

ANNUAL REPORT

Brand USA Fiscal Year 2016
October 1, 2015 to September 30, 2016





ABOUT THIS REPORT

In compliance with the Travel Promotion Act, Brand USA submits this report for fiscal year 2016 (FY2016) to the Secretary of Commerce to transmit to Congress as an update on the organization's progress, activities, financial condition, and accomplishments for the period October 1, 2015 to September 30, 2016.



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ABOUT BRAND USA



As the destination marketing organization for the United States, Brand USA's mission is to increase incremental international visitation, spend, and market share to fuel the nation's economy and enhance the image of the USA worldwide.

Established by the Travel Promotion Act of 2009 as the nation's first public-private partnership to spearhead a globally coordinated marketing effort to promote the United States as a premier travel destination and to communicate U.S. visa and entry policies, Brand USA began operations in May 2011.

As one of the best levers for driving economic growth, international travel to the United States currently supports 1.8 million American jobs (directly and indirectly) and benefits virtually every sector of the U.S. economy. Since its founding, Brand USA has worked in close partnership with more than 700 partner organizations to invite the world to explore the exceptional, diverse, and virtually limitless travel experiences and destinations available in the United States of America.

According to studies by Oxford Economics, over the past four years Brand USA's marketing initiatives have helped welcome 4.3 million incremental visitors to the USA, benefiting the U.S. economy with nearly \$30 billion in total economic impact, and supporting, on average, more than 50,000 incremental jobs each year.

Brand USA's operations are supported by a combination of non-federal contributions from destinations, travel brands, and private-sector organizations plus matching funds collected by the U.S. government from international visitors who visit the United States under the Visa Waiver Program.

For industry or partner information about Brand USA, please visit TheBrandUSA.com.

For information about exceptional and unexpected travel experiences in the United States, please visit Brand USA's consumer website at VisitTheUSA.com.

STATEMENT OF PURPOSE

Our vision is to be the best in class national destination marketing organization — earning the USA the largest share of the global travel market and significantly contributing to job creation, GDP, export growth, and tax revenues.

Our mission is to increase incremental international visitation, spend, and market share to fuel our nation’s economy and enhance the image of the USA worldwide.

We will realize our vision and accomplish our mission by staying true to these foundational elements:

Create Innovative Marketing

Promote the entirety of the USA with innovative marketing that supports all 50 states, the District of Columbia, and five territories to, through, and beyond the gateways.

Market the Welcome

Inspire, welcome, and thank travelers while accurately communicating vital and compelling information about visa and entry policies.

Build and Maintain Trust

Build and maintain trusted relationships with stakeholders worldwide through inclusive, proactive, and transparent outreach with a commitment to compliance and integrity through words, actions, and results.

Add and Create Value

Add and create value by pioneering cooperative marketing platforms and programs that leverage and grow the USA brand in ways our partners would be challenged or unable to do on their own.

Drive Results

Maximize and optimize the return on investment of Brand USA’s resources by deploying the right messages, through the right channels, in the right markets, at the right times, and at the right levels of investment.



While specific objectives, goals, strategies, and measures will be developed on an annual basis to successfully realize our purpose, these elements establish the foundation for all we do. As we track our progress in pursuit of this purpose, the true measure of our success will be the degree by which we create sustainable funding sources and meet our responsibility to drive significant, year-over-year increases in incremental international visitation, spend, and market share and our country benefits in economic prosperity and growth as a result of our efforts. We will build upon the effectiveness of our overall destination marketing strategies by leveraging the strength of federal resources, including embassies and consulates, worldwide.



LETTER FROM THE CHAIR OF THE BOARD

Travel and tourism is big business for the United States and it has an economic impact in every community in our country. According to the National Travel and Tourism Office (NTTO), the United States travel and tourism industry makes up 2.6 percent of GDP, accounting for \$1.6 trillion in economic output. Additionally, the industry supports some 7.6 million jobs and is a top 10 employer in 49 states and the District of Columbia.

The international arrivals segment of the U.S. travel and tourism industry is particularly lucrative and important to global opinion. In 2015, the latest year for which there are official statistics as of the date of this report, travel and tourism receipts were 33 percent of all U.S. services exports and 11 percent of total U.S. exports. And when international visitors come to the USA, it enhances the image of our country in the world. In fact, surveys have shown 74 percent of international visitors to the USA are more likely to have a favorable view of our country and 61 percent are more likely to support U.S. policies. In addition to the economic boost travel provides, Brand USA was created to capture these benefits for our country.

It is not a coincidence that as Brand USA initiated and increased promotional activities, the United States has begun to recover and grow our share of long-haul arrivals — which rose to 13.9 percent in 2016 compared to 13.7 percent in 2015 and 13.2 percent in 2014.

The United States remains one of the most visited international destinations in the world. But we also have the challenge of more and better resourced competition from other international destinations. Many countries have large tourism budgets, benefit from weaker currencies that make travel to their country economical, and have a geographic advantage due to proximity of tourism growth from China, broader Asia, and the Indian sub-continent. While the USA is seeing strong growth in overall tourism, we are challenged to continue to grow our market share of global tourists due to these and other factors.

That's why it's so important to market the USA like never before — and Brand USA is positioned to continue to do just that.

During my seven years on the board of directors, Brand USA's growth as a creator of innovative marketing programs, a partner to the travel industry and government, and an efficient and effective organization has been nothing short of extraordinary. What you will see in reviewing this FY2016 annual report is an organization that has built a global footprint and is optimizing strategy to drive results — stimulating travel to the USA, increasing exports, and creating and supporting jobs in all areas of our country.

The reauthorization of Brand USA through FY2020 is a testament to the positive impact this model public-private partnership has on communities throughout our nation. The board of directors of Brand USA owes a debt of gratitude to the United States Congress for its recognition of the work the Brand USA team and our partners have done since our establishment by the Travel Promotion Act in 2010. We are also grateful to the many organizations that have voiced their support for Brand USA. Each has held up high our success in helping to drive international visitation, spend, and increased market share for the United States.

“ What you will see in reviewing this FY2016 annual report is an organization that has built a global footprint and is optimizing strategy to drive results — stimulating travel to the USA, increasing exports, and creating and supporting jobs in all areas of our country. ”



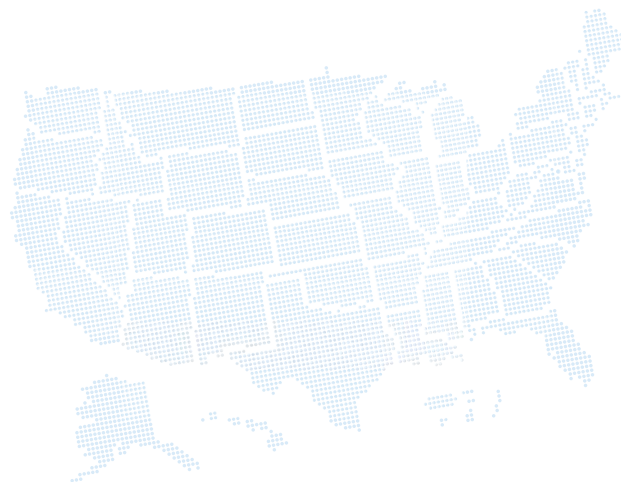
We all know the United States of America is the greatest destination for tourists throughout the world. But we cannot sit idle while other destinations are growing and investing to drive tourists to their markets. We have to compete to ensure we get more than our fair share of international visitors; and we will!

Brand USA's best years are ahead as it continues to lead the travel industry into new markets, new ways of representing all areas of the country, and new economic growth and jobs. Most importantly, Brand USA will market our great country and wonderful destinations from sea to shining sea to potential travelers across the globe.

Tom Klein

Chair of the Board
Brand USA

May 15, 2017





LETTER FROM THE PRESIDENT & CEO

Brand USA's Annual Report to Congress covering fiscal year 2016 (FY2016) finds the organization in great shape as we continue to evolve our value proposition.

There is more recognition today than ever before that international travel and tourism are significant drivers to our nation's economy, creating jobs and helping to connect people and cultures for greater understanding. Brand USA is charged with promoting international travel to the United States. According to the U.S. Department of Commerce, in 2015 some 77.5 million international visitors spent upwards of \$246 billion in the United States. This yielded a trade surplus of \$97.9 billion, without which the United States trade deficit (\$500 billion in 2016) would be nearly 20 percent higher.

While we await the official 2016 arrivals figures from the U.S. Department of Commerce, we expect visitation to remain flat or tick down slightly compared to 2015 arrivals figures. These expected results are due to the continued strength of the dollar, which over time has a cumulative effect on long-haul travel decisions, plus a lackluster economic recovery in our mature source markets, and slowing growth in our biggest emerging markets. However, we expect the 2016 figures will demonstrate the staying power of the United States as a priority long-haul destination and the importance of impactful destination marketing. Without these mitigating factors, international arrivals to the United States would likely decline in greater proportion to economic and financial conditions.

This annual report explores the positive impact of Brand USA's activities and engagements around the world in FY2016. Included are the findings of a new study by Oxford Economics that demonstrates the strong results Brand USA achieved in collaboration with partners in all sectors of the travel industry and beyond. The study reveals that over the past four years, Brand USA generated:

- 4.3 million incremental visitors
- \$13.6 billion in incremental spend
- Nearly \$30 billion in total economic impact
- Nearly \$4 billion in federal, state, and local taxes
- An average of more than 50,000 incremental jobs supported each year
- A return to the U.S. economy an average of \$27 for each \$1 spent on marketing activities.

During 2016, we expanded the reach and effectiveness of our promotion efforts. We have consumer and trade marketing initiatives in nearly 40 international markets, which generate approximately 90 percent of all inbound travel to the United States. We expanded the USA direct-to-consumer campaign to 14 key markets that generate more than 85 percent of the United States' international visitors. And we have an in-market representation network to forge new and existing relationships with the international travel trade in 16 source markets for the United States.

“ With the support of our many partners worldwide, Brand USA has grown from a start-up organization that launched its first full year in operation in 2012 with just 89 partners to an organization that has worked with and been supported by more than 700 partners worldwide. ”



With the support of our many partners worldwide, Brand USA has grown from a start-up organization that launched its first full year of operation in 2012 with just 89 partners to an organization that has worked with and been supported by more than 700 partners worldwide. Our consumer, trade, and cooperative marketing initiatives are adding value and providing all-new platforms to showcase U.S. destinations and experiences to the world.

We are especially proud to have achieved a 98 percent partner program retention rate and earned a 96 percent annual partner satisfaction rating on our annual partner survey.

Our collective success has brought the industry together to market the United States to international travelers throughout the world. Where destinations previously spent their own individual dollars in competition with each other, a great many now work together through Brand USA to promote the amazing destinations and experiences available in the USA. Together, our efforts have been more impactful.

Finally, we continued to blaze new trails in what it means to be a public-private partnership by collaborating with the federal government to ensure that the United States projects a cohesive and high-quality message about travel to the United States. From establishing a more welcoming environment in international arrivals halls and embassies to collaborating with Visit USA committees around the world, to promoting public lands and engaging high-profile initiatives with partner countries like India and China, we have worked hand in hand with our federal partners. We give thanks to our partners at the Department of Commerce and the National Travel and Tourism Office (NTTO) who have played the lead role in coordinating policy issues related to the U.S. travel and tourism industry.

