

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

January 6, 2011

A meeting of the Board of Directors (the “Board”) of the Corporation for Travel Promotion (the “Corporation”) was held at Sabre Holdings Headquarters in Southlake, TX, following a closed Board session, commencing at 3:14 p.m. CST. The following members of the Board of Directors were present at the Meeting:

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

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

**I. Welcome and Introduction**

- A. Chairman Cloobek called the meeting to order and welcomed guests present from the Texas travel industry and also those on the phone.
- B. He announced that the Corporation’s web site, [www.corporationfortravelpromotion.com](http://www.corporationfortravelpromotion.com), was live and ready for public viewing.
- C. He also said that questions from participants would be taken at the end of the meeting.

**II. Update from Texas Tourism**

- A. Chairman Cloobek introduced Julie Chase, Director of Tourism, Office of the Governor, Texas Economic Development and Tourism Division.
- B. Ms. Chase gave a brief presentation describing funding for Texas Tourism, which is provided by 1/12 of the 6 percent hotel tax. In fiscal year 2011, the budget will be \$31 million.
- C. She described partnership opportunities in which they engage, including research and work with the Office of Travel and Tourism to help track inbound visitors to Texas.
- D. She said that co-op opportunities with the Corporation could be helpful to Texas with respect to growing emerging markets.
- E. In summary, she believes having the new Corporation helps leverage U.S. travel resources and provides a lot of room for partnership and collaboration.

- F. Chairman Cloobek showed interest in existing research done by Texas Tourism and suggested that to eliminate duplicating it that Ms. Chase might share the research as in-kind contributions.

### **III. Web Site Update**

- A. Chairman Cloobek reported that the Corporation's business-to-business web site to communicate with industry, media and policymakers about the Corporation and its work is now live and invited those on the phone to visit the site.

### **IV. Video/Advertorial Update**

- A. Chairman Cloobek reported that President Obama has agreed to star in the Corporation's first video/advertorial.
- B. He also reported that the Corporation had created a committee consisting of George Fertitta, Caroline Beteta and Al Weiss to ensure the video is ready for International PowWow in May in San Francisco. The committee has met already to develop that strategy.

### **V. Commerce, Treasury and Homeland Security Update**

- A. With the Commerce Department, Chairman Cloobek reported, two memoranda of understanding (MOUs) were created – one pertaining to the process of collecting revenues from Electronic System for Travel Authorization (ESTA) fees, and one pertaining to the creation of the Corporation's budget.
- B. He also said that in his discussions with the Commerce Department, he learned that \$350,000 per day – for a total \$22.5 million – has been collected since ESTA's inception September 8, 2010. Helen Marano, representing the Commerce Department, confirmed those numbers.
- C. Chairman Cloobek said the Corporation will sit with Commerce to come up with its budget to find the balance needed. To date, the Corporation has received \$2.5 million.
- D. He said on the expenses side, there will be an MOU with the Commerce and Treasury Departments to have budgetary review, and a go-forward budget will be created and compared against actual expenses incurred.
- E. He reported that the Corporation has spent \$100,000 or less to get the Corporation started.
- F. He also reported that there has been tremendous support, especially from the Directors themselves, in donating in-kind services.
- G. He reiterated that Directors are neither paid salary nor reimbursed for travel. All Board travel expenses and additional start-up services offered by the Directors and their staffs will be reported as in-kind and will qualify for matching funds.

### **VI. 501(c)(6) Status**

- A. Chairman Cloobek reported that the Corporation was now filing for 501(c)(6) status although it had originally begun the process of filing for 501(c)(3) status.
- B. After further discussions by the Committee, which consisted of Chairman Cloobek, Vice Chair Beteta and Halpern), the Committee decided to seek 501(c)(6) exempt status rather than 501(c)(3) status, and the application is currently underway.

## **VII. Insurance Update**

- A. Chairman Cloobek asked High Lantern Group to report on the status of securing Directors & Officers insurance.
- B. Melissa Mitchell of High Lantern Group reported that after working with a broker at Aon to reach out to six top companies, only two provided quotes due to the start-up nature of the Corporation and absence of pro forma financial statements.
- C. She reported that with Aon's counsel, it was determined that \$5 million in coverage was appropriate for an organization the size of the Corporation and that employment practice liability insurance could be added upon hiring of the executive director.
- D. Chairman Cloobek asked if the Board had already voted to secure insurance. Ms. Mitchell indicated they had, and also mentioned that since the insurance had already been bound, the premium would be due in mid-February.

## **VIII. In-Kind Discussion**

- A. With regard for creating a system to track in-kind and matching funds, Chairman Cloobek announced that the CEO and Chairman of the Canadian Tourism Commission had visited with the Directors earlier in the day and given their model to assist the Corporation in creating its in-kind policy. They described their budget process and some of their pitfalls to help guide the Corporation at its outset and offered to continue working collaboratively with the Corporation.
- B. He also indicated the Corporation would be informed by other states, including California, Wyoming and Texas as helpful models for an in-kind structure.

## **IX. Marketing Plans**

- A. At this stage in the meeting, Chairman Cloobek discussed that active marketing plans would be coming along in the near future, and that the Corporation would be working with the State Department to improve immigration policies.
- B. At this point, the Board is focused on speed to execution.

