just looking at CBP user fees, it's really  
2 complicated -- identifying the fact that -- just the  
3 fact that there are three fees that are shared with  
4 ICE and CBP, and it costs CBP money to funnel it all  
5 back to CBP. Not all of it gets back, so that's an  
6 issue of Congress not wanting to let go of their --  
7 each committee has jurisdiction over one of the fees.

8 MR. SMITH: These are all legacy fees from  
9 when INS was -- and they've never cleaned it up.

10 VOICE: Right. And with regards to the ESTA  
11 funding, while not all of the money is going into  
12 Brand USA, the money that's not going goes into  
13 Treasury. For us to take that money you would have to  
14 find an offset. Congress would need to find the money  
15 to put back into -- if we take that money out. So  
16 it's not just sitting there, unfortunately.

17 MR. SMITH: We could take it out of  
18 Commerce's budget.

19 MR. PERRY: Should we go ahead and tell them?  
20 We got confirmation that you four have been booked on  
21 Hardball next Thursday --

22 (Laughter)

23 MR. PERRY: -- to join Todd and Sam, with the  
24 whole program being devoted to how they are saving  
25 travel in America. So I hope that doesn't put any

1 pressure on you. That would be great.

2 MR. SMITH: Let's play hardball. I know the  
3 host of that show. He's a real jerk.

4 (Laughter)

5 MR. SMITH: He's a Phillies fan.

6 CHAIRMAN DAVIDSON: Rossi and Laura, we're  
7 turn to you for our final subcommittee report.

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24 SUBCOMMITTEE REPORTS AND ISSUES FOR DISCUSSION

25 RESEARCH TASK FORCE

1 Rossi Ralenkotter, Research Co-Lead

2 Laura Mandala, Research Co-Lead

3  
4 MR. RALENKOTTER: We'll close. I'll take the  
5 funding part and Laura can take the methodology part.

6 But just two comments, again, on today. I've been  
7 around the industry and around things for a long, long  
8 time. If you look at the last four years, what we  
9 have accomplished in the last four years, the advocacy  
10 efforts of United States Travel, the fact that we have  
11 Brand USA marketing the destination, the fact that  
12 this group here provided information to the White  
13 House that became part of the executive order, and  
14 then just what we've seen in the last two days, the  
15 conversation that we're in now, part of the  
16 conversation of the Department -- the government  
17 tourism is a part of the dialogue, and that's what  
18 have all been seeing and wanted to see over the years.

19 That's why I said that to Chris. I've never  
20 seen this excitement for our industry in all the years  
21 I've been in it. So we truly have a seat at the  
22 table, so this Thanksgiving you don't have to sit at  
23 the kids' table anymore. So, remember that because we  
24 really have made some great strides.

25 I started out in research when I first

1 started at the convention center in Las Vegas, so I  
2 kind of have a feel for research. One of the things  
3 that we need to take into consideration though as we  
4 go through the funding, as well as the methodology, is  
5 we need to manage the expectations because we have to  
6 be very careful if we spend the money appropriately,  
7 whatever that is, to get the maximum return on that  
8 investment.

9 So I'll just use Nevada as an example. I  
10 would be very happy if the research, when it's all  
11 said and done, gives me the numbers -- the number of  
12 Brazilians coming to the State of Nevada, that come to  
13 Las Vegas, and that come to Reno. We may have to skip  
14 -- because we may not be able to drill down that far,  
15 but I think we really truly need to manage what we  
16 want to have from that standpoint. So I wanted to say  
17 that.

18 A couple of just real quick comments. One of  
19 the things that we are discussing, and this goes over  
20 to the methodology part, is the fact that we're  
21 mandated to this 1 percent sample size. Well, in some  
22 discussions with Ron it's really best effort to get to  
23 1 percent, because we may discover that there's a  
24 methodology that allows us to get the information that  
25 we need without going to 1 percent.



1           So that's something that Laura and the group  
2 will be taking into consideration, because if you just  
3 go to the flat 1 percent we could be talking about a  
4 budget of about \$10 to \$12 million. So we have to be  
5 -- we need to look at that, but we have that  
6 opportunity. So that will be hopefully part of the  
7 results of what Laura is doing.

8           On the funding side, I am a total advocate  
9 for the Federal Government paying for this research  
10 because Brand USA has to use these methods to  
11 determine their success. So that should be one effort  
12 that we do make, that because the hundreds of  
13 thousands of jobs and the economic impact that our  
14 industry has on the country, both domestically as well  
15 as internationally, the small amount of money that  
16 will be required to get this research done is  
17 something that I think really should be coming from  
18 the Federal Government. So that will be one area that  
19 we will continue to explore to see what are those  
20 possibilities.

21           A couple of byproducts of that if we can't  
22 get to that level. We talked about the research  
23 capabilities on OTTI sites who expand their product  
24 line and to get marketing support from the industry,  
25 as being able to get additional dollars because they

1 are able to give more information out and sell that.  
2 So that's something that both short term, as well as  
3 long term, we will have a strategy for that.