Importantly, Brand USA's mandate established by the Travel Promotion Act is to market the entirety of the United States to, through, and beyond the gateways — and to communicate accurate and timely visa and entry policy. We are committed to communicating travel policy as an important component of inviting, welcoming, and thanking international travelers who visit the United States of America. We continue to fulfill this duty by furthering the understanding of U.S. travel policies through various consumer and trade channels, identifying and correcting misperceptions about those policies, and helping international travel trade, media, and visitors link directly to the official information sources at the U.S. Department of Homeland Security and the U.S. Department of State. We believe the combination of our marketing efforts and all the USA has to offer travelers will continue to inspire visitors from around the world to travel throughout our diverse and remarkable country.

Together, we are marketing the USA!

Christopher L. Thompson

President and CEO
Brand USA

May 15, 2017

HOW WE MARKET THE USA





HOW WE MARKET THE USA

Each year, Brand USA deploys a number of market-driven platforms and programs to increase inbound visitor travel to the United States and drive tourism dollars to communities in all 50 states, the District of Columbia, and the five territories.

During FY2016, these ongoing programs included four broad categories: the USA Campaign, cooperative marketing opportunities, trade outreach initiatives, and media/public relations outreach that, in total, promoted the United States in its entirety and added and created value for our partners.

In addition, during the year we also collaborated closely with our federal partners, led by the Department of Commerce, to support high-level efforts to achieve the primary goal of the National Travel & Tourism Strategy of welcoming 100 million annual international travelers to the USA by 2021.

THE USA CAMPAIGN

(Direct to Consumer)



The USA Campaign is fundamental to Brand USA's ability to create broad-based awareness and inspire travel to the United States. The USA Campaign includes any combination of macro-level promotion and advertising messages via broadcast, out-of-home, print, and digital marketing/social media channels, as well as high-profile global marketing/storytelling initiatives, such as cinematic film production.

Broadcast

The creative featured in our campaign advertising is informed by consumer research and enhanced by learnings from consumer testing in target markets. In addition to the tangible results these campaigns deliver, they provide opportunities for our partners to reach international travelers through cooperative marketing opportunities.

Out-of-Home

Out-of-home advertising, which includes signage (print and digital), video, billboards, and other public/on-location advertising, is utilized in select markets to reach international travelers when they are in active, public places. These include, but are not limited to, public transportation and transit (subway, taxi, bus, highway, etc.) and commercial locations (city centers, retail venues, cinema, etc.).

Print

Through print advertisements and advertorials featuring vibrant imagery, inviting messaging, and clear calls to action, Brand USA inspires travelers to visit the USA. Advertising is focused in both consumer and trade publications.

HOW WE MARKET THE USA



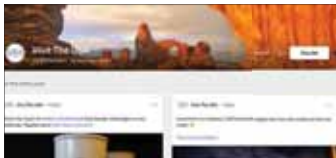
 VisitTheUSA.com



 Twitter



 Facebook



 Google+



 Instagram



 YouTube

Digital Marketing/Social Media

Brand USA employs digital and social media marketing strategies to inspire, engage, and activate international travelers to visit the United States during the year through:

- Proprietary website platforms
- Social media channels
- Global digital marketing and social campaigns
- Online video
- Targeted advertising

Proprietary Consumer Website Platforms

Brand USA has two online consumer identities in the marketplace:

- VisitTheUSA (VisitTheUSA.com), which is active in most markets where Brand USA markets the United States to international travelers
- GoUSA, which is active in Asian markets, including China and Hong Kong (GoUSA.cn), Taiwan (GoUSA.tw), India (GoUSA.in), Japan (GoUSA.jp), and South Korea (GoUSA.or.kr)

Together, the VisitTheUSA and GoUSA website platforms are the consumer-facing online identities international travelers associate with travel to the United States.

Previously, the address of Brand USA's global website was DiscoverAmerica.com. Brand USA began to transition from DiscoverAmerica.com to VisitTheUSA.com over the course of FY2016. Through a purposeful, soft launch we were able to test and optimize the site while enhancing the content and functionality of our consumer websites, as well as to evolve our consumer marketing campaigns to include the new address for the website.



New Orleans, Louisiana

This transition was made in all markets except China, Hong Kong, India, Japan, and Taiwan. In those markets, Brand USA's online consumer presence has and continues to promote travel to the USA via the GoUSA URL (with the related in-country extensions), because consumer testing prior to our entry in those markets indicated the GoUSA address resonated more clearly with travelers in those markets.

The change to the new website URL was consistent with Brand USA's mission to welcome travelers specifically to the United States, rather than to "America," because America is one continent that includes 35 countries located in North, Central, and South America.

Social Media Channels

In addition to the global and in-market VisitTheUSA and GoUSA proprietary websites, Brand USA leverages related social media accounts in consumer-facing content and communications. Each market where Brand USA has a fully developed marketing presence has a dedicated, in-language website and social channels, which Brand USA uses to reach consumers in its target markets.

The following handles are used for global, consumer-facing promotions in English:

- Website: VisitTheUSA.com
- Twitter: [@VisitTheUSA](https://twitter.com/VisitTheUSA)
- Facebook: [Facebook.com/VisitTheUSA](https://www.facebook.com/VisitTheUSA)
- YouTube: [YouTube.com/VisitTheUSA](https://www.youtube.com/VisitTheUSA)
- Instagram: [VisitTheUSA](https://www.instagram.com/VisitTheUSA)
- Google+: [Google.com/+VisitTheUSA](https://www.google.com/+VisitTheUSA)

The following campaign hashtags support global and thematic promotions and initiatives:

- Global: [#VisitTheUSA](https://twitter.com/hashtag/VisitTheUSA)
- Flavors/Culinary: [#TasteUSA](https://twitter.com/hashtag/TasteUSA)
- Road Trips: [#RoadTripUSA](https://twitter.com/hashtag/RoadTripUSA)
- Great Outdoors: [#OutdoorsUSA](https://twitter.com/hashtag/OutdoorsUSA)
- Market the Welcome: [#USAWelcome](https://twitter.com/hashtag/USAWelcome)

In addition to leveraging these global channels, Brand USA currently has localized social media efforts in the following markets via the channels shown in Chart 1.

CHART 1

Digital Channels

MARKET	URL	LOCAL TAGLINE	FACEBOOK	TWITTER	HASHTAG	INSTAGRAM	YOUTUBE	
Australia	VisitTheUSA.com.au	Plan Your USA Trip Now	facebook.com/VisitTheUSAau	@VisitTheUSA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA	
Brazil	VisiteosUSA.com.br	Planeje Sua Viagem Aos USA Agora Mesmo	facebook.com/VisiteOsUSA	@VisiteOsUSA	#VisiteOsUSA	VisitTheUSA	YouTube.com/VisiteOsUSA	
Canada: English	VisitTheUSA.ca	Plan Your USA Trip Now	facebook.com/VisitTheUSAcA	@VisitTheUSAcA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA	
Canada: French	frVisitTheUSA.ca	Planifiez Votre Voyage Aux USA Dès Maintenant	facebook.com/VisitTheUSAcA	@VisitTheUSAcA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSAfr	
Chile	VisitTheUSA.cl	Planifica Tu Aiaje A USA Ahora	facebook.com/VisitTheUSAcl	@VisitTheUSAes	#VisitTheUSA	VisitTheUSA	(Spanish) YouTube.com/VisitTheUSAes	
China	GoUSA.cn	即刻 定制 您的 USA 旅行 计划	n/a	<p>Sina Weibo (Chinese microblogging site/hybrid of Twitter and Facebook): http://weibo.com/GoUSAcn Tencent Weibo (Chinese microblogging site): http://t.qq.com/DiscoverGoUSA Youku (YouTube equivalent): http://i.youku.com/gousacn Weishi (like Vine): http://www.weishi.com/u/23484775 Wechat (Chinese mobile social network for texting, images, music and articles sharing, mobile only): 美国国家旅游局 Lofter (Photo sharing platform): http://GoUSA.lofter.com</p>				
Colombia	VisitTheUSA.co	Planifica Tu Viaje A USA Ahora	facebook.com/VisitTheUSAcO	@VisitTheUSAes	#VisitTheUSA	VisitTheUSA	(Spanish) YouTube.com/VisitTheUSAes	
France	VisitTheUSA.fr	Préparez Votre Voyage Aux USA Dès Maintenant	facebook.com/VisitTheUSAfr	@VisitTheUSAfr	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSAfr	
Germany	VisitTheUSA.de	Plant Jetzt Eure Reise In Die USA	facebook.com/VisitTheUSAde	@VisitTheUSA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSAde	
India	GoUSA.in	Plan Your USA Trip Now	facebook.com/GoUSAin	@GoUSAin	#USATrip	VisitTheUSA	YouTube.com/GoUSAin	
Japan	GoUSA.jp	今すぐ USAへの旅の計画を	facebook.com/GoUSAjp	@GoUSAjp	アメリカ旅行	VisitTheUSA	YouTube.com/GoUSAjp	
Mexico	VisitTheUSA.mx	Planifica Tu Viaje A USA Ahora	facebook.com/VisitTheUSAmx	@VisitTheUSAes	#VisitTheUSA	VisitTheUSA	(Spanish) YouTube.com/VisitTheUSAes	
Korea	GoUSA.or.kr	지금 USA 여행을 계획해보세요	facebook.com/GoUSAkr	@GoUSAkr	#미국여행	VisitTheUSA	YouTube.com/GoUSAkr	
Sweden	VisitTheUSA.se	Plan Your USA Trip Now	facebook.com/VisitTheUSAse	@VisitTheUSA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA	
Taiwan	GoUSA.tw	n/a	facebook.com/GoUSA.official	n/a	n/a	n/a	n/a	
United Kingdom	VisitTheUSA.co.uk	Plan Your USA Trip Now	facebook.com/VisitTheUSAuk	@VisitTheUSAuk	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA	

Global Digital Marketing and Social Campaigns

Throughout the year, the Brand USA digital team deploys local social media managers in each market to apply their marketing insights to create culturally relevant social media content and campaigns. These custom social campaigns provide localized digital and social presence in 14 international markets, with one global presence in English.

In addition to engaging international travelers through ongoing conversations via social media channels, Brand USA also develops a variety of custom programming such as road trips campaigns that showcase the United States and inspire travelers to take their own journeys.

As Brand USA's social media influencers drive across the United States, they share their experiences blogging and posting photos and videos of their travels. Brand USA further supports their communication efforts with comprehensive digital content and promotion plans, as well as functionality on Brand USA's VisitTheUSA and GoUSA platforms. These platforms move travelers from inspiration to action by providing them the tools to plan and create their own road trips, access curated playlists inspired by iconic routes, and share their experiences.

Online Video

Brand USA uses online video as one of the most effective ways to connect with consumers through digital platforms — particularly in the Dream and Consideration phases of the travel lifecycle. By creating and cultivating content on our primary digital channels (proprietary and third party), we are able to increase familiarity and affinity for the USA with consumers in our target markets through significantly enhanced consumer engagement and search engine optimization.

Cinematic Film Production

Notably, the USA Campaign also includes high-profile global marketing initiatives, such as cinematic film production. As part of this large-scale strategy, during FY2016, Brand USA leveraged its award-winning film produced by MacGillivray Freeman Films, *America Wild: National Parks Adventure*, celebrating the centennial of U.S. national parks. The film, with title sponsorships from Expedia, Inc. and Subaru of America, Inc., was part of an overarching marketing effort to promote the United States' great outdoors and reached more than 4 million viewers through its release in more than 100 IMAX® and other giant-screen format theaters during the year.

Based on the success of this first film, during FY2016 we began pre-production on a second film, tentatively titled *America's Treasures*, which will be released in giant-screen theaters in 2018. The movie will focus on local culture (such as music, geography, history, etc.) and experiences (including iconic places and lesser known destinations) throughout the USA, as told through the language of music.



