

**THE CORPORATION FOR TRAVEL PROMOTION**  
**MEETING OF THE BOARD OF DIRECTORS**

May 23, 2011

A meeting of the Board of Directors (the “**Board**”) of the Corporation for Travel Promotion (the “**Corporation**” or “**CTP**”) was held at the Moscone Center in San Francisco, California, commencing at 8:00 a.m. PDT. 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  
David Lim  
Mark Schwab  
Diane Shober  
Al Weiss  
Roy Yamaguchi  
Lynda S. Zengerle

Tom Klein participated by phone. Jim Evans, CEO and Executive Director of the Corporation, was in attendance. Also in attendance were Francisco Sanchez, Undersecretary of Commerce, Joe D’Alessandro, President and CEO of San Francisco Travel, Cathy Tull for the Travel and Tourism Advisory Board, Rob Gluck, Melissa Mitchell and Addie Downing of the firm High Lantern Group. Participating by phone was 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 meeting attendees to the Corporation meeting in San Francisco.
- B. He introduced guests including Undersecretary for Commerce Francisco Sanchez and new CEO and Executive Director Jim Evans. Board members introduced themselves.
- C. Cloobek called for a vote on resolutions authorizing Jim Evans’ authority to operate the Corporation.
- D. Mark Schwab made the motion to pass the resolutions, which was seconded by Al Weiss. The resolutions were unanimously passed by the Board.

**RESOLVED**, that the Board hereby ratifies any actions taken by Stephen J. Cloobek acting in the capacity as President on behalf of the Corporation to date (whether he shall have or have had actual or apparent authority) including the execution of any documents in such capacity, and as of the date hereof, the Board hereby revokes the authority of Stephen J. Cloobek to act in the capacity of President of the Corporation.

**RESOLVED**, that the Board hereby approves the appointment of James (Jim) Evans to the position of Executive Director of the Corporation in accordance with the terms of the Employment Contract entered into by and between Evans and the Corporation on May 12, 2011.

**FURTHER RESOLVED**, that pursuant to Article VI, Section A of the Corporation's By-Laws, the Board hereby appoints James (Jim) Evans to the positions of President and Chief Executive Officer to perform the duties that are commensurate with such positions, and in connection with the performance of such duties, Evans has the authority to sign documents for the Corporation using the title of either Chief Executive Officer, President or Executive Director, or any combination thereof, at the discretion of Evans.

**FURTHER RESOLVED**, that the Executive Director/President/Chief Executive Officer shall have the authority to approve and sign documents in the name and on behalf of the Corporation, such as agreements, certificates, leases, guarantees, purchase orders, government forms and other documents and instruments arising in the course of the Corporation's ordinary business; provided, that, the Executive Director/President/Chief Executive Officer shall not enter into, on behalf of the Corporation, any contract, agreement, instrument, undertaking or other commitment obligating the Corporation thereunder to pay an amount, or assume a liability, in excess of \$100,000 without the prior authorization of the Board.

## **II. Comments from Jim Evans, CTP CEO**

- A. Evans stated his excitement for being back in the travel and tourism industry and working to create this critical program for the United States.
- B. He enumerated a few key actions that he will be focused on at the outset.
  - Building a team of professionals that the industry will be proud to work with. First, is the search for chief marketing officer (CMO), which has already begun.
  - Developing appropriate marketing strategies with the CTP's Marketing Committee.
  - Creating strategies for gaining funding for the program. He is focused on getting the right team and investors, possibly using an outside firm to assist. He stressed that these contributions will truly be investments, not handouts, and that the CTP business partners will help take these investors' products to market.
  - Finding an office in DC and building an infrastructure.
  - Establishing metrics, reiterating Cloobek's call for showing strong return on invested capital. He said that expectations must be clearly understood so that the industry will see the return on time and effort.
- C. Evans said his official start date in Washington, DC will be next Tuesday, and he looks forward to working with the industry closely.

## **III. Welcome from San Francisco**

- A. Joe D'Alessandro, President and CEO of San Francisco Travel, commented that the city is thrilled to have Pow Wow back after 17 years.
- B. He said that he recognizes the importance of what the Corporation is doing, and as a gateway for tourism, this industry is where the future is.
- C. He said that for the Corporation, partners are critical in helping make the United States a preferred destination and growing U.S. market share of international travel.
- D. He wished the Corporation a great Pow Wow, but more importantly stressed a great collaborative partnership between the Corporation and the U.S. travel industry.
- E. Vice Chair Caroline Beteta recognized D'Alessandro and his team for their year of hard work putting together this year's Pow Wow.
- F. Cloobek also recognized essential Corporation partners Roger Dow, President and CEO of the U.S. Travel Association, and Helen Marano of the Office of Travel and Tourism Industries at the Department of Commerce.

