

THE CORPORATION FOR TRAVEL PROMOTION

MEETING OF THE BOARD OF DIRECTORS

March 9, 2011

A meeting of the Board of Directors (the “Board”) of the Corporation for Travel Promotion (the “Corporation”) was held at the Verizon Center in Washington, DC, following a closed Board session, commencing at 12:40 p.m. EST. All members of the Board of Directors were present at the Meeting:

Stephen J. Cloobek, Chairman
Caroline Beteta, Vice Chairman
George Fertitta, Vice Chairman
Daniel Halpern
Tom Klein
David Lim
Mark Schwab
Diane Shober
Roy Yamaguchi
Lynda S. Zengerle

Al Weiss was not present at the meeting. Also in attendance were Rick Wade, Joel Secundy and Helen Marano representing the Department of Commerce, Rob Gluck and Melissa Mitchell of the firm High Lantern Group, and Robyn Mandel, Esq. of the law firm Katten Muchin Rosenman LLP. Melissa Mitchell served as recording secretary of the meeting. Stephen J. Cloobek, the Chairman, called the meeting to order with a quorum present.

I. Chairman’s Welcome and Opening Remarks

- A. Chairman Cloobek welcomed participants attending the meeting in-person and those on the phone.
- B. He then introduced Sheila Johnson and Raul Fernandez, co-owners of Monumental Sports Entertainment, who welcomed guests to the Verizon Center.
- C. Cloobek led introductions and announced a quorum was present.

II. Remarks from the Commerce Department

- A. Joel Secundy, Deputy Assistant Secretary for Services, International Trade Administration, Department of Commerce, reported that the Commerce Secretary Gary Locke has been pleased with the way the Corporation has become organized and incorporated in such short order. There is increased attention within the Administration with regard to travel facilitation, ease of entry and removing market barriers. He emphasized that the Commerce Department and the White House is fully committed to the partnership with the Corporation.

III. Administrative Items

- A. Chairman Cloobek asked for approval of the February 2, 2011 meeting minutes.

RESOLVED, that the minutes from the Corporation’s meeting taking place on February 2, 2011 by teleconference, be approved.

- B. Chairman Cloobek offered nominating resolutions for the office of Treasurer and protocol for finances.

RESOLVED, that Daniel Halpern has been nominated and is hereby elected to the position of Treasurer of the Corporation, to serve in accordance with, and for the term provided in the Corporation's Bylaws;

FURTHER RESOLVED, that the Treasurer, the Chairman, the Vice Chairmen and when appointed, the Executive Director, be, and each of them hereby is, authorized and directed to, at their discretion, manage the bank accounts (checking, savings or otherwise) which have been opened in the name of the Corporation, and open any other accounts in their discretion in such banks and trust companies as they may select, and sign any checks, drafts, and notes for the payment of money drawn against any such accounts; and each such person be, and each of them hereby is, authorized to prepare, execute and deliver in the name and on behalf of the Corporation, such documents or instruments as may be necessary to manage such bank accounts and draw funds against such bank accounts;

FURTHER RESOLVED, that for any expenditures greater than \$5,000, the signatures of two of the named account authorized signatories are required on any check, draft, or other note for the payment of money drawn against the Corporation's bank accounts.

- C. Chairman Cloobek offered a nominating resolution for the office of Secretary.

RESOLVED, that Lynda Zengerle has been nominated and is hereby elected to the position of Secretary of the Corporation, to serve in accordance with, and for the term provided in the Corporation's Bylaws.

- D. Treasurer Halpern called for resolutions regarding accounting counsel, both for audit services and day-to-day bookkeeping work.

RESOLVED, that upon recommendation from the Finance Committee, the Corporation will engage in negotiations with KPMG to manage its audit process.

FURTHER RESOLVED, that upon recommendation from the Finance Committee, the Corporation will engage in negotiations with Mitchell & Titus for day-to-day bookkeeping and accounting work.

IV. Search Committee Report

- A. Tom Klein, Chairman of the Search Committee, which comprises six Board members, has worked with the search firm Spencer Stuart to conduct the search. The process is going well, but much of the information must remain confidential at this time.
- B. He reported that the Board hopes to have a candidate finalized within the next 30 days.