Official "America Wild" promotional banner "America Wild" behind the scenes filming

COOPERATIVE MARKETING

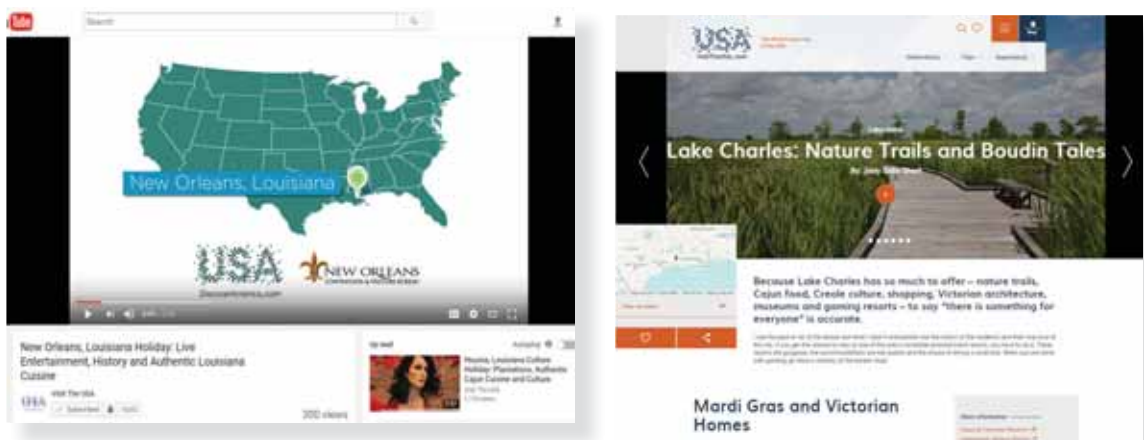
Cooperative marketing platforms and programs make up the majority of our marketing efforts and deliver an array of marketing options to increase awareness, visitation, and spend. They also provide opportunities for partners of all shapes and sizes to participate and are an important way we promote travel experiences in the United States to, through, and beyond the gateways. Cooperative marketing programs are built upon the framework of the USA Campaign, but integrate more specific travel experiences and messages. Brand USA has two major cooperative marketing categories: Brand USA Originals and Brand USA Affinity Programs.

Brand USA Originals

Brand USA Originals are cooperative marketing programs developed and offered exclusively by Brand USA. They include proprietary programs developed by Brand USA and those created in partnership with influential travel media and major travel and lifestyle brands. Included in these offerings are market-specific programs in which Brand USA connects partners with its in-country experts to ensure cooperative marketing efforts are deployed to effectively reach prospective travelers with messages and calls to action that are timed to make the most impact. Programs are designed for either partner launch or expansion in established or emerging markets. These programs are ideal for cities, states, and attractions focusing on specific markets or entering a market for the first time.

Brand USA Affinity Programs

Affinity programs are cooperative marketing programs Brand USA has developed with media, online travel agencies (OTAs), or other travel-related publishers to advertise and promote U.S. destinations, experiences, attractions, and other travel opportunities. They are a particularly valuable way to highlight partner offers and activate USA travel experiences.



Louisiana cooperative marketing video and Visit The USA placement.



2016 IPW Brand USA Press Conference

TRADE OUTREACH AND TRAINING

(B2B Marketing and Education)

Brand USA currently works with an expansive network of international representatives, Visit USA committees, tour operator advisory boards, and U.S. Commercial Service teams around the globe to support participation in numerous trade activities, including:

- Trade shows
- Sales missions, road shows, and themed events
- MegaFams and other familiarization tour opportunities
- Training programs
- Special initiatives

Trade Shows

Throughout the year, Brand USA hosts a series of USA-branded pavilions at influential travel and trade shows — providing participating U.S. exhibitors the opportunity to reach 1.6 million international travel buyers and sell future travel to the United States.

Brand USA serves as the unifying element at these shows, representing U.S. travel and tourism interests on a global scale, with destinations, travel brands, federal partners, and other organizations participating as exhibitors. Participating organizations retain their own identity yet benefit from being part of a more visible, collaborative United States effort. To further amplify the USA's and participating partners' presence, Brand USA also organizes related events before, during, and after many of these shows.

Brand USA pavilions provide exhibitors:

- Market analytics and insights
- Marketing, advertising, and public relations and media exposure
- Increased global exposure and coherent branding
- Customer engagement and entertainment opportunities
- Additional amenities such as Internet access, expanded conference space, marketing materials, interactive displays, and light food/refreshments at the Brand USA booth within the pavilion.



China sales mission

Sales Missions, Road Shows, and Themed Events

Sales missions are another essential component of Brand USA's trade outreach. Through these Brand USA-hosted events we invite travel industry professionals in key markets to meet with U.S. organizations at designated international locations.

Through a series of planned events, Brand USA and participating partners connect directly with international travel buyers, including tour operators, airlines, travel agents, incentive and meeting planners, and media. These connections allow us to provide a more in-depth look at U.S. destinations and experiences in order to increase the quantity and diversity of travel bookings to the United States.

Our outreach also includes taking participants directly to the travel trade in international markets via road show events. Brand USA and partner organizations are able to connect directly with tour operators, travel agents, and travel buyers through a series of seminars, receptions, and events in which participants acquire the knowledge and information needed to better promote the United States as a travel destination.

Based on market need and opportunity, Brand USA also organizes custom, themed events in key international markets that position and promote the United States as the go-to travel destination. These events are generally celebratory programs, themed around specific holidays and experiences, to help promote U.S. destinations, travel brands, and other organizations.

MegaFams and Other Familiarization Tours

Familiarization tours, or "fams," with the travel trade are an integral part of the organization's marketing strategies to create awareness of the diverse destinations and travel experiences available throughout the United States. These tours bring groups of travel agents and tour operators to destinations in the United States to familiarize them with new experiences and itineraries that they can offer to customers back home. Brand USA fam tours are called "MegaFams" because they are the largest multi-itinerary, simultaneous familiarization tours conducted in the United States.

Brand USA organizes and coordinates these diverse U.S. travel experiences in order to more fully promote multiple destinations. They are especially effective in motivating the travel trade to sell



destinations to, through, and beyond the gateways to their clients because the itineraries include a broad range of travel experiences, attractions, and brands from the popular gateway cities to off-the-beaten-path encounters.

Through Brand USA MegaFam experiences, travel agents and tour operators become better informed, empowered, and inspired to sell a multitude of U.S. destinations.

Training Initiatives

Two distinct Brand USA travel trade training initiatives provide the tools and information our international travel buyers need in order to sell, up-sell, and cross-sell U.S. travel destinations and experiences:

- **USA Discovery Online Program**

This online, experience-based, training platform features a variety of destination modules to inspire and motivate the travel trade to sell destinations of all shapes and sizes, as well as well-known and unexpected experiences, to their customers. Travel agents and tour operators earn specialist badges as they complete each section.

- **Training Seminars**

Brand USA also presents in-market training seminars to the travel trade that focus on a specific experience or region in the United States — providing a targeted approach to promoting U.S. travel destinations.

MEDIA AND PUBLIC RELATIONS

(Consumer and Trade)

Brand USA works with media outlets to promote the entirety of the United States and offers a number of programs that provide partners opportunities to increase awareness and inspire travel to their destinations through the power and credibility of earned media coverage.

Leveraging its access to and relationships with journalists, plus its online newsroom platform and ongoing scheduling of visiting journalist familiarization tours, Brand USA promotes destinations and travel experiences in every state, the District of Columbia, and the five territories with extensive media coverage in both travel trade and consumer media, including broadcast, print, and online.

A core part of this strategy is the Visiting Journalist Program, which showcases the diversity and depth of experiences available across the USA to inspire international visitors to plan their USA trip now.

Through this program, Brand USA proactively reaches out to influential travel writers to visit and write about the USA, as well as responds to requests from journalists seeking assistance to travel to and write about U.S. destinations and attractions. The Visiting Journalist Program is primarily focused on working with influential travel writers who write for media outlets (print, digital, and broadcast) that reach consumers. All journalists are fully vetted and pre-approved for participation in the program.

In FY2016, the Visiting Journalist Program hosted more than 80 journalist trips (single journalist and media groups) from 11 markets, which resulted in over 250 articles and counting. Those journalists visited 46 of the 50 states, plus the District of Columbia.



U.S.—China Tourism Year

FEDERAL PARTNER AND VISIT USA COMMITTEE COLLABORATION

As a public-private partnership created to promote the United States as the premier international destination and communicate U.S. travel policies and procedures, Brand USA plays a unique role in working closely with a variety of federal government partners. Much of our collaborative work during the year was conducted within the framework of the Tourism Policy Council, an interagency group chaired by the Secretary of Commerce and managed by the National Travel and Tourism Office, to advance the National Travel and Tourism Strategy.

Through this collaboration, Brand USA conducts joint activities and leverages federal assets to support international marketing efforts and policy communications.

During the year, Brand USA leadership collaborated on an ongoing basis with the Marketing and Promotion Working Group, Ease of Travel Working Group, and China Visitor Experience Working Group to share plans, coordinate activities, report up through the Tourism Policy Council, and we made two official presentations to the Tourism Policy Council principals to provide an update on our work.

As provided for in the Travel Promotion Act, Brand USA’s work with our U.S. government partners is designed to maximize the economic and diplomatic benefits of travel to the United States. We do this primarily by:

- Developing integrated country plan and joint promotions and communications to promote travel to the United States.
- Providing useful information to travelers, the travel trade, media, and other stakeholders regarding entry requirements, required documentation, fees, processes, and information concerning declared public health emergencies; and identifying, countering, and correcting misperceptions regarding United States entry policies.
- Promoting official tourism years with our federal partners. Coordinating with Visit USA Committees to amplify each other’s efforts in market to promote the USA as a premier travel destination.
- Coordinating with the Visit USA Committees to amplify each other’s efforts in market to promote the USA as a premier travel destination.



Country Plans and Joint Promotions

During the year, Brand USA worked with U.S. embassies and consulates around the world to participate in the development of travel and tourism country plans. Country plans are led by the Deputy Chief of Mission and coordinated by the Commercial Service in the top 10 source markets and France. Brand USA contributed to this effort in all markets by providing our marketing and trade calendars and coordinating with the other entities on joint events, such as support for Independence Day celebrations, trade outreach events, and embassy initiatives. Other relevant activities included road shows, travel agent trainings, embassy events and announcements, and high-level government and industry visits. In addition, throughout the year, Brand USA supported or collaborated with U.S. embassies and consulates throughout the world on key initiatives and special events. In FY2016, this included such efforts as deployment of a toolkit with tourism promotion materials to Public Affairs Sections at U.S. embassies and consulates; support for embassy events for Independence Day, Thanksgiving, and other special celebrations; collaboration on great outdoors and culinary themed initiatives; and more.

Travel Information and Correcting Misperceptions

A major focus for our collaborative communications efforts during the year included those regarding visa and entry policy information. During FY2016, these included communicating:

- New travel policy information tailored to each individual target market for digital and print deployment such as the inspiration guide and market profiles.
- Travel alerts for updates like Zika, updated ESTA requirements, Global Entry expansion announcements, etc.
- Promotional efforts for Trusted Traveler Programs such as the launch of Global Entry in new international markets or information on how Global Entry travelers can access TSA Precheck benefits.
- Travel trade and consumer outreach for the launch of the Electronic Visa Update System (EVUS) in China, including through road shows around China, interagency communication efforts, the U.S.-China Tourism Leadership Summit, China International Travel Mart, digital and PR efforts, and a cooperative media campaign with *Travel Weekly China*.

