

## H.R. 2935, Travel Promotion Act 2009 Summary

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, State, and Education.</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 car rental</li> <li>•1 Convention and Visitor’s Bureau</li> <li>•1 State tourism directors</li> <li>•1 passenger air travel</li> <li>•1 immigration law and policy</li> <li>•1 cruise line</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>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Officers must be U.S. citizens</li> <li>• May not work for anyone else for compensation during time as officer for the Corporation</li> <li>• Appointments will be nonpolitical</li> </ul>

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<b>Scope of Charter</b>	<ul style="list-style-type: none"> <li>• Provide info on entry requirements, required documentation, fees, 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>• Identify and address perceptions in other countries regarding U.S. entry policies that tend to limit attempts to travel to U.S.;</li> <li>• Maximize economic and diplomatic benefits of travel to U.S. by promoting increased travel to the U.S. through advertising, outreach to trade shows, and other appropriate promotional activities;</li> <li>• Promote tourism to rural and urban areas equally.</li> </ul>
<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>• 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 not less than 60 days before the beginning of 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 and Secretary of Homeland Security- 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>

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<b>Seed Money</b>	<ul style="list-style-type: none"> <li>Up to \$100m 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 operating expenses.</li> </ul>
<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, with consultation from the board, 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 will receive matching funds from Federal funds equal to twice the amount received from non-federal sources, and not to exceed \$100m</li> <li>In FY12 through FY14, the Corporation must provide matching funds from non-Federal sources equal to 100% of federal funds, not to exceed \$100m</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.</li> <li>The Corporation will determine: which industry segments will be included in the initial referendum, what the target assessment level will be, the percent of funds to be levied against each industry category and segment (based on the benefits they bring in), and the assessment methodology and rate of 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>Prohibition on Use of Funds</b>	<ul style="list-style-type: none"> <li>Funds raised by the Corporation or the Travel Promotion Fund may not be used to directly promote or advertise for a specific corporation</li> </ul>

<b>Section</b>	<b>Summary</b>
<b>Amendments to International Travel Act of 1961</b>	<ul style="list-style-type: none"> <li>• Amends the International Travel Act of 1961 to replace references to the United States National Tourism Organization with references to the Corporation</li> <li>• Modifies various requirements applicable to the Tourism Policy Council, including membership, meetings, and the provision of tourism information.</li> </ul>
<b>G.A.O. Study</b>	<ul style="list-style-type: none"> <li>• Within 90 days after enactment of bill, G.A.O. will initiate a study to assess barriers to entry into United States by foreign travelers</li> <li>• Within 1 year of enactment, G.A.O. will report findings, and recommend initiatives to reduce barriers</li> </ul>