4 Then the other side of it is, we can't get  
5 the total funding from the Federal Government. What  
6 are the opportunities that we have, with the alphabet  
7 soup of organizations that we all belong to, DMAI,  
8 U.S. Travel, PCME, ASAE, ASTA, NTA, and so forth.

9 So that would be some area that we might be  
10 able to get to their foundations to get some funding  
11 there. So it's so critical that we have this  
12 information as we go forward, that we might be able to  
13 go out and get a coalition of these organizations to  
14 provide the funding base for us to go forward.

15 So those are kind of the discussions that are  
16 happening. It's a great dialogue. The fact that we  
17 have the opportunity now to take a look at  
18 methodology, to take a look at funding, to get to the  
19 point where we need to be with this research  
20 information.

21 So with that, Laura?

22 MS. MANDALA: Thanks, Rossi. Just to refresh  
23 everyone's memory, we had started back in August by  
24 pulling together a very collaborative group of folks  
25 from the industry. We asked destinations, we asked

1 travel companies, we asked the best research minds in  
2 travel and tourism, including those outside of travel  
3 and tourism, and we have been working closely with our  
4 government partners here at OTCI.

5 We took this model of -- which I am now happy  
6 to say is actually mirroring the NextGen model, which  
7 is also very collaborative. We looked at pilots,  
8 looked at stakeholders, all coming together to  
9 understand what's the best way to move forward.

10 So we've kind of put the best and the  
11 brightest together. We're still in the phase of  
12 answering some questions. What's the best  
13 methodology? How do we enhance the sample to make it  
14 more beneficial to more users? There are a lot of  
15 questions to identify the methodology. If anyone wants  
16 to really dig in and go into the details, we'll be  
17 happy to do that with you.

18 But kind of the high-level take-away for you  
19 is that we've got all the industry partners at the  
20 table talking about the best way to do this, our  
21 research guru, Adam Sacks, participating as well. So  
22 we're really looking at this from all angles. We're  
23 getting close now to probably two or three approaches.

24 We think it's going to have to be multi-  
25 modal, that is using the current intercept approach

1 but combining that with possibly data collected from  
2 ESTA, if that becomes possible, possibly data  
3 collected through some airlines.

4 OTTI has just done a test with Lufthansa that  
5 had some success on the online approach. So we think  
6 that the ultimate conclusion is going to have to be  
7 multi-modal to get us what we need. We are going to  
8 have a discussion on, if not 1 percent, what does that  
9 number need to be in order to enhance the sampling?

10 We're coming close to kind of narrowing down  
11 the final questions and getting close to making a  
12 recommendation as to which of these two or three  
13 approaches should we then proceed with in a test.  
14 We've got to test this first. We can't just replace  
15 what's out there now. It would upset too many trending  
16 numbers from our destination partners who watch this  
17 over years and years. So we're going to test it.

18 Our recommendation to you the next time we  
19 see you--we're hoping we get a recommendation the next  
20 time we see you--will probably be for securing some  
21 funding for the testing phase and seeing the results  
22 of that. I don't know if you want to comment on the  
23 funding of the testing phase, but --

24 MR. RALENKOTTER: We will have to get a  
25 dollar amount for that. Again, we go back out to our

1 industry partners and see if there's an appetite to do  
2 that. But I think with the importance of this  
3 information for all of us, marketing plans and  
4 programs for international are based on these numbers.

5 So we need to have it so we can get some support and  
6 twist some arms -- do that so we can fill out the  
7 industry standard.

8 CHAIRMAN DAVIDSON: Great. Well, thank you  
9 both. Ken, did you have any questions?

10 MR. HYATT: No. I think this sounds great.  
11 It sounds like, by January, we'll have a pretty good  
12 idea. Is that right? I heard you say by the next  
13 meeting we should be --

14 MS. MANDALA: Well, we're going to make a  
15 recommendation to get some funding for a testing  
16 phase. We'll try to get it for industry. So the next  
17 phase will be testing. We'll get the results of  
18 testing in January, but we'll be --

19 MR. HYATT: Right. But least in  
20 recommendations.

21 MS. MANDALA: -- hope we'll be identifying  
22 which approaches we're going to oversee in the --

23 MR. HYATT: Great.

24 CHAIRMAN DAVIDSON: All right. Before --  
25 what was this, Julie? Just checking. Okay. It's an

1 East Coast red, Left Coast red thing. Okay. So  
2 that's Julie.

3 DISCUSSION OF NEXT STEPS

4 Todd Davidson, Chair

5  
6 CHAIRMAN DAVIDSON: I just wanted to ask if  
7 there were any comments from any of the TTAB members  
8 before we adjourn. I want to give you that  
9 opportunity if there's anything that anyone would like  
10 to share for kind of the good of the order.