Promoting Official Tourism Years

During FY2016, we also worked with our federal partners on the promotion of the U.S.-China Tourism Year, which was designed to effectively position the United States and China for increased trade in travel services by focusing on three mutually beneficial areas (enhanced travel and tourism experiences, cultural understanding, and appreciation of natural resources). The Tourism Year built upon the momentum of the 2016-2017 Work Plan of the U.S.-China Joint Commission on Commerce and Trade Tourism Working Group (signed by the Department of Commerce and the China National Tourism Administration on September 10, 2015). Additionally, the Tourism Year leveraged the opportunity created by the reciprocal extension of short-term tourist and business visas issued to each other's citizens from one to 10 years (effective November 12, 2014) and reciprocal extension of student visa validity from one to five years.

To support the official tourism year, we worked with the China National Tourism Administration and the U.S. Department of Commerce to launch the Tourism Year at a major gala in Beijing that included a high-level government and industry program. The program featured a presentation from a former NASA astronaut of Chinese descent, a menu featuring the culinary expertise of an award-winning chef, and entertainment by the original cast of a Broadway musical. The event was held during Brand USA's first-ever sales mission to China, a three-city, trip that allowed 40 partner organizations to meet and market their individual destinations to prominent Chinese travel agents and tour operators.

Brand USA further supported the Tourism Year by acting as the organizing force for the U.S. travel and tourism industry by providing resources and information for the industry to engage and leverage the platform of the Tourism Year. For example, Brand USA pushed information and resources to the industry such as in-depth consumer and market intelligence, the Tourism Year logo, a master calendar, videos from President Obama and Secretary Pritzker, Brand USA cooperative marketing opportunities and more via an online toolkit.

Brand USA also launched a "China readiness" training program and made it available to all partners for use at regional tourism conferences around the United States during 2016-2017. Additionally, we hosted a record U.S. delegation at the 10th annual U.S.-China Tourism Leadership Summit in Ningxia Hui Autonomous Region in September 2016.

Visit USA Collaboration

Brand USA also works in collaboration with Visit USA Committees in various markets on programs and initiatives with the travel trade. As non-profit associations led by top travel industry professionals, these committees have long-standing relationships in market working with both the travel trade and the U.S. Commercial Service and are an important part of our collaborative efforts to promote the United States as a premier travel destination.

These programs allow us to collectively reach thousands of influential travel agents, tour operators, and prospective international travelers through travel trade workshops, training seminars, road shows, and trade shows to promote travel to the United States. The Visit USA Committee and the U.S. Commercial Service in market provide keen insights and networking in various markets, and our close cooperation with these teams enables us to significantly and effectively amplify our activities with the travel trade and extend our consumer reach.

To help coordinate these efforts, we established an international advisory group with representatives of Visit USA committees and Commercial Service personnel. With input from this group, we were able to streamline the process for collaboration with Visit USA committees around the world; establish a standard evaluation process, best practices, financial controls, and timelines for Brand USA to collaborate with Visit USA committees and the U.S. Commercial Service.

The dozens of activities that we supported and engaged with included things as diverse as:

- Travel agent roadshows, training sessions, and B2B marketplaces in Australia, Austria, Brazil, Chile, China, Germany, Guatemala, Japan, New Zealand, Switzerland, the United Kingdom, among others.
- Participation at Visit USA Committee travel expos or Visit USA Committee pavilions at trade shows in Argentina, Australia, the Netherlands, and beyond.
- Enhancement of both Brand USA and Visit USA Committee presence at important trade shows such as FITUR (Spain), HITS (Korea), IFTM (France), and more.
- Visit USA Committee-led activation events around *America Wild: National Parks Adventure*, including in countries such as Costa Rica, Guatemala, and beyond.
- Support Visit USA Committee Independence Day activities and events in countries as diverse as Canada, China, Japan, Hong Kong/Taiwan, UK, and more.
- Creation of all new collaborative activities such as Insight in the UK, which combined an opening networking event for agents, suppliers, and destinations with a private screening of *America Wild: National Parks Adventure* and expert panel presentations.



ACTIVITIES TO PROMOTE TOURISM IN RURAL AND URBAN AREAS

As outlined in the Travel Promotion Act, Brand USA is charged with promoting tourism to rural and urban areas equally, including areas not traditionally visited by international travelers. Brand USA is meeting this requirement through the deployment of the marketing platforms and programs outlined on pages 21 to 31 of this report. In this section of the report, we provide the methods for which these main categories of marketing promoted tourism to rural and urban areas during FY2016.

THE USA CAMPAIGN

During FY2016, the USA Campaign promoted the message “All within your reach” in 14 key markets (Australia, Brazil, Canada, Chile, China, Colombia, France, Germany, India, Japan, South Korea, Mexico, Sweden, and the United Kingdom). This succinct, compelling marketing platform was the focal point of Brand USA’s multi-dimensional digital campaign promoting the value found in the proximity and diversity of U.S. travel destinations and experiences to, through, and beyond the gateways.

The strategy behind the campaign successfully highlighted the fact that the cost of one trip with multiple experiences holds more value than many trips with a singular focus. This was particularly important during a year in which Brand USA proprietary research showed an increasing number of international travelers cited the strengthening dollar as a reason for not planning a trip to the USA.

The campaign, which ran during the respective key travel search times in target markets throughout FY2016, featured iconic and surprising destinations and attractions visitors to the USA can experience within a five-hour radius of a gateway destination.

Online video and digital display advertising drove prospective travelers to the campaign landing page, as well as nine destination-landing pages. The landing pages offered inspirational content and showed at least six experience-based itineraries to complement visits within driving distance of the featured city or gateway. To further support the message of “All within your reach,” Brand USA also launched a complementary social-media campaign in April 2016.

Together, these campaign elements emphasized the proximity and interconnectedness of travel experiences in the USA that allow travelers to visit a number of unique destinations and attractions during a single trip. The campaign, which generated 4.8 billion impressions, reached 38 percent more consumers than the FY2015 campaign. The campaign also more effectively engaged consumers—generating 360 million engagements—an increase of 46 percent over FY2015.



“The United States offers travelers some of the most diverse travel experiences of any destination in the world. Through this new campaign, we are promoting iconic and surprising destinations and attractions visitors can experience to, through, and beyond the gateways — all within their reach.”

— Christopher L. Thompson, president and CEO, Brand USA



Cinematic Film Production: *America Wild: National Parks Adventure*

Another component of the USA Campaign was the release of Brand USA's giant-screen film, *America Wild: National Parks Adventure*, which began showing in IMAX® theaters and other giant-screen format cinemas in February 2016. The global release of the film in 2016 was designed to coincide with the centennial of the National Park Service, and was the cornerstone of Brand USA's strategy to promote the USA's great outdoors, which focused primarily on rural destinations and attractions.

Prior to the film's release, one million tickets had already been pre-sold. Following the release of the promotional trailer in October 2015, the film immediately began attracting the attention of theater-goers worldwide, and more and more theaters signed up to show the film. The strategy for theater distribution was to primarily distribute the film in museums and science centers, which commit to longer runs (12 to 18 months) than commercial theaters. Yet the film also attracted commercial theaters located in prime locations that helped promote the film to a broad audience. For example, the placement of the film at the British Film Institute (BFI) IMAX theater operated by Odeon Cinemas in London, which boasts the largest cinema screen in Britain, enabled Brand USA to launch the film internationally in a high-profile key market for travel to the USA.

While filming *America Wild: National Parks Adventure*, the Travel Channel International worked with the film's producer, MacGillivray Freeman, to create an eight-part miniseries entitled *America. The Beautiful*. The show, which, like the film, was narrated by Robert Redford, premiered on Travel Channel International from October to November 2015 and, based on its successful run, re-aired from February to March 2016.

In addition, Expedia Media Solutions created a quiz for Brand USA that promoted the U.S. National Parks. Brand USA and Expedia jointly ran the quiz for four weeks on our respective social-media channels in March and April 2016, which also helped to promote rural destinations in the USA. The quiz was repurposed and used throughout the year at international trade shows as an ongoing tool to promote the U.S. National Parks and the great outdoors.



TESTIMONIALS

"Everybody was thrilled by the beautiful pictures, and thought it was one of the best and most beautiful films they had ever seen at the Tycho Brahe Planetarium."

- Peter Bak-Larsen, CEO,
Tycho Brahe Planetarium, Copenhagen



“Narrated by Academy Award® winner Robert Redford, National Parks Adventure takes audiences on the ultimate off-trail adventure into the nation’s awe-inspiring great outdoors and untamed wilderness. Immersive IMAX® 3D cinematography takes viewers soaring over red rock canyons, hurtling up craggy mountain peaks and into other-worldly realms found within America’s most legendary outdoor playgrounds, including Yellowstone, Glacier National Park, Yosemite, and Arches. Celebrate the 100-year anniversary of the national parks with world-class mountaineer Conrad Anker, adventure photographer Max Lowe and artist Rachel Pohl as they hike, climb and explore their way across America’s majestic parks in an action-packed expedition that will inspire the adventurer in us all.”

-National Parks Adventure profile on MacGillivray Freeman’s website



Images from various America Wild: National Parks Adventure film premieres

MacGillivray Freeman’s

アメリカ・ワイルド

AMÉRICA SELVAGEM

Uma Aventura pelos Parques Nacionais

“This film is so well received! By press and by the audience. The attendance is really good, the weather is helpful, and we are happy.”

- Alexandra van der Zee,
SMP Marketing, Omniversum, The Hague

“America Wild is a stunning film and our audiences love it! We are so very happy that we chose to launch our new IMAX with laser and 12 channel audio system with this film.”

- Brenda Tremblay, COO, Science North, Sudbury, Ontario, Canada

Global Digital Marketing and Social Campaigns

As part of the “All within your reach” campaign, advertisements placed in market featured Brand USA’s websites as the primary call to action. Website page views, therefore, offered a platform for understanding the areas where Brand USA was especially successful during the year in engaging consumers to explore the many destinations and attractions in the USA.

As Chart 2 depicts, 93 percent of website page views in FY2016 included regional content associated with the “All within your reach” campaign (which featured regional destination groupings rather than single destinations) or national content (such as the home page, maps, road trips, and travel information).

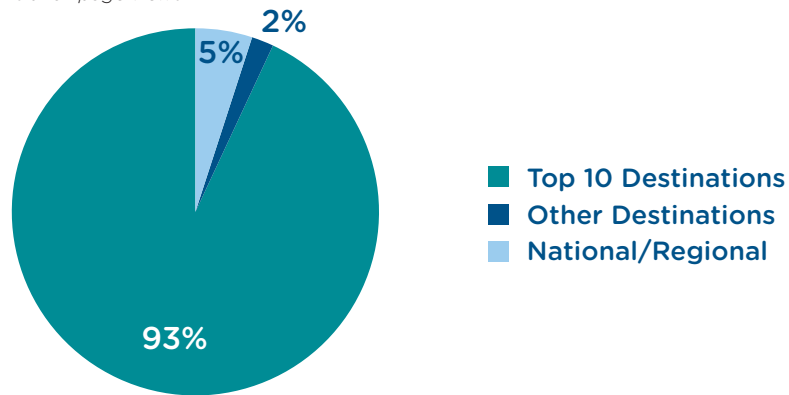
Five percent of page views featured content on the top 10 inbound destination cities and their attractions (New York City, Los Angeles, San Francisco, Miami, Orlando, Las Vegas, Honolulu, Chicago, Boston, and Washington, DC).