V. Governance Committee Report

- A. Caroline Beteta, Chair of the Governance Committee, reported that the Directors have established a framework of committees to report into the Board in key areas to help establish the initial footprint for the organization. The structure document appears on the Corporation's web site. The Directors have agreed to serve on one or more committees,

and in key areas, are asking for additional industry participation, to start bringing the industry into the dialogue.

- B. Beteta said that a major endeavor the Board is focused on as October 1 approaches is looking at developing cash contributions to the Corporation. October 1 begins the window of the critical 2 to 1 match. David Lim and Diane Shober will be assisting on the Industry Matching Funds Committee. They will build a framework for cash and in-kind contributions. They will approach it to be consistent with the asset base of marketing activities so there is a direct correlation between the two. There may be opportunities in the short term looking at direct contributions as well. This area is a critical focus for the Board looking toward October.
- C. Cloobek said the Board is actively looking for participation from the travel industry – from different states, territories and industry areas – and asked that they come forward quickly so that the Board can begin utilizing this additional expertise.

VI. Marketing Committee Report

- A. George Fertitta, Chairman of the Marketing Committee, said that the committee is working to identify the gaps and will begin soliciting assistance from industry where those gaps exist.
- B. He stated that when the CEO is in place, the major responsibility of that person is to market the United States. The goal is to get an audit of all the research that is out there – from Commerce, Tourism Economics and others in the industry – to make sure that information is ready for the CEO when in place. Some of the information being collected is helping define target audiences, and the committee will also be collecting research assets as in-kind contributions for matching.
- C. The marketing presentation at Pow Wow will be in the hands of the new CEO once in place.
- D. Chairman Cloobek stated that the Corporation is not spending any money on research now, but collecting it from multiple destinations and other sources. Fertitta confirmed, saying that there will also be research recommendations made for when the CEO is in place.
- E. Fertitta said the committee is also researching nomenclature and brand.
- F. Cloobek emphasized that the goal is increased GDP, jobs and return on invested capital.

VII. Finance Committee Report

- A. Daniel Halpern, Chairman of the Finance Committee, reported that the committee conducted a thorough and competitive process for accounting firms with local, national and diverse cross-section reputations and qualifications to make the decisions to work with KPMG and Mitchell & Titus as mentioned at the beginning of the meeting.
- B. He also said that Request for Proposals (RFP) for legal counsel would go out at the end of the week, and the goal was to vote on selected firm(s) at the next Board meeting.

VIII. Legal Committee Report

- A. Lynda Zengerle, Chair of the Legal Committee, reported on the status of the Memorandum of Understanding (MOU) among the Corporation, the Commerce Department and the Treasury Department. She said that the MOU is still in draft form and that the Commerce Department and a number of Directors have made edits to the draft. The committee is awaiting comments from the Treasury Department.

- B. Cloobek clarified that the MOU will set in motion a firm structure of how in-kind will be considered when October 1 arrives. The standards will be put in place once approved and posted on the Corporation's web site. It will be affirmed by outside auditors on a quarterly basis to ensure transparency and clarity of what the in-kind process looks like. The plan is to have the document finalized by the next meeting. He thanked participants on behalf of Commerce for their help moving the process along.

IX. Calendar Review

- A. The next Board conference call will take place on Wednesday, April 13 at 1 p.m. EST.
- B. In May, the meeting will be held in conjunction with International Pow Wow in San Francisco. The meeting will be held on Monday, May 23 at 8 a.m. PST.
- C. Cloobek asked if the Board could have a joint session with the Travel and Tourism Advisory Board (TTAB), as it will be important to see what they are working on with regard to policy and they could see what the Corporation is doing on the marketing side.
- D. Melissa Mitchell and Rob Gluck with High Lantern Group said that they have had discussions with TTAB representatives, and at a minimum, members of the TTAB would participate in the Corporation's meeting and members of the Corporation's Board would be invited to participate in the TTAB meeting.
- E. Helen Marano, speaking on behalf of the TTAB, reported that the schedule would be tight, but that collaboration between the two is an excellent suggestion. Two of TTAB's subcommittees will be presenting. Cloobek said the more we mesh and talk is a positive integrated approach that should be taking place.
- F. On June 21, there will be a Board call. On July 13, there will be meeting in Chicago. On August 23, there will be a Board call.
- G. In September, the Board will meet in Jackson Hole, Wyoming in Teton Village. The Board should plan to arrive on the 15th and to have the meeting on the 16th.
- H. On October 12, there will be a Board call.
- I. In November, the Board is considering going to London for World Travel Mart or to Honolulu to have its meeting in conjunction with the Asia-Pacific Economic Cooperation (APEC) Conference.
- J. On December 14, there will be Board call.
- K. Cloobek asked that High Lantern Group begin planning meetings for the first quarter of 2012.
- L. Rick Wade, on behalf of the Commerce Department, stated that the Secretary would like to participate face-to-face with the Board before he takes on the role as ambassador to China.

