

THE CORPORATION FOR TRAVEL PROMOTION

MEETING OF THE BOARD OF DIRECTORS

December 1, 2010

A meeting of the Board of Directors (the “**Board**”) of The Corporation for Travel Promotion (the “**Corporation**”) was held by conference call commencing at 1:20 p.m. EST. The following members of the Board were present at the Meeting:

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

Mark Schwab was not in attendance. Each Director referred to herein as “Director” or collectively, the “Directors.” Also in attendance were Robyn Mandel, Esq. of the law firm Katten Muchin Rosenman LLP, Rob Gluck and Melissa Mitchell of the firm High Lantern Group, and Helen Marano representing the Department of Commerce. Melissa Mitchell served as secretary of the meeting. The meeting was open to the public, and members of the public attended by conference call. Stephen J. Cloobek, the Chairman, called the meeting to order with a quorum present.

I. Introduction and Welcome

- A. Chairman Cloobek opened the meeting with roll call.
- B. He then welcomed the public acknowledging there would be an opportunity for public comment at the end of the meeting.

II. Marketing Research

- A. Vice Chairman Fertitta reported on his research team’s analysis of all the travel-related data available to the Corporation and stated the goal was to decide how to consolidate the research to save the government money.
- B. He indicated his findings were supported in cooperation with the Office of Travel and Tourism Industries, the U.S. Travel Association and the California Travel & Tourism Commission.
- C. A key issue is that support is needed for current programs to develop new ones to help disseminate information and help communicate security procedures.
- D. There are currently no established metrics for spending, and the Corporation’s board should set those up.
- E. Currently, Commerce is the best source for data, but there is not enough there. In addition state data is good, but not all states have the capability to collect it.
- F. With no current allocation of additional funding, the incoming CEO will need to make this a foremost objective. The survey of international travelers needs to reach 1%, up from 0.3-0.4%, which would be very expensive.

- G. Chairman Cloobek indicated Hill sources would appreciate internalizing research mechanisms at the Corporation, as it would bring about cost savings.
- H. Chairman Cloobek also suggested airlines could help with a quick survey instrument on board airplanes.
- I. Vice Chairman Fertitta noted it will be important to figure out how to cut out parts of the process and make it simple because there will be substantial costs. A superb head of research is needed.
- J. Establishing benchmarks of destinations with regard to market sizing is important and will be a rigorous process, but some is now being done for Brazil, India and China through the international council at U.S. Travel, with Rossi Ralenkotter of Las Vegas and Fertitta chairing that council. A few large destinations, including New York, California, Las Vegas, Orlando and Disney can share what is not proprietary for use by the Corporation.
- K. Vice Chairman Beteta indicated CTTC would be willing to share information since California does not compete head-to-head against the U.S. Vice Chairman Fertitta agreed 90% of that type of data can be shared, thus helping save Corporation dollars.
- L. Chairman Cloobek called for an action plan and requested feedback from Commerce, the board and the public. In the meantime, the three or four big research organizations on the board should hold a meeting to get started. In addition, he suggested a way to save government money is to consolidate research work (Census, Commerce, etc.) at the Corporation.
- M. The board indicated OTTI would be a good first source to discuss this with, and Cloobek said he would begin exploring at the highest level of government.

III. D/B/A Name and Web Site

- A. Chairman Cloobek asked opinions about using the name DiscoverAmerica, the current site which already has 10,000 pages of content.
- B. Tom Klein discussed the use of DiscoverAmerica with Roger Dow at U.S. Travel, and recommended leveraging this asset created by public-private funding (grant from Commerce). The advantages are that it is an effective brand and the Corporation could leverage an existing operating structure that is scalable.
- C. With regard to the use of the term America to define the United States, U.S. Travel's background research showed that it is common abroad for America to be interchangeable with the United States because journalists often use it and Latin American countries and Canada use their own country names. While the sensitivity is worth being aware of, this background is helpful to close the issue if board sees fit.
- D. Chairman Cloobek suggested taking both monikers – DiscoverAmerica and DiscoverUSA, which members indicated could be mirrored all to one site.
- E. Tom Klein indicated he was creating a team to evaluate how to leverage existing assets with the DiscoverAmerica brand and will create a term sheet agreement that would not be executed until the Corporation was officially up and running since an operating entity with the skills to handle the task would need to be in place first. The term sheet agreement will be ready by the January 6 board meeting.
- F. Vice Chairman Beteta indicated a basic B-to-B (business-to-business) solution was needed as well so that the Corporation's board could better communicate with the industry and public.
- G. Klein said he could set up a site utilizing Sabre staff within 30 days with the help of High Lantern Group.
- H. Diane Shober indicated several URLs, including corporationfortravelpromotion.com, .org, and .travel are being held.

- I. Chairman Cloobek indicated the site and URLs could both be considered in-kind contributions and that the goal would be to have the site up by the January 6 board meeting.

IV. Preliminary Marketing Products

- A. Chairman Cloobek stated an infomercial featuring the President should be ready in time to be released in May in San Francisco. President Obama has agreed to do it. Needs include a film crew, communications with the President's office and B-roll, or secondary footage, for the ad.
- B. Vice Chairman Beteta volunteered to head the effort, working with Disney, who produced an excellent "Portraits: Welcome to America" video. Al Weiss agreed and both will set up a separate call to discuss.
- C. Vice Chairman Beteta suggested the public launch be at PowWow, and it could be a PSA message that could go viral.
- D. Vice Chairman Fertitta also volunteered to be part of the infomercial team.
- E. Chairman Cloobek asked the team to set a timeline where the product would be ready in April and fully released in May. HLG agreed to set up the team call.