Two percent of views were a combination of other destinations — most commonly state pages. While states such as California, Florida, Illinois, New York, and Texas include major international gateways to the United States, the content of those web pages focuses on a broader range of experiences that go to, through, and beyond those arrival points to represent and promote the state, including rural and urban areas, as a whole.

CHART 2

FY2016 Distribution of Page Visits on VisitTheUSA.com by Geography

This chart is based on an analysis of the top 4,000 pages of Brand USA’s consumer website (not including GoUSA.cn), which represent 98 percent of all page views.



Top 10 Markets: New York City, Los Angeles, San Francisco, Miami, Orlando, Las Vegas, Honolulu, Washington, DC, Chicago, Boston

NOTE: National/Regional portion of page views increased dramatically compared to FY2015 due to Brand USA’s “All within your reach” campaign, which featured regional destination groupings rather than one destination.



Visit The USA social media pages, including Instagram, Twitter, Facebook, and YouTube.

In addition to its proprietary websites, Brand USA distributed engaging content about destinations and experiences in all 50 states, the District of Columbia, and the five territories via a variety of other digital marketing efforts.

Each month, Brand USA social media content community managers proactively engaged with a minimum of 10 in-market influencers by posting, retweeting, replying to, and sharing content about the USA. A typical month included posts promoting USA destinations and experiences, plus specific campaigns, via the following social media channels:

- Facebook (Global + international markets): 4-6 posts/month
- Twitter (Global + international markets): 35-50 tweets/month + proactive engagement, retweets, etc.
- Instagram (Global only): 12 posts/month
- YouTube (Global + international markets): 10 to 20 videos/month (including migrated and new content)

During FY2016, approximately 22 percent of organic social media promoted rural areas, 32 percent promoted urban areas, and 46 percent promoted states and regions. Additionally, of our online video posts and related campaigns, 36 percent promoted rural areas, and 64 percent promoted urban areas of the USA.

Cooperative Marketing

Through cooperative marketing programs and in coordination with our marketing partners, Brand USA was able to promote tourism to both rural and urban areas. During FY2016, 62 percent of these programs promoted both rural and urban U.S. markets, 35 percent promoted urban U.S. markets, and 3 percent promoted rural U.S. markets. Chart 3 provides a summary of these programs.

CHART 3

Summary of FY2016 Brand USA Programs Promoting Urban and/or Rural U.S. Markets

MARKET	PARTNER	RURAL AND/OR URBAN
Australia Marketing Partner Programs	Sunrise	Urban
	News Corp	Rural/Urban
	Out & About With Kids	Rural
Canada Marketing Partner Programs	Dreamscapes	Rural/Urban
China Marketing Partner Programs	PPTV	Rural/Urban
	Sohu, Inc.	Rural/Urban
	SINA Corporation	Rural/Urban
	Wanda Group	Urban
	Youku	Urban
	Tudou	Urban
	Travel Weekly China	Rural/Urban
Germany Marketing Partner Programs	America Journal	Rural/Urban
	Air Berlin	Rural/Urban
	Essentially America (ITB Taxis)	Rural/Urban
	Cleverdis	Rural/Urban
	FVW Medien	Rural/Urban
Global Marketing Partner Programs	ESPN	Urban
	BBC International	Rural/Urban
	National Geographic	Rural/Urban
	Red Robot	Rural/Urban
	Travelzoo	Rural/Urban
	Travel Channel International	Rural/Urban
	STA Travel	Rural/Urban
	Thomas Cook	Rural/Urban
India Marketing Partner Programs	Hindustan Times	Urban
	Times of India	Urban
Mexico Marketing Partner Programs	Turistampa	Urban
New Zealand/Australia Marketing Partner Programs	New Zealand Media and Entertainment (NZME) and Flight Centre	Urban
United Kingdom Marketing Partner Programs	British Airways	Urban
	Royal Horticultural Society	Urban
	NFL	Urban
	News UK	Rural/Urban
	Essentially America (WTM Taxis)	Rural/Urban
	The Telegraph	Rural/Urban
	Golfbreaks.com	Rural/Urban
	TTG Media	Rural/Urban
	JC Decaux OOH	Urban

Two of the most popular cooperative marketing platforms Brand USA has offered partners are the inspiration guide and in-language video production. Brand USA's "Travel USA" inspiration guides helped U.S. destinations, attractions, and travel brands reach potential travelers from key international markets via 580,600 printed guides produced in 13 languages and distributed to 21 international markets and an accompanying digital version. Of the 180 partners who participated in the inspiration guide program during FY2016, 54 percent promoted both urban and rural areas; 55 percent promoted rural areas; and 17 percent promoted urban areas. Brand USA also created and distributed engaging video content to promote travel experiences to international travelers. During FY2016, Brand USA produced 112 videos. Nearly two-thirds of these videos promoted rural areas of the USA.

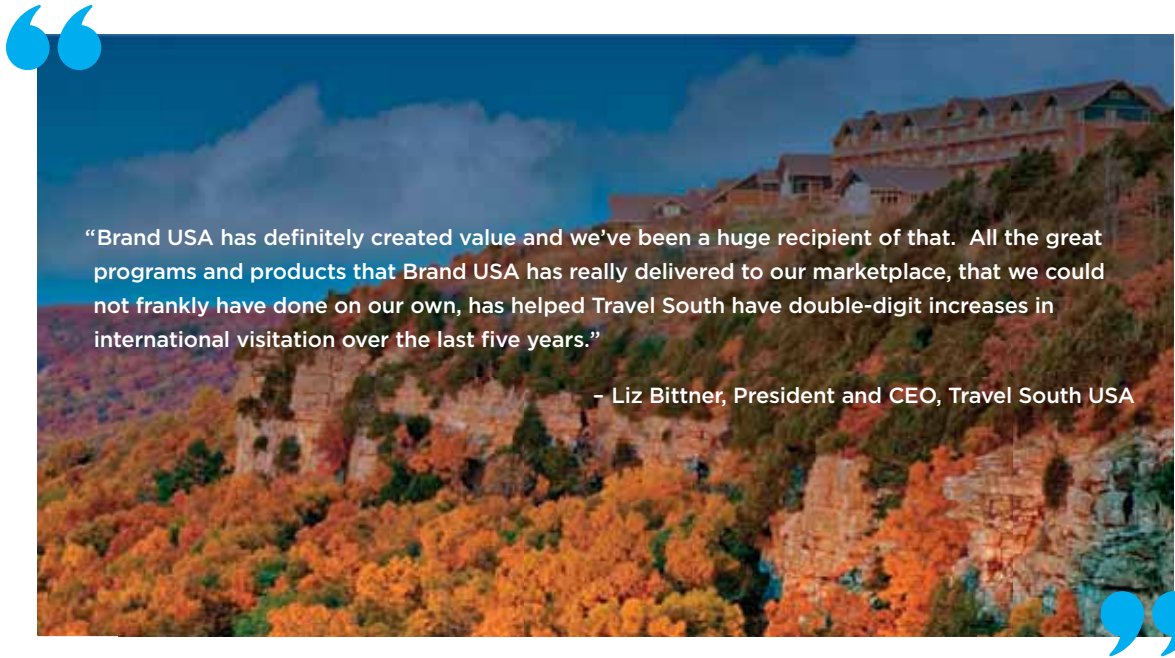
TRADE OUTREACH AND TRAINING

Trade Shows

During FY2016, Brand USA hosted 17 pavilions at major international trade shows, plus a number of other smaller travel shows, that showcased both rural and urban areas. The USA's great outdoors and the "All within your reach" campaign were the core themes at these shows that supported our ongoing marketing initiatives to promote the gateways and beyond. Across the total number of shows, approximately 50 percent of the U.S. pavilion exhibitors represented urban/gateway destinations and travel brands, and 50 percent represented rural/beyond the gateway destinations and travel brands.

Prior to Brand USA's launch, participation in these types of travel shows provided very little value for smaller destinations and travel brands. Without a unified USA pavilion, these smaller organizations simply could not afford to invest at the level that would provide them the exposure and presence they would need to generate a share of voice in these markets. This was particularly true for the larger shows that boast the greatest potential returns. Today, smaller organizations are able to attend and

SHOW NAME	CITY	COUNTRY	DATES
IFTM Top Resa	Paris	France	Sept. 29-Oct 2, 2015
IGTF	Tenerife	Spain	Oct. 5-8, 2015
TTG Incontri	Rimini	Italy	Oct. 8-10, 2015
ITB Asia	Singapore	Singapore	Oct. 21-23, 2015
WTM	London	England	Nov. 2-5, 2015
IBTM World	Barcelona	Spain	Nov. 17-19, 2015
FITUR	Madrid	Spain	Jan. 20-24, 2016
SATTE	New Delhi	India	Jan. 29-31, 2016
ANATO	Bogota	Colombia	Feb. 24-26, 2016
GITF	Guangzhou	China	Feb. 24 - Mar 4, 2016
ITB Berlin	Berlin	Germany	March 9-13, 2016
WTM Latin America	São Paulo	Brazil	March 29-31, 2016
IMEX	Frankfurt	Germany	April 19-21, 2016
ATM	Dubai	UAE	April 25-28, 2016
BITE	Beijing	China	June 24-26, 2016
IFTM Top Resa	Paris	France	Sept. 20-23, 2016
JATA	Tokyo	Japan	Sept. 22-25, 2016



“Brand USA has definitely created value and we’ve been a huge recipient of that. All the great programs and products that Brand USA has really delivered to our marketplace, that we could not frankly have done on our own, has helped Travel South have double-digit increases in international visitation over the last five years.”

- Liz Bittner, President and CEO, Travel South USA

benefit from the significant presence afforded under the umbrella of the high-profile USA pavilion.

Sales Missions

During FY2016, Brand USA hosted two sales missions, including the inaugural sales mission to China in February 2016 and the fifth annual sales mission to India in September 2016.

During the China sales mission, U.S. partners traveled to Guangzhou, Beijing, and Shanghai and met with nearly 400 buyers in those cities. Many of the U.S. delegates also participated in the Guangzhou International Travel Fair (GITF) attended by 780 hosted buyers and 28,863 trade visitors. Of the 34 organizations participating in the mission, 21 percent represented rural areas, 26 percent represented urban areas, and 53 percent represented both rural and urban areas of the country. The mission coincided with the launch event of the U.S.-China Tourism Year, providing participants a first-hand view of Brand USA’s federal partner collaboration.

Brand USA’s India sales mission, held from September 18 to 23, 2016, included 52 delegates who traveled across the Indian cities of Mumbai, Bangalore, and New Delhi. Of the 36 organizations participating in the mission, 8 percent represented rural areas, 44 percent represented urban areas, and 47 percent represented both rural and urban areas of the country.

Networking dinners, held in Mumbai and New Delhi, included 150 senior guests from travel companies, airlines, media, and the U.S. Commercial Service.

During the three-city mission, U.S. suppliers met with over 734 key travel decision makers, during one-on-one appointments aimed at increasing destination and product knowledge, business cooperation, and travel bookings. A media day, held in New Delhi, attracted 65 members of the travel trade and consumer media to meet U.S. partners.



MegaFams and Other Familiarization Tours

MegaFams are one of the most effective ways to promote travel to rural and urban areas, because each familiarization tour itinerary includes a combination of travel experiences to the gateways, complemented by destinations and attractions that go well beyond those gateways. These diverse itineraries also offer tremendous value to partners of all shapes and sizes to participate in ways they would be challenged to do on their own.

