

## S. 1023 Travel Promotion Act: Summary of Current Senate Legislation

Section	Summary
<b>Corporation Structure</b>	<p>Nonprofit corporation Initial Board responsible for incorporating under DC Nonprofit Corporation Act.</p>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>•11 members with knowledge of international travel promotion and marketing and from various regions of the U.S. – must be U.S. Citizens.</li> <li>•Appointed by the Secretary of Commerce, after consultation with Secretaries of DHS and State and may be removed by the Secretary of Commerce for good cause.</li> <li>•3 year term of office, limit of 2 consecutive terms</li>   <li>•Comprised of individuals with “appropriate expertise and experience” in the following:               <ul style="list-style-type: none"> <li>•1 hotel</li> <li>•1 restaurant</li> <li>•1 small business or retail</li> <li>•1 travel distribution services</li> <li>•1 attractions or recreation services</li> <li>•1 Convention and Visitor’s Bureau</li> <li>•2 State tourism directors</li> <li>•1 passenger air travel</li> <li>•1 immigration law and policy</li> <li>•1 intercity passenger railroad</li> </ul> </li>   <li>•Initial board composition:               <ul style="list-style-type: none"> <li>•3 for 1 year term</li> <li>•4 for 2 year terms</li> <li>•4 for 3 year terms</li> </ul> </li> </ul>
<b>Staff/Overhead</b>	<p>Executive Director and other officers as may be named and appointed by the board for terms and at rates of compensation fixed by the board.</p>
<b>Scope of Charter</b>	<ul style="list-style-type: none"> <li>• Provide info on entry requirements, required documentation, fees, and processes, and declared public health emergencies to prospective travelers, travel agents, tour operators, meeting planners, foreign governments, travel media and other international stakeholders;</li> <li>• Counter misperceptions regarding U.S. travel policy around the world;</li> <li>• Promote increased travel to the U.S. through advertising, outreach to trade shows, and other appropriate promotional activities;</li> <li>• Ensure benefits extend to rural and urban areas equally including areas not traditionally visited by international travelers.</li> <li>• Give priority to populations most likely to visit the U.S.</li> </ul>

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<b>Specific Powers</b>	<ul style="list-style-type: none"> <li>• Obtain grants from and make contracts with individuals and private companies, State, and Federal agencies, organizations, and institutions;</li> <li>• Hire or accept the voluntary services of consultants, experts, advisory boards, and panels; and</li> <li>• Take such other actions as may be necessary to accomplish the purposes set forth in this section.</li> <li>• Corporation may not to spend more than \$25m on any initiative unless-- <ul style="list-style-type: none"> <li>○ Approved by 2/3 of the members of the board present at the meeting;</li> <li>○ At least 6 members are present at the meeting at which it is approved;</li> <li>○ Each member has been given 3 days notice</li> </ul> </li> </ul>
<b>Fiscal Accountability</b>	<ul style="list-style-type: none"> <li>• Independent accounting firm to conduct an annual financial audit and publish results.</li> <li>• U.S. Comptroller General may review any audit and may audit the Corporation's operations at the discretion of the Comptroller General. The Comptroller General and Congress shall have full and complete access to the books and records of the Corporation.</li> <li>• Within 2 years, the Comptroller General to review programmatic activities and provide report to appropriate congressional committees.</li> <li>• Board to establish annual objectives for each fiscal year subject to approval by the Secretary of Commerce after consultation with the Secretary of Homeland Security and the Secretary of State.</li> <li>• Establish a marketing plan for each fiscal year not less than 60 days before the beginning of that year and submit to Secretary.</li> <li>• Copy of annual budget due to Secretary no later than August 16 immediately preceding that fiscal year, with explanation expenditures in excess of \$5m.</li> <li>• Public access to the budget and explanation on the Corporation's website.</li> <li>• Annual report to Congress for the preceding fiscal year submitted via Secretary of Commerce - due May 15 each year. Report to include: <ul style="list-style-type: none"> <li>○ operations, activities, financial condition, and accomplishments;</li> <li>○ inventory of amounts obligated or expended during the preceding fiscal year;</li> <li>○ quantifiable measurement of progress in meeting each Board objective;</li> <li>○ detailed description of each in-kind contribution, its fair market value, the individual or organization responsible for contributing, its specific use, and a justification for its use within the context of the Corporation's mission;</li> <li>○ comprehensive and detailed report of the Corporation's operations and activities to promote tourism in rural and urban areas;</li> <li>○ explanation for any failure to achieve an objective; and</li> <li>○ recommendations as the Corporation deems appropriate.</li> </ul> </li> </ul>
<b>Seed Money</b>	<ul style="list-style-type: none"> <li>• \$10m to be transferred quarterly in FY10 beginning on Oct. 1, 2009 to the Corporation from money collected by the Electronic System for Travel Authorization (ESTA) to cover start up expenses.</li> </ul>

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<b>Federal Funding</b>	<ul style="list-style-type: none"> <li>• Up to \$100m may be transferred from federal treasury each year, starting in FY11, not to exceed fees collected from ESTA.</li> <li>• Transfers to the Corporation to be made at least quarterly on the basis of estimates by the Secretary of Treasury of how much the Corporation will match in private donations.</li> </ul>
<b>Private Sector Matching Funds</b>	<ul style="list-style-type: none"> <li>• In FY11, the Corporation must provide matching funds from non-Federal sources equal to 50 percent or more of federal funds.</li> <li>• In FY12 through FY14, the Corporation must provide matching funds from non-Federal sources equal to 100 of federal funds</li> <li>• Up to 80% of matching funds can be the fair market value of goods and services (including advertising) contributed to the Corporation.</li> <li>• At least 20% of matching funds must be cash.</li> <li>• Unexpended federal and non-federal funds may be carried forward to meet the subsequent year's matching requirement.</li> </ul>
<b>Collection of ESTA Fee</b>	<ul style="list-style-type: none"> <li>• U.S. shall assess and establish a \$10 travel promotion program fee collected on the Electronic System for Travel Authorization (ESTA) by September 30, 2009.</li> <li>• The U.S. may also assess a fee to pay for the cost of operating ESTA at a later date.</li> </ul>
<b>Industry Assessment</b>	<ul style="list-style-type: none"> <li>• Corporation may impose an annual assessment on United States members of the international travel and tourism industry represented on the Board.</li> <li>• The Corporation to be responsible for verifying, implementing, and collecting the assessment.</li> <li>• Assessment limited to \$20m.</li> <li>• Must be approved by majority of industry in referendum, using the following rules: <ul style="list-style-type: none"> <li>○ written or electronic notice not less than 60 days before the date of the referendum; and</li> <li>○ results to be determined on basis of weighted voting.</li> </ul> </li> <li>• Corporation shall establish a means of collecting the assessment</li> <li>• Corporation may establish a late payment charge and rate of interest to be imposed for failure to pay assessment.</li> <li>• Corporation may bring suit in Federal court to compel compliance.</li> </ul>
<b>Office of Travel Promotion</b>	<ul style="list-style-type: none"> <li>• An Office of Travel Promotion is established at the Department of Commerce to serve as a liaison to the Corporation and support the development of the travel promotion program.</li> <li>• The Office would report directly to the Secretary of Commerce and supervise the operations of the Office of Travel and Tourism Industries.</li> </ul>
<b>International Research</b>	<ul style="list-style-type: none"> <li>• The Office of Travel and Tourism Industries shall expand and continue its research and development activities in connection with the promotion of international travel to the United States, including revising survey of international travelers to at least double the number of U.S. states and cities with reliable international visitor estimates.</li> </ul>