V. Board Meetings and Industry Outreach

- A. Vice Chairman Beteta said she will present an industry relations plan at the January 6 meeting.
- B. The Board should meet once per month, with every other meeting in-person and others by call. Each in-person meeting should have a public forum.
- C. Tom Klein and Daniel Halpern suggested moving meetings around the country to allow for industry involvement and interaction with the Board members.
- D. Chairman Cloobek asked for comments about where meetings should take place during the public comment session and said it would be discussed in the Board's private session.

VI. Milestones

- A. The Corporation is now fully incorporated.
- B. The bank account is set up at Bank of America.
- C. The 501(c)(3) application is underway and will be discussed in the private session, as it requires some confidential information.
- D. The board received a preliminary quote for D&O insurance.
 - a. After brief discussion, Al Weiss and others agreed the \$10 million coverage was best to have the right protection in place.
 - b. Coverage will be sought through Aon.
 - c. HLG will get quotes and make a recommendation.

RESOLVED, that the Corporation will seek \$10 million in D&O insurance coverage through Aon.

- E. The Corporation still has not received the initial \$10 million from Treasury.
 - a. Helen Marano, representing the Commerce Department, indicated a check has not yet been cut, but the issue has been raised to the cabinet level and she expects a report early next week. The Commerce Department is working with Treasury to resolve this issue.

- b. Chairman Cloobek indicated the Corporation should not be delinquent on its invoices.

VII. In-kind Contributions

- A. HLG is working on a white paper describing what should be accepted as in-kind contributions, based on other nonprofits and IRS standards. Rob Gluck with HLG said a memo will be circulated to the board before the next meeting.
- B. In the near term, good record keeping for vendor services, travel, etc. is essential. A form will be sent to board members as well.
- C. There is some gray area in how and if time donated by board and staff can be counted.
- D. Chairman Cloobek questioned how board time can be counted, according to the legislation. Helen Marano will investigate with legislators. The Corporation may eventually seek a legal opinion on this issue.
- E. Tom Klein suggested the time that goes beyond board responsibilities, like the laborious duties while the Corporation is being set up, should be counted as in-kind.
- F. Diane Shober will look into the rules used by VISIT FLORIDA and Tourism Canada, as suggested by Beteta, with HLG.

VIII. Vendors and RFPs

- A. Daniel Halpern reported a draft RFQ for eight or nine regional accounting firms, specializing in nonprofit work will go out. He will work with Melissa Mitchell at HLG to get the RFQs out next week and the list of firms to the board.
- B. Halpern reported he will work with Mitchell and Lynda Zengerle to get an RFP for legal services out and will have a decision by next meeting.
- C. Chairman Cloobek said the Board should contract with just one firm and should not solicit for pro bono work because there could be scrutiny in this type of work where opinions are given.
- D. Cloobek also thanked Robyn Mandel with Katten Muchin Rosenman on the firm's pro bono counsel to-date.

IX. Public Comment and Questions

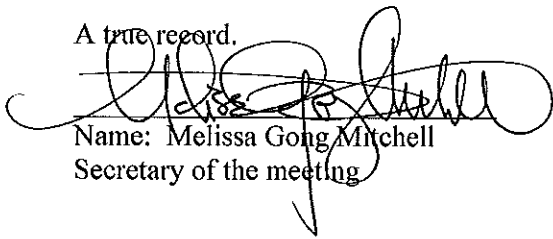
- A. Ben Schlesinger with USAE News asked what the status of the executive director search firm and timeline were. Tom Klein responded that discussions would take place at the private Board session and the name of the firm will not be released until contracted.
- B. Steve Richer with National Tour Association asked if the Board had considered a national conference to gain input and buy-in for the corporation from the industry. Beteta replied a conference is not being considered, but the Board plans to ensure industry involvement in its activities. She will submit an industry relations plan to the Board on January 6.
- C. Ron with the Alaska Travel Industry Association reiterated interest in the Board holding meetings in various regions allowing for stronger industry and geographic participation. In addition, he offered to share their international research if useful.
- D. Jonathan Zuk with Receptive Services Association asked what type of information Fertitta was looking for. Fertitta said the Corporation needs to know brand opportunities, marketing opportunities, target-by-target data, why international travelers don't want to come to the U.S., for example. RSAA offered to help and set up a call with Fertitta. Also, RSAA requests meetings moving around the country.

- E. Timothy Schneider at the Destination & Travel Foundation suggested registering DiscoverUSA.com and .org, as they seem available currently.
- F. Kathleen Johnson from Edelman suggested having meetings concurrent with other big industry meetings.
- G. Chairman Cloobek said they have considered going to Berlin in conjunction with ITB and will be going to San Francisco in conjunction with International PowWow.
- H. Maryann Ferenc of Mise en Place reiterated support for moving meetings around the country.
- I. Amir Eylon of Ohio Tourism suggested moving meetings around and taking regional approach for town halls.
- J. Chairman Cloobek asked Rob Gluck at HLG to put together a list of meetings around the country next year.
- K. Cloobek thanked callers for their participation and announced the next meeting will be January 6. By that time, the B-to-B proprietary site will be up with minutes and other information. Until then, Commerce and U.S. Travel will send any Corporation updates.

X. Adjourn

The meeting adjourned at 2:30 p.m. EST.

A true record.



Name: Melissa Gong Mitchell
Secretary of the meeting