During FY2016, Brand USA hosted more than 200 travel agents from Australia and New Zealand; Austria, Germany, and Switzerland; and the United Kingdom and Ireland on three MegaFams who visited 69 destinations in 24 states and the District of Columbia. Collectively, 46 percent of the destinations and attractions on the featured itineraries were in rural areas and 54 percent were in urban areas of the country — with agents arriving in gateway destinations and then following itineraries that included experiences within featured cities and beyond into rural areas.

Training Initiatives

Through the USA Discovery Program, Brand USA was able to engage more than 12,000 travel agents and tour operators during FY2016 with content that equally featured rural and urban areas and attractions. During the year, the program was expanded to include a global platform in English, plus two additional in-language sites in China and Mexico. As a result, by year end the program was being offered in eight markets (Australia and New Zealand, Brazil, China, India, Mexico, the United Kingdom and Ireland).

Brand USA held on-site trainings in each international market where Brand USA has international representation. These training sessions, built upon Brand USA's "All within your reach" campaign, equally promoted rural and urban areas.



“MegaFams are an important part of Air New Zealand's travel trade engagement strategy and provide the ideal environment for our trade partners to experience and be educated on our products and destinations. We have a great working relationship with Brand USA. The collaboration between our teams has been fantastic and as a result we have delivered a world-class program and event”

- Blair Catton, Head of Leisure Sales - Australia, Air New Zealand





Canyonlands National Park, Utah



Indianapolis, Indiana

MEDIA AND PUBLIC RELATIONS

Brand USA's ongoing outreach to journalists to generate favorable stories about travel to the United States also promoted rural and urban areas of the United States in a balanced and effective way.

Brand USA utilizes two methods to garner earned media for the USA—story pitches to the media and visiting journalist programs. During FY2016, these efforts helped Brand USA earn millions of favorable media impressions promoting travel experiences in the USA—with 49 percent promoting rural areas, 7 percent promoting urban areas, and 44 percent promoting a combination of rural and urban areas.

FEDERAL PARTNER AND VISIT USA COMMITTEE COLLABORATION

During FY2016, Brand USA continued to strengthen its relationship and collaboration with the U.S. diplomatic community, primarily through the U.S. Foreign and Commercial Service and Visit USA committees around the world. We leveraged the in-market expertise of these groups and supported their programs through collaborative efforts to promote the entirety of the USA in markets where Brand USA has established international representation and expanded our efforts to select markets where we are not currently represented.

Program areas included the sharing and development of marketing brochures and other collateral, as well as market research and analytics; the deployment of sales missions and road shows; the enhancement of USA pavilions at international trade shows; the expansion of public relations; and other efforts. Each of these efforts equally promoted urban and rural areas of the United States—with several others focused primarily on rural areas as part of Brand USA's focus on promoting the USA's great outdoors, including:

- Collaborating with embassies and consulates around the world to present *America Wild: National Parks Adventure* to the public in more than 15 posts that were beyond the normal distribution of the film. Countries ranged from Croatia and Romania to Equatorial Guinea to the Philippines and many more.
- Working with U.S. ambassadors in key markets to premiere and/or activate around the commercial launch of *America Wild: National Parks Adventure*, including in Brazil, Japan, Germany, Mexico, and much more.

- Working with the National Park Service, recreation.gov, and all of the other conservation agencies (U.S. Forest Service, U.S. Fish and Wildlife Service, Bureau of Land Management, National Oceanic and Atmospheric Administration, U.S. Army Corps of Engineers, and Bureau of Reclamation) to catalogue and promote the diversity of outdoor experiences through marketing platforms surrounding the film, particularly digital and social platforms.

Additional areas of collaboration with federal partners to promote the great outdoors included:

- Leading a great outdoors campaign that revolved around connecting the centennial of the National Park Service (NPS) to Brand USA's international marketing efforts and including the breadth of public land and water experiences into the great outdoors marketing campaign.
- Working with recreation.gov and all of the other conservation agencies (U.S. Forest Service, U.S. Fish and Wildlife Service, Bureau of Land Management, National Oceanic and Atmospheric Administration, U.S. Army Corps of Engineers, and Bureau of Reclamation) to catalogue and promote the diversity of outdoor experiences through marketing platforms surrounding the film.
- Helping present all federal partners at the annual IPW international trade show through the Federal Row section designed and produced by Brand USA in conjunction with recreation.gov and an interagency working group.

FOCUS ON SPECIFIC COUNTRIES AND POPULATIONS

A driving force for our marketing efforts is to achieve the goal established in the National Travel & Tourism Strategy to annually welcome 100 million international visitors to the United States by 2021. The goal is a challenging one — requiring Brand USA to target an optimal combination of markets that will maximize return on investment.

In order to accelerate growth in international arrivals, Brand USA concentrates its marketing efforts in the right markets (those with the strongest indicators of growth) at the right time (when travelers are most motivated to plan and activate travel).

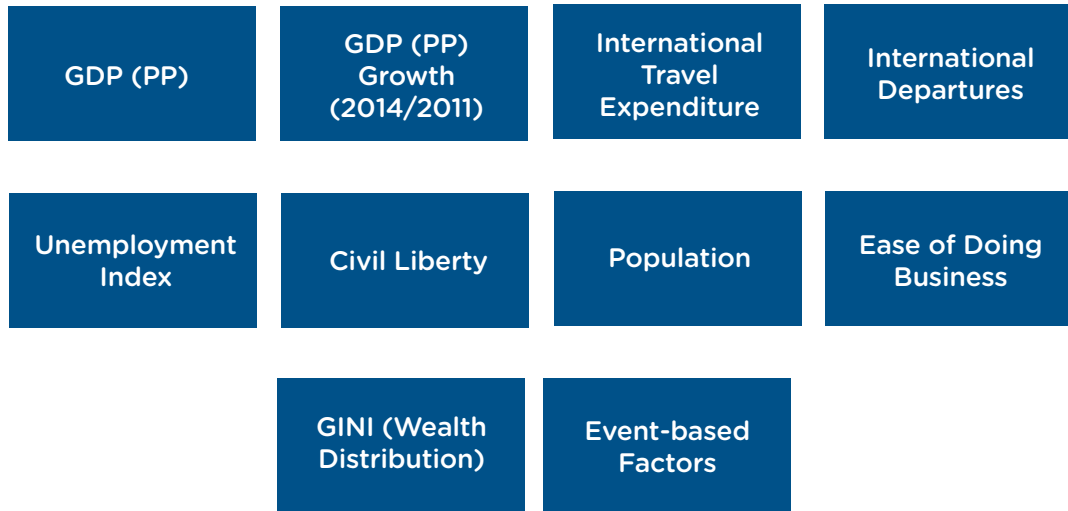
“I leave it [the USA Discovery Program] open on my PC every day, and if I don't know a destination personally, I'll ask for help...it's a great resource.”

– Wendy Donné, Senior Sales Consultant, Hart Travel, Fleet, as reported by TTG, January 21, 2016

Brand USA utilizes a market selection model that incorporates 10 factors, detailed in Chart 4.

CHART 4

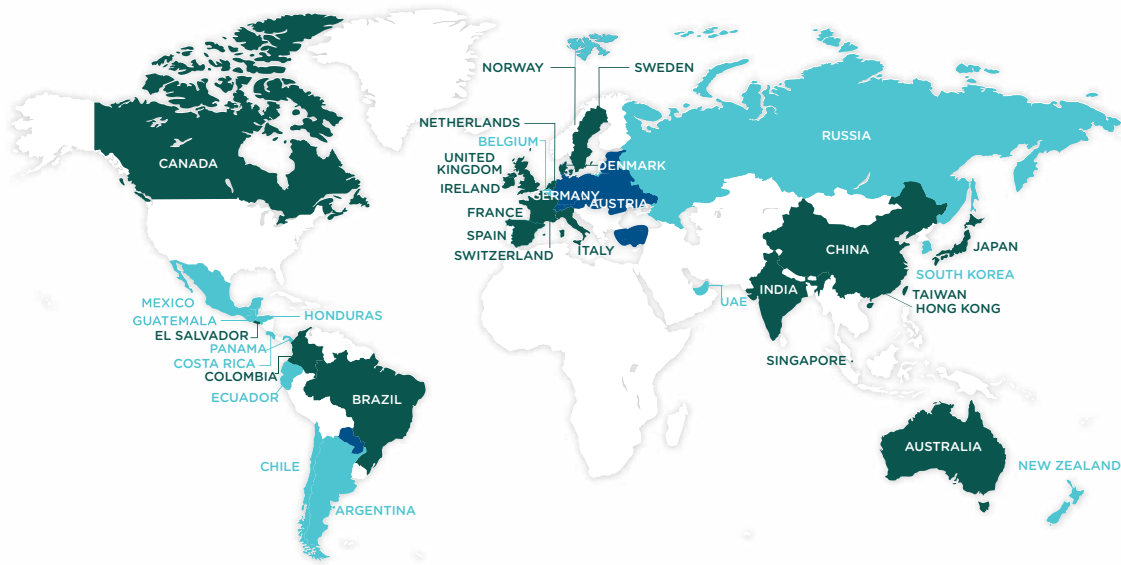
Market Selection Model



The objective of the market selection model is to identify the markets that offer the most incremental growth potential. The objective of defending market share that was otherwise poised for decline is considered equally important to growing market share. The model considers international travel behavior and macroeconomic factors most heavily, but includes additional important factors, such as civil liberty, wealth distribution, and ease of doing business. While the model often aligns with the largest source markets for U.S. arrivals, it does not utilize U.S. arrivals as an input.

The traveler segments Brand USA targets in any given year vary by market (based on the opportunities in market). Demographically, our advertising typically targets adults aged 25 to 59 who are affluent, educated travelers. Additionally, media and messaging are aligned to market-specific characteristics, such as cultural preferences and historical response to previous advertising.

It's also important to note that the target markets that will drive the most visitation in the coming years are at different levels of consumer demand and commercial development — requiring a targeted and market-specific approach.



During FY2016, Brand USA deployed its marketing efforts in a strategic combination of emerging and established markets that have the potential to drive the greatest returns in terms of visitation, spend, and market share.

Based on these market selection factors, during FY2016, Brand USA focused the majority of its consumer marketing efforts in the following 14 markets:

- Australia
- Brazil
- Canada
- Chile
- China
- Colombia
- France
- Germany
- India
- Japan
- South Korea
- Mexico
- Sweden
- United Kingdom

These 14 international markets generate more than 80 percent of inbound travel to the United States. In total, through a combination of Brand USA's cooperative marketing activities, contributed media, and trade outreach, the international marketing effort was present in nearly 40 markets during FY2016, including:

- Argentina
- Australia
- Austria
- Belgium
- Brazil
- Canada
- Chile
- China
- Colombia
- Costa Rica
- Denmark
- Ecuador
- El Salvador
- France
- Germany
- Guatemala
- Honduras
- Hong Kong
- India
- Ireland
- Italy
- Japan
- South Korea
- Mexico
- Netherlands
- New Zealand
- Norway
- Panama
- Russia
- Singapore
- Spain
- Sweden
- Switzerland
- Taiwan
- United Arab Emirates
- United Kingdom

Media Channels Employed

Brand USA uses a range of media for its marketing and promotional activities. The total expenditure and ratio of media channels for each market are detailed in Charts 5 and 6.