11 (No response)

12 CHAIRMAN DAVIDSON: Sam, anything?

13 MR. GILLILAND: No.

14 CHAIRMAN DAVIDSON: All right.

15 Well, Jenna, do you have any --

16 MS. PILAT: Ken, first.

17 MR. HYATT: I just wanted to make certain  
18 that any thanks that came to me also goes to Julie, to  
19 Ron, to Isabel, to Kurt, to Carlos back, there,  
20 because these are the folks who have been doing the  
21 work, not me.

22 MR. SMITH: We all know that, trust me.

23 (Laughter)

24 MR. HYATT: Thank you, Douglas. I just  
25 wanted to make certain that was clear.

1 MR. SMITH: That's a lot of people in your  
2 car when you call me each evening.

3 (Laughter)

4 MR. HYATT: And then obviously John. I  
5 wanted to make certain these folks were thanked.

6 CHAIRMAN DAVIDSON: Thank you, Ken.

7 MR. PERRY: We hope you really take to heart  
8 the things that Todd, Sam, Rossi, and I, and Kathleen,  
9 everybody has said today. Your partnership -- there  
10 is no partnership without what all of you guys in the  
11 different departments and Commerce have done. I think  
12 that's why it is so -- it says Rossi, but it's why  
13 it's so exciting, because we finally have something  
14 going on the private side with U.S. travel and you  
15 guys have just come on fire now working with us. It's  
16 just awesome.

17 CHAIRMAN DAVIDSON: Jenna, any final  
18 housekeeping items?

19 MS. PILAT: Yes. I know you all are  
20 anxiously awaiting your 2013 meeting dates and  
21 locations. We will aim to do two in DC, two out of  
22 DC, like we did this year--kind of did this year.  
23 We'll have those out to you. We're sharing them with  
24 the leadership here, as much as we know what the  
25 leadership here will look like for the next few weeks.

1 But we're looking to have those out to you this month  
2 so we can get them on the calendars and make sure you  
3 can join us.

4 CHAIRMAN DAVIDSON: Great. Well, let me  
5 just --

6 MS. RAMUDO: It's not important. Really  
7 quick, just on the Global Entry -- I promise it's not  
8 -- just on the Global Entry --

9 CHAIRMAN DAVIDSON: Don't make me get the  
10 bat, Olga.

11 MS. RAMUDO: On the Global Entry, if we can  
12 get our tourism organizations to jump on the bandwagon  
13 like Sabre has done -- I know we had the mobile come  
14 to an ASTA meeting and they're coming to NTA in  
15 Orlando in January. We're having them come to the  
16 Greater Miami Chamber of Commerce with 5,000 members.  
17 We're making that available to them. So if we can  
18 get the business organizations and the chambers'  
19 engagement, well, maybe that would be a good way to  
20 get this done.

21 CHAIRMAN DAVIDSON: That's great. That's  
22 great.

23 Well, let me just close then by thanking  
24 everybody, because this is -- I mean, again, as we've  
25 seen evidence of again today with our time at the



1 State Department, this is -- and as we've talked  
2 about, this is the time of unprecedented momentum for  
3 this industry. So we've got a chance now to just build  
4 on that momentum. As you go from this meeting and  
5 prepare for our subsequent meeting after the first of  
6 the year, this is that opportunity for our  
7 subcommittees to continue their work.

8 This is where the crux of the recommendations  
9 are borne. I'm thrilled to hear that we've got two  
10 subcommittees already that are at a point where  
11 they're going to be percolating up recommendations for  
12 the next meeting, that others are still kind of in  
13 that issue development/research/information  
14 aggregation phase. I totally understand that.

15 But as we move forward into recommendations,  
16 that's where it's really going to start to click for  
17 us. I don't want you to feel you've got to have all  
18 your recommendations baked to bring them forward to  
19 the group. By all, previously -- maybe have lengthy  
20 letters with several recommendations that were  
21 included in them.

22 If, within your subcommittee meetings there's  
23 a particular recommendation that you want to move on  
24 and move on now, bring that forward. We can do these  
25 one, two, or three at a time. It doesn't need to be a

1 fully fleshed out list of recommendations. Jenna and  
2 I have kind of consulted on this and we wanted to make  
3 sure we emphasized to you that you could bring these  
4 forward one primary recommendation at a time as we go  
5 forward.

6 I hope you realize how much you are each  
7 individually and collective driving the agenda. We  
8 have heard it from our Federal partners here today,  
9 how we've influenced the decisions to focus on Brazil  
10 and China and other places. So you've got that we're  
11 not only in the room, we're not only being able to sit  
12 down and eat at the table, the grown-up table, and  
13 it's a really beautiful place to be.

14 So everybody travel safely. Good to see all  
15 of you. Thank you so much for the work you've been  
16 doing and the work you will do until we get a chance  
17 to all be back together again. Travel safe.

18 (Applause)

19 (Whereupon, at 4:20 p.m. the meeting was  
20 adjourned.)  
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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 October 2, 2012, were  
transcribed as herein appears, and this is the  
original transcript thereof.

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LISA L. DENNIS,  
Court Reporter

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