X. Adjourn

The formal meeting adjourned at 1:08 p.m.

XI. Public Questions and Comments

- A. Chairman Cloobek opened the meeting for questions and comments from in-person participants.
- Steve Richer with National Tour Association thanked the Board for the openness with which it has been conducting business and stated that it is good for industry cooperation and moving forward positively.
 - Alan Waddell of Visit USA UK said it was great that the USA was starting up an international marketing campaign. The private sector has done a great job selling

rooms, seats and cars, but have needed help “selling the dream.” And having a national program is an excellent step forward. The Visit USA UK and offices across the world have an in-market presence, know their markets well and would like to be assistance to the Corporation to get the campaign running fast and effectively. The UK represents the largest long-haul market to the US by far, and his resources stand ready to help.

- Andy Ingraham of the National Association of Black Hotel Owners, Operators and Developers extended an invitation to their summit on July 20-22 at the Doral Hotel in Miami, to which Cloobeck responded they would appreciate more information and consider the invitation.
- Doug Shifflet of DK Shifflet and Associates and chair of TTAB Research Committee said he is glad the Corporation wants to work so closely with the TTAB. The Research Committee will not be presenting in San Francisco, but will soon have many recommendations that can be useful to the Corporation.
- Diane Peterson of the Airports Council International-North America, representing many of the nation’s airports, asked what the opportunities were to participate in advisory committees. Cloobeck responded that interested parties should email info@corporationfortravelpromotion.com and submit their area of interest, qualifications and contact information.
- Jim Moore with Synaptic Digital asked about the in-kind policy and if the Corporation is accepting in-kind contributions now. Cloobeck said the in-kind policy is not formalized yet, but it, along with the MOU, is moving forward. The policy will have to be reviewed by the auditors, who have just been named today. Beteta said to use the web site if organizations have suggestions about the policy. Other Directors indicated the importance of keeping track of in-kind.
- Salvatore Zammuto of Hubert Burda Media asked if there was an agency search being conducted for the planning and execution of media and marketing strategy, if such would be US-based, and if there would be opportunities for media placement outside the US. Fertitta responded that those decisions cannot be made until the executive director is in place.
- Patricia Rojas of the U.S. Travel Association asked if the Board was working with the Departments of Homeland Security and State, as the legislation called for the program to help communicate travel policies as well as market. Cloobeck responded that the Board has met with the agencies and have strong relationships with both. He said that Customs and Border Protection conducted a private briefing for the Board today. He reported that CBP is working on improving the system to include professionalism, among other training, and that they are working cooperatively together.

B. Chairman Cloobeck asked for questions and comments from participants on the phone.

- Dawn Drew, Vice Chair of the TTAB, said that they will get back to the Board about sharing meeting time in San Francisco. The TTAB agenda for the May meeting includes reports from the Advocacy and Marketing Committees as well as a presentation from the Office of Travel and Tourism Industries.
- Thomas Berrigan of North American Journeys asked if there was any progress on the video production. Fertitta said it is moving forward, but that it will be revealed in May and discussed again just prior to that time.

XII. Adjourn

The meeting officially adjourned at 1:22 p.m. EST.

A true record.

A handwritten signature in black ink, appearing to read "Melissa Mitchell". The signature is written in a cursive style with a large, prominent initial "M".

Name: Melissa Mitchell
Acting Recording Secretary of the meeting