## **X. Commerce Perspective**

- A. Chairman Cloobek asked Joel Secundy, Deputy Assistant Secretary for Services, and Helen Marano, Director of the Office of Travel and Tourism Industries, at the Commerce Department to offer their perspective of the Corporation's work.
- B. Mr. Secundy said that since increasing travel is focused on growing exports and creating jobs that he is anxious to see the Corporation's success. He also said the Secretary of Commerce wants to make sure the work the Corporation does is quick and not mired in red tape, but also has accountability.
- C. Ms. Marano said that in her role she hopes to be able to help by getting more data to the states and cities and is currently in talks with the Mexican minister of tourism to get information from Mexico's survey of international travelers.
- D. Mr. Secundy added he had been meeting with many ministers of tourism around the world and sees many opportunities to learn from what they are doing and how they are marketing abroad.

## **XI. 2011 Calendar**

- A. The Directors went through the 2011 calendar to schedule meetings for the rest of the year, having an in-person meeting every other month and a conference call on the off months.
- B. The calendar created is as follows:
  - i. June 21 conference call
  - ii. July 13 meeting in Chicago
  - iii. August 23 conference call
  - iv. September 16 meeting in Wyoming
  - v. October 12 conference call
  - vi. November 11 meeting in Honolulu
  - vii. December 14 call
- C. Chairman Cloobek said the dates would be posted as tentative on the Corporation's web site.

## **XII. Legal and Accounting Update**

- A. Treasurer Daniel Halpern reported that the Corporation would seek legal counsel from two types of law firms – one focused on statutory and political issues, and the other to deal with the day-to-day administrative legal issues. He said Lynda Zengerle could look over the RFPs.
- B. Chairman Cloobek asked if there was a conflict of interest in doing so.
- C. Robyn Mandel, serving as interim legal counsel, said that if Ms. Zengerle's law firm intended to bid on the RFP, the Directors or a subcommittee (without Zengerle) would need to determine whether they thought that would create a conflict of interest and if the Directors determined that would be a conflict of interest, then Zengerle's law firm could not participate.
- D. Treasurer Halpern also said the accounting RFP was ready to be sent to a list of eight or nine DC-area firms and that HLG would send out RFPs and move the process forward.

## **XIII. CEO Search**

- A. Chairman Cloobek said that resumes are being submitted to SpencerStuart, who is actively seeking applicants at other places of employment.
- B. He said applicants will be vetted over the next four to six weeks, but the Corporation hopes the process goes faster.
- C. Submission of resumes is open to anyone interested.

## **XIV. Public Comments and Questions**

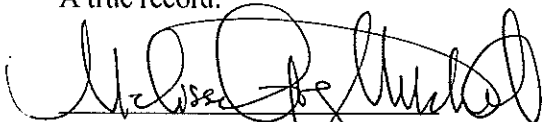
- A. Bob Lander of the Austin Convention and Visitors Bureau asked for the Directors to describe their top three priorities because he felt the meeting had covered so many issues that he didn't yet have a clear picture. Chairman Cloobek said the number one goal was to grow GDP and create jobs. He also pointed out that the Board is very lean and mean for now, but will expand in size and in the activities it takes on. Vice Chair George Fertitta added that research was a priority too. Since they don't want to waste money, he is leading a team to audit what research exists and is available in order to see what needs to be supplemented. Mr. Lander said his organization wants to help offset costs and be supportive.

- B. Phillip Jones of the Dallas Convention and Visitors Bureau asked if there would be a "Brand USA" media campaign and if the Directors had outlined target markets yet. Directors responded they would be marketing the United States as a whole, but the campaigns and markets had not yet been determined.
- C. Jorge Franz with the Greater Houston Convention and Visitors Bureau asked if the Corporation was also taking on the visa issues. Chairman Cloobek responded that the Corporation would definitely take on such issues.
- D. Maura Gast with the Irving Convention and Visitors Bureau suggested that the conversation about GDP and jobs made great points but a crucial point not to leave out of discussions is the contribution of travel and tourism to improving debt and debt services in big and small cities. She also said not to forget to talk about the value of business travel and international corporate meetings, to which Chairman Cloobek responded that the Corporation will have advisory groups so that this dialogue can continue and all industry can get involved.
- E. Phil Ritter of Dallas-Fort Worth International Airport asked if the Corporation had considered leveraging incremental increases in local budgets to count as in-kind services. Chairman Cloobek said it had not been mentioned to-date and that the Board would consider and get back to him. Mr. Secundy said this question required consideration from the government standpoint as well.
- F. Deanne Graham from Welcome & Bienvenidos Magazine in Miami asked how her company can support the visa waiver initiative for Brazil and other South American destination as Miami is the U.S. gateway to such destination. Chairman Cloobek said part of what the Corporation was doing would be to educate Members of Congress and encouraged Ms. Graham to express her company's concerns to local congressman.
- G. Mike Gallagher with CityPass asked what the Corporation would do if other groups want to take the Corporation's money. Chairman Cloobek responded that such an occurrence happened over the holidays, and that in the end, the Corporation's funding was safe. When he asked how we could be shielded from this happening again, Patricia Rojas, representing the U.S. Travel Association, said it would be best to continue increasing grassroots support around the country to show the economic benefits of travel so that the Corporation's work is valued by Capitol Hill.
- H. Toby McCarrick with the Great Lakes of North America asked about a timeline for securing a CEO for the Corporation, progress for securing a brand and whether the Corporation would have a presence at ITB. The Directors responded that they expected a CEO to be hired in four to six weeks; they will address the brand issue soon; and that they would not have a presence at ITB.

## XV. Adjourn

The meeting adjourned at 3:15 p.m. CST.

A true record.



Name: Melissa Mitchell  
Acting Secretary of the meeting