#### **IV. Remarks from Department of Commerce**

- A. Undersecretary of Commerce Francisco Sanchez said he was delighted to be participating in his second Pow Wow.
- B. He said the importance of what the Corporation is doing is highlighted by the fact that 15 months ago the President announced his Export Initiative to double exports in five years.
- C. He worked many years ago in the Florida Department of Commerce when 22 percent of sales tax revenue came from travel and tourism, and a huge portion came from international travel.
- D. Since tourism is the nation's number one services export, responsible for 8 million jobs, there is a strong foundation. The administration wants to see this number grow, which can be accomplished by focusing on the international market.
- E. He expressed the Commerce Department's endorsement of the great selection in Jim Evans as head of the Corporation and congratulated the Board. He said Jim brings to this job incredible experience, and he is excited in the partner they have in him and the Board.
- F. At Commerce, Helen Marano and Joel Secundy will continue working with the Corporation hand in hand.
- G. Cloobek thanked the Undersecretary and reiterated the Corporation's commitment to transparency and coordination with the Departments of Commerce, State, Homeland Security, Customs and Border Protection, President's Export Council and TTAB. The Board has been meeting with them and is having conversations with DHS to make sure those coming to the U.S. have a welcoming experience, including helping with marketing the Global Entry Program.

#### **V. Report from Travel and Tourism Advisory Board**

- A. Cathy Tull, on behalf of Rossi Ralenkotter, Chairman of the Travel and Tourism Advisory Board (TTAB), reported on new recommendations that will be presented during their meeting later in the day.
- B. The Marketing Committee report will include recommendations for international travel.
  - Evaluation framework for the Corporation
  - Commerce Department evaluation process for the Corporation, for setting groundwork so the industry knows what it is measuring against
  - Grant process to assist smaller destinations
  - Plan for communications around crisis management
- C. The Advocacy Committee report will include five recommendations on airport security.

#### **VI. Committee Reports**

- A. Treasurer and Finance Committee Chair Daniel Halpern gave the Finance Committee report.
  - He reported that the Corporation had hired KPMG as its audit firm and Mitchell & Titus to do its day-to-day bookkeeping and accounting. The Board has also hired legal counsel – Katten Muchin Rosenman for general legal services and Patton Boggs for advocacy and international legal services.
  - He reported that these outside consultants had met with Evans and members of the Board on May 12 in Washington, DC to discuss issues including completion of the 501(c)(6) application, in-kind policy, OMB A-133 reporting, creating standard company policies, bookkeeping, and ongoing communications with the Hill and administration.

- Cloobek stated it is important to know if the Corporation is subject to A-133 filing because the government funding does not actually come from taxpayers. He asked Undersecretary Sanchez for his opinion, to which Sanchez replied he would look into the issue.
  - Cloobek said that the remaining issue on the 501(c)(6) status is that it requires the Corporation to have members, and Evans has a strategy for creating a membership structure.
  - Halpern said that it has taken a great team effort to get these important functions in place, and Cloobek reiterated saying that there have been good results.
- B. Secretary Lynda Zengerle gave the Legal Committee report.
- She reported the memorandum of understanding with Commerce and Treasury had one issue to be resolved regarding the specificity on certifying in-kind contributions.
  - Helen Marano commented that the language suggested for the outside auditor's certification had been added and that the MOU had been signed by both Commerce and Treasury. The Corporation now must sign.
  - Cloobek said that once it is signed by all parties it will be posted on the Corporation's website.
- C. Vice Chair and Chair of the Industry Matching Funds Committee Caroline Beteta gave a report.
- The Industry Matching Funds Advisory Committee, including industry experts not on the Board, will be meeting on Wednesday.
  - She said the focus would be to create an operational structure and strategy that are productive in the short- and long-terms.
  - Industry can participate by sending public comments and there will be a committee at-large down the road.
  - The Advisory Committee, along with legal and accounting consultants, will be looking at the timing of legislative requirements to help establish the parameters of the in-kind process and policy.
  - The 2:1 match will kick in starting in October 2011.
  - While in-kind parameters are being developed, the Corporation should also be focusing on the 20 percent that must be raised in cash.
  - The goal is to create a transparent operating structure that also allows the Corporation to move along efficiently.
  - Cloobek said that models in California, Florida, Canada, Australia and New York have and are being studied closely to help guide the Corporation's policy.
  - He stated that the Directors will be very actively involved in the fundraising process and that by the end of the year, the process will be very successful.
- D. Vice Chair and Chair of the Marketing Committee George Fertitta gave a report.
- Fertitta reported that the Board's Marketing Committee would be meeting during the week to discuss the aggregating of research his team at NYC & Company has conducted.
  - He stated that Commerce has excellent data but is underfunded, so additional research has been sought.
  - The Corporation is looking for great growth markets in which to launch its programs.
  - He recognized that many had reached out to participate in an advisory committee and asked that inquiries continue going to High Lantern Group. Soon there will be an opportunity for participation, after the framework is built within the committee.