CHART 5

Media Optimization: FY2016 Expenditures by Market and Media Type

MARKET	DIGITAL	OOH	PRINT	RADIO	TV	TRADE SHOW/ EVENT	MULTI-MEDIA/ INFRA-STRUCTURE	TOTAL
Australia	\$2,642,899	\$59,484	\$13,416	\$24,000	\$8,333	-	\$2,639,239	\$ 5,387,371
Brazil	\$1,794,040	\$50,000	\$399,360	-	\$108,232	\$135,150	\$2,607,241	\$ 5,094,022
Canada	\$3,423,260	\$921,126	\$375,298	-	\$655,851	-	\$5,113,696	\$ 10,489,232
Chile	\$86,274	-	-	-	-	-	\$71,694	\$ 157,968
China	\$7,209,130	\$378,543	\$669,644	\$5,000	-	\$5,772	\$5,564,248	\$ 13,832,337
Colombia	\$142,253	\$33,000	\$40,719	-	\$7,219	\$27,826	\$113,275	\$ 364,293
France	\$798,629	-	\$123,582	-	-	-	\$1,015,494	\$ 1,937,705
Germany	\$2,320,389	\$10,260	\$339,110	-	-	\$193,059	\$4,202,580	\$ 7,065,398
India	\$1,003,602	-	-	-	-	\$15,000	\$1,661,074	\$ 2,679,676
Japan	\$893,991	-	\$391,791	-	-	\$54,436	\$2,286,339	\$ 3,626,557
South Korea	\$338,075	-	-	-	-	-	\$1,120,261	\$ 1,458,336
Mexico	\$3,306,078	\$843,756	\$639,932	\$5,132	\$1,879,837	-	\$473,318	\$ 7,148,052
Sweden	\$452,577	-	-	-	-	-	-	\$ 452,577
United Kingdom	\$3,993,684	\$115,910	\$2,190,444	-	-	\$254,538	\$10,547,697	\$ 17,102,273
Global & Other Markets	\$5,609,750	-	\$936,030	\$21,127	\$522,066	\$3,940,396	\$36,361,953	\$ 47,391,323
Total Marketing	\$34,014,632	\$2,412,080	\$6,119,325	\$55,259	\$3,181,538	\$4,626,177	\$73,778,108	\$ 124,187,120
Communications & Research								\$ 8,818,611
Overhead								\$ 14,404,817
Total Operating Budget								\$ 147,410,548

The Global and Other Markets line item includes expenditures for marketing campaigns and initiatives conducted in multiple markets and/or markets not included in the USA Campaign. These efforts consist of multi-media campaigns conducted with major media organizations.



Sarasota County, Florida



Columbia River Gorge, Oregon

CHART 6

Media Optimization: FY2016 Expenditures by Market and Media Type

MARKET	DIGITAL	OOH	PRINT	RADIO	TV	TRADE SHOW/ EVENT	MULTI-MEDIA/ INFRA-STRUCTURE	TOTAL
Australia	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	4.3%
Brazil	1.4%	0.0%	0.3%	0.0%	0.1%	0.1%	2.1%	4.1%
Canada	2.8%	0.7%	0.3%	0.0%	0.5%	0.0%	4.1%	8.4%
Chile	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
China	5.8%	0.3%	0.5%	0.0%	0.0%	0.0%	4.5%	11.1%
Colombia	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.3%
France	0.6%	0.0%	0.1%	0.0%	0.0%	0.0%	0.8%	1.6%
Germany	1.9%	0.0%	0.3%	0.0%	0.0%	0.2%	3.4%	5.7%
India	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	2.2%
Japan	0.7%	0.0%	0.3%	0.0%	0.0%	0.0%	1.8%	2.9%
South Korea	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	1.2%
Mexico	2.7%	0.7%	0.5%	0.0%	1.5%	0.0%	0.4%	5.8%
Sweden	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
United Kingdom	3.2%	0.1%	1.8%	0.0%	0.0%	0.2%	8.5%	13.8%
Global & Other Markets	4.5%	0.0%	0.8%	0.0%	0.4%	3.2%	29.3%	38.2%
Total Marketing	27.4%	1.9%	4.9%	0.0%	2.6%	3.7%	59.4%	100.0%

Digital channels are the largest single media type used for advertising activities and encompass a variety of executions, including search, display, social media, online video, and email. Both Brand USA proprietary research and industry studies indicate that digital channels are the most frequently used information source for consumer travel decision-making.



Charleston, South Carolina

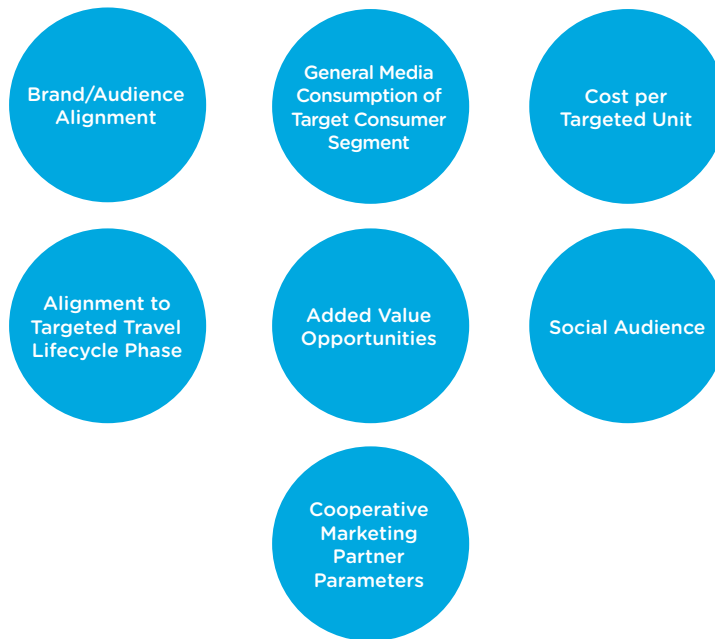


Houston, Texas

Brand USA references seven factors when determining media allocation, as shown in Chart 7

CHART 7

Media Allocation Criteria



The foundation of all consumer marketing activity is alignment with the appropriate stage of the travel lifecycle by market, designating each market with its corresponding phases in the travel lifecycle depicted in Chart 8.

CHART 8

Travel Lifecycle



Brand USA's marketing activity is focused on positively influencing specific stages of the travel lifecycle, so our approach in each market is tailored to the varying phases of familiarity and affinity for travel to the USA.

Television and out-of-home advertising, for example, are generally used for the Dream phase, while digital marketing is primarily used for the Consider and Activate phases. Although each market has a designated primary target phase, execution is not limited to a single phase or media type.

In addition to segmentation alignment, Brand USA's media allocation primarily focuses on the preferred media channels of target audiences and the cost efficiency of ad units in each market. Additionally, Brand USA considers other added value opportunities to leverage or amplify media spend in target markets through joint media campaigns, contributed media, scaled discounts, and social media uplift. We apply these secondary factors to allocate among specific providers after outlining the general allocation structure.

Through a combination of nearly \$50 million in contributed media, plus cooperative marketing initiatives and media procured directly, Brand USA was able to reach millions of travelers in key markets and maintain an active campaign throughout the year, as you'll see demonstrated in Chart 9.

CHART 9

FY2016 Consumer Marketing Activity

COUNTRY	BRAND	OCT 2015					NOV 2015					DEC 2015					JAN 2016				
		28	5	12	19	26	2	9	16	23	30	7	14	21	28	4	11	18	25		
AUSTRALIA	ESPN																				
	Brand USA Inspiration Guide																				
	Rural and Urban (News Corp Australia)																				
	Rural and Urban (Out and About with Kids)																				
	Digital Promotion (National Geographic)																				
	Digital Co-op (National Geographic)																				
	Texas Road Trip (National Geographic)																				
	USA Consumer Campaign																				
	USA Campaign Search																				
	USA Campaign Social																				
BRAZIL	ESPN																				
	Video Content and Distribution																				
	Multi-channel Program																				
	Brand USA Inspiration Guide																				
	Digital (PM Publishing Solutions)																				
	Print and Digital (Mercado & Eventos)																				
	B2B and Consumer Promotion (AGAXTUR)																				
	Digital Promotion (National Geographic)																				
	Digital Co-op (National Geographic)																				
	Texas Road Trip (National Geographic)																				
	USA Consumer Campaign																				
	USA Campaign Online Travel Agency Marketing																				
	USA Campaign Search																				
USA Campaign Social																					
CANADA	ESPN																				
	Thematic Campaign (Culinary)																				
	Video Content and Distribution																				
	Multi-channel Program																				
	Brand USA Inspiration Guide																				
	Digital and Print Promotion (Dreamscapes)																				
	Digital Promotion (National Geographic)																				
	Digital Co-op (National Geographic)																				
	Texas Road Trip (National Geographic)																				
	USA Consumer Campaign																				
	USA Campaign Online Travel Agency Marketing																				
	USA Campaign Search																				
	USA Campaign Social																				

HOW WE MARKET THE USA

COUNTRY	BRAND	OCT 2015			NOV 2015				DEC 2015			JAN 2016							
		28	5	12	19	26	2	9	16	23	30	7	14	21	28	4	11	18	25
CHILE	ESPN																		
	Digital Co-op (National Geographic)																		
	Texas Road Trip (National Geographic)																		
	USA Consumer Campaign																		
	USA Campaign Search																		
	USA Campaign Social																		
CHINA	Out-of-Home Promotion (Wanda Cinemas)																		
	Thematic Campaign (Culinary)																		
	Video Content and Distribution																		
	Multi-channel Program																		
	Brand USA Inspiration Guide																		
	Print and Digital Promotion (Global Times/Travel Weekly China)																		
	Online TV (PPTV)																		
	Digital Promotion (Qunar)																		
	Digital Promotion (Sina Corp)																		
	Digital Co-op (National Geographic)																		
	Texas Road Trip (National Geographic)																		
	USA Consumer Campaign																		
	USA Campaign Online Travel Agency Marketing																		
	USA Campaign Search																		
	USA Campaign Social																		
Digital Promotion (Sohu)																			
COLOMBIA	USA Consumer Campaign																		
	USA Campaign Search																		
	USA Campaign Social																		
FRANCE	Video Content and Distribution (Outdoors and Overview)																		
	Brand USA Inspiration Guide																		
	Digital Co-op (National Geographic)																		
	Texas Road Trip (National Geographic)																		
	Jeni & Olly TV Promotion (Travel Channel International)																		
	Culinary Video Vignettes (Travel Channel International)																		
	USA Consumer Campaign																		
	USA Campaign Search																		
	USA Campaign Social																		