- He said a full report on the framework and benchmarking would be presented at the next public meeting of the Board.

## VII. Public Questions and Comments

- A. Isabel with Visit USA France asked how the Corporation will work with Visit USA Committees around the globe. Fertitta responded that France is a very important market for the U.S. Although the Corporation does not exactly know what the relationship will be with in-market partners, he said that since there are the same goals, there will be ways to work together. Cloobek assured communications with VUSA Committees because the Corporation understands that they have existing infrastructure that can help with its mission.
- B. Ruby from North America Travel Services UK asked how the tour operators would be involved. Cloobek said they would be highly involved and that the Board has discussed how all stakeholders will be part of the plan collaboratively. He said that the Corporation is entrepreneurial and will work efficiently and effectively.
- C. Jonathan Zuk from RSAA asked about the strategy for the collection of funding. Beteta said there will be a strategy for both endemic partners and opportunities with non-endemic parties as well.
- D. A question was asked as to what the Corporation would be doing to improve market access with respect to visa issuance problems. Cloobek stated that the Corporation by statute is not allowed to lobby, but can educate. He said the Board has engaged in strong dialogue with the Departments of State and Homeland Security, and that the U.S. Travel Association's role is to advocate, along with the Travel and Tourism Advisory Board who makes recommendations to government on these issues. The Corporation's role is to market and communicate that the U.S. is hospitable.
- E. Dawn Drew of the Travel and Tourism Advisory Board said that visa and facilitation issues have been addressed through the TTAB's recommendations to the federal government. Cloobek reiterated that the Corporation works very closely with TTAB. He said with these marketing dollars, there is now a great new opportunity. But there is a balance that must be struck considering there are security risks.
- F. Sherrell Williams with Evolve Television discussed his travel show about budget travel. Cloobek shared Jim Evans' email for follow-up.
- G. Ray Flynt with Travelers Aid International asked about the companion office at Commerce. Cloobek said there would be follow-up.
- H. Rick Velotta of the Las Vegas Sun asked about how funding would be raised. Cloobek said the program was being developed.
- I. Tom Klein said that it is an industry responsibility to help the program succeed. He said that at the Global Travel and Tourism Summit the previous week, they saw the large programs being run in other countries, which are government-run. He said those who want America to be great, regardless of the size of companies, need to contribute.
- J. Alan Waddell of Visit USA UK asked if ads would be in market by 2012. Evans replied that he would like to see creative advertising developed by mid-fall. He would love to see the "coming out" party be World Travel Market in November. We understand the sense of urgency. The summer will be an exciting and busy time. Cloobek said about \$300,000 per day is being collected by DHS.
- K. A question was asked about the policy in place to manage expectations of private-sector donors. Evans said the policy was not in place but assured it would be addressed in short order.
- L. There was a question about the roles of U.S. Travel Association and if it would be going away. Beteta clarified that U.S. Travel was for advocacy, TTAB was for defining policy

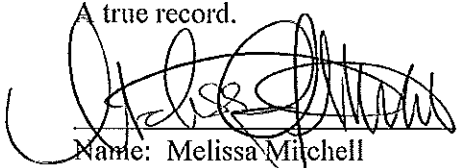
and the Corporation is the marketing and communications arm. Cloobek said all these entities are working together and collaborating. He said this would be clarified through each web site.

- M. A question was asked about funding matching. Cloobek said that the match will start in October.
- N. A question was asked about unused funding. Cloobek said it is unclear and that they would be getting a legal opinion on that topic. In addition, they will discuss the topic with Commerce and Treasury.
- O. Doug Shifflet of TTAB asked to get analysis discussed by Fertitta, to which Fertitta agreed.

### VIII. Adjourn

Cloobek adjourned the meeting at 9:00 a.m. PDT.

A true record.

A handwritten signature in black ink, appearing to read "Melissa Mitchell", written over a horizontal line.

Name: Melissa Mitchell  
Acting Recording Secretary of the meeting