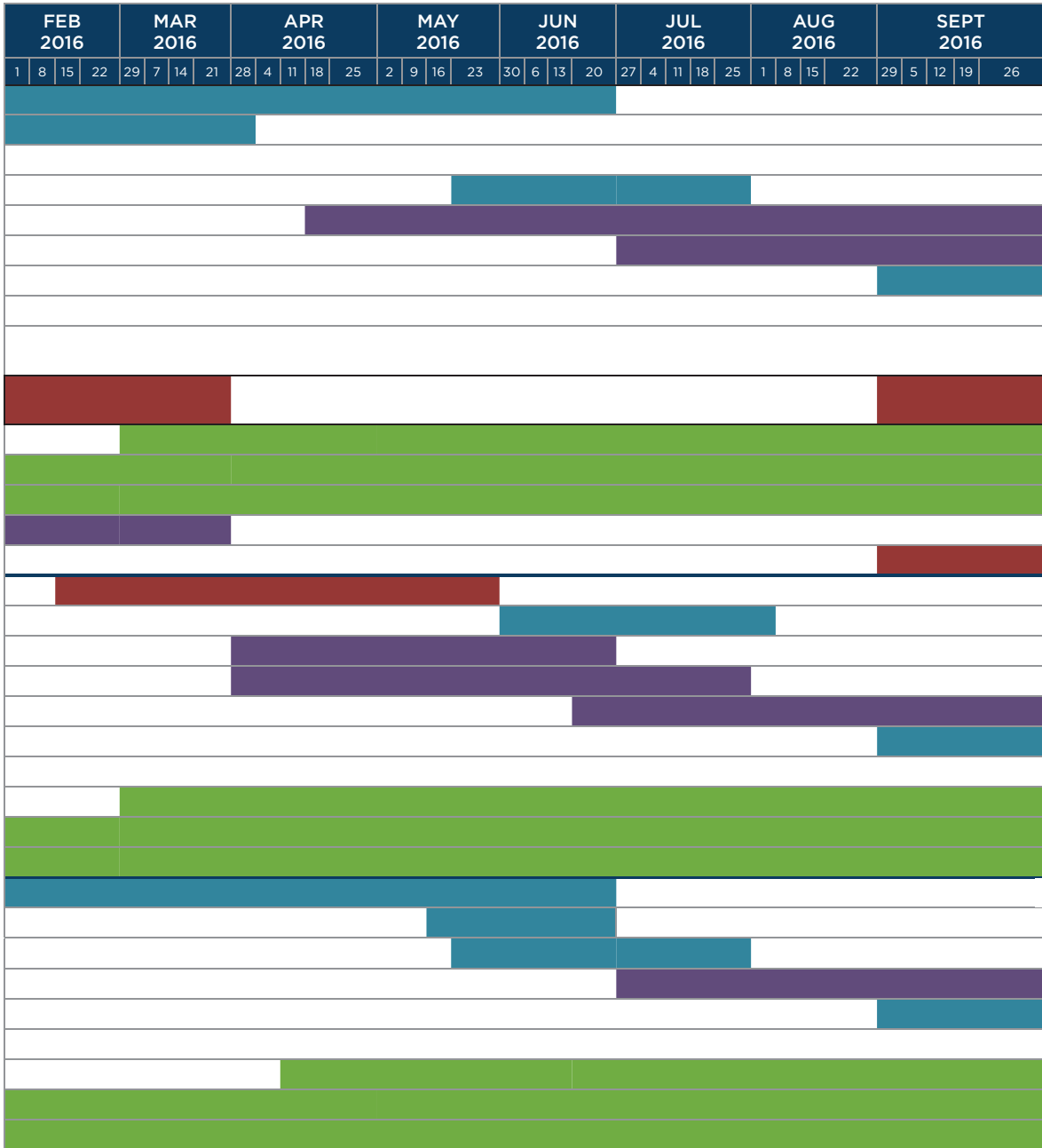


KEY

- Contributed media channels
- Combination of contributed and direct-buy media channels
- Brand USA Cooperative Marketing Programs (Brand USA Originals or Affinity Programs)
- The USA Campaign (any combination of broadcast, out-of-home, print, online video, digital, and/or social to promote travel to the USA)

HOW WE MARKET THE USA

COUNTRY	BRAND	OCT 2015				NOV 2015				DEC 2015				JAN 2016			
		28	5	12	19	26	2	9	16	23	30	7	14	21	28	4	11
GERMANY	Thematic Campaign (Outdoors)	[Active]															
	Video Content and Distribution	[Active]				[Active]				[Active]				[Active]			
	Multi-channel Program	[Active]				[Active]				[Active]				[Active]			
	Brand USA Inspiration Guide	[Active]															
	Out-of-home, Digital, and Print Promotion (Air Berlin)	[Active]															
	Digital Promotion (National Geographic)	[Active]															
	Digital Co-op (National Geographic)	[Active]															
	Texas Road Trip (National Geographic)	[Active]				[Active]				[Active]				[Active]			
	Jeni & Olly TV Promotion (Travel Channel International)	[Active]				[Active]				[Active]				[Active]			
	Culinary Video Vignettes (Travel Channel International)	[Active]								[Active]							
	USA Consumer Campaign	[Active]															
	USA Campaign Search	[Active]								[Active]							
	USA Campaign Social	[Active]								[Active]							
	Print and Online Promotion (Cleverdis)	[Active]															
Print Promotion (FWW Median)	[Active]																
INDIA	ESPN	[Active]															
	Brand USA Inspiration Guide	[Active]															
	Print Promotion (Hindustan Media)	[Active]															
	Print and Broadcast Promotion (Times of India Group)	[Active]															
	Digital Promotion (National Geographic)	[Active]															
	Digital Co-op (National Geographic)	[Active]															
	Texas Road Trip (National Geographic)	[Active]				[Active]				[Active]				[Active]			
	USA Consumer Campaign	[Active]															
	USA Campaign Search	[Active]								[Active]							
	USA Campaign Social	[Active]								[Active]							
JAPAN	Thematic Campaign (Culinary)	[Active]															
	Multi-channel Program	[Active]															
	Brand USA Inspiration Guide	[Active]															
	Digital Promotion (National Geographic)	[Active]															
	Digital Co-op (National Geographic)	[Active]															
	Texas Road Trip (National Geographic)	[Active]				[Active]				[Active]				[Active]			
	USA Consumer Campaign	[Active]															
	USA Campaign Search	[Active]								[Active]							
	USA Campaign Social	[Active]								[Active]							



KEY

- Contributed media channels
- Combination of contributed and direct-buy media channels
- Brand USA Cooperative Marketing Programs (Brand USA Originals or Affinity Programs)
- The USA Campaign (any combination of broadcast, out-of-home, print, online video, digital, and/or social to promote travel to the USA)

HOW WE MARKET THE USA

COUNTRY	BRAND	OCT 2015				NOV 2015				DEC 2015				JAN 2016			
		28	5	12	19	26	2	9	16	23	30	7	14	21	28	4	11
MEXICO	ESPN																
	Video Content and Distribution																
	Multi-channel Program																
	Brand USA Inspiration Guide																
	MPA Rural and Urban (Food & Travel)																
	Digital Promotion (National Geographic)																
	Digital Co-op (National Geographic)																
	Texas Road Trip (National Geographic)																
	USA Consumer Campaign																
	USA Campaign Online Travel Agency Marketing																
	USA Campaign Search																
	USA Campaign Social																
	Print and Digital Promotion(Turistampa)																
SOUTH KOREA	Digital Promotion (National Geographic)																
	Digital Co-op (National Geographic)																
	Texas Road Trip (National Geographic)																
	USA Consumer Campaign																
	USA Campaign Online Travel Agency Marketing																
	USA Campaign Search																
	USA Campaign Social																
SWEDEN	Brand Consumer Campaign																
	USA Campaign Search																
	USA Campaign Social																
TAIWAN & HONG KONG	Brand USA Inspiration Guide																
	Digital and Print Promotion (Smart Idea Advertising/ Liberty Times)																
	Print and Digital Promotion (Business Weekly Magazine)																
	Print and Digital Promotion (Weekend Weekly)																
	Digital and Print Promotion (Travel Rich Advertising)																
	Digital and Print Promotion (Smart Idea Advertising)																

HOW WE MARKET THE USA

COUNTRY	BRAND	OCT 2015				NOV 2015					DEC 2015			JAN 2016						
		28	5	12	19	26	2	9	16	23	30	7	14	21	28	4	11	18	25	
UNITED KINGDOM	Thematic Campaign (Culinary)	[Active]																		
	Video Content and Distribution	[Active]																		
	Multi-channel Program	[Active]																		
	Brand USA Inspiration Guide	[Active]																		
	Out-of-home and Digital Promotion (British Airways)	[Active]																		
	Print and Digital Promotion (News UK & Ireland Ltd)	[Active]																		
	Print and Digital Promotion (STA Travel Management Ltd)	[Active]																		
	Print and Digital Promotion (Telegraph Media Group)	[Active]																		
	Print and Digital Promotion (TTG UK)	[Active]																		
	Print, Digital, and Out-of-home Promotion (Thomas Cook Group)	[Active]																		
	Digital Promotion (National Geographic)	[Active]																		
	Digital Co-op (National Geographic)	[Active]																		
	Texas Road Trip (National Geographic)	[Active]																		
	Culinary Video Vignettes (Travel Channel International)	[Active]																		
	Jeni & Olly TV Promotion (Travel Channel International)	[Active]																		
	RHS Hampton Court Flower Show 2016	[Active]																		
	Out-of-Home Taxis Promotion (WTM)	[Active]																		
	USA Consumer Campaign	[Active]																		
	USA Campaign Online Travel Agency Marketing	[Active]																		
	USA Campaign Search	[Active]																		
USA Campaign Social	[Active]																			
GLOBAL & OTHER MARKETS	Inspiration Guide (Global and Scandinavia)	[Active]																		
	ESPN (EMEA)	[Active]																		
	Print and Digital (TTG Asia)	[Active]																		
	Digital Promotion (National Geographic)	[Active]																		
	Broadcast and Digital (BBC)	[Active]																		

FY2016 HIGHLIGHTS



FY2016 HIGHLIGHTS

During FY2016, Brand USA made continued progress toward its mission of increasing international visitation to the United States. Highlights include:



Brand USA MegaFam



U.S.—China Tourism Year 2016

VISITATION, SPEND, AND MARKET SHARE

- Generating 1.2 million incremental visitors to the United States, who spent \$4.1 billion on travel and fare receipts with U.S. carriers, resulting in \$8.9 billion in total sales, which supported 59,500 new jobs.
- Combined with Brand USA's results in fiscal year 2013 through 2015, over the past four years our marketing initiatives have helped welcome 4.3 million incremental visitors to the USA, benefiting the U.S. economy with nearly \$30 billion in total economic impact, which has supported, on average, 50,900 incremental jobs per year.

MARKETING EFFECTIVENESS

- Significantly increased the effectiveness of the USA Campaign during FY2016 — driving increases in intent to visit the USA (based on post-wave research) that ranged from 7 percent in China to 99 percent in Mexico. We were able to achieve this with a new strategy that shifted media investments to digital channels that reached travelers with more relevant messaging and calls to action during those moments when they were most receptive to making travel decisions and booking travel.
- Increased website visits by 45 percent and website page views by 30 percent compared to FY2015.
- Generated 360.6 million engagements during FY2016 — a 46 percent increase compared to the 247.4 million engagements during FY2015.
- Continued strong and positive social sentiment and engagement across all of Brand USA's digital channels — with 81.5 million engagements (a 96 percent increase from the 41.6 million engagements in FY2015).
- Received a 94 percent rating for destination familiarity based on results of an online survey of worldwide travelers who said they were likely to visit the USA in the next 12 months (up from 93 percent in FY2015).
- Kept overhead expenses to 9.6 percent — devoting more than 90 percent of Brand USA's resources toward marketing and programs to increase international visitation (based on administrative expenses of \$14.4 million and total expenses of \$149.2 million).
- Produced a giant-screen film, *America Wild: National Parks Adventure*, to promote the USA's great outdoors and celebrate the centennial of the National Park Service.



HIGHLIGHTS & TIMELINE OF PROGRESS

- One million tickets were pre-sold and we were able to confirm distribution of the film in more than 100 cities worldwide prior to the film's scheduled release in early 2016.
- The 2-minute theatrical trailer was seen by an estimated 18 million people, including approximately 5.2 million in international markets. An additional 3.3 million people viewed the trailer online.
- More than 2.4 million people in 98 markets worldwide bought film tickets within the first six months of the film's release, including 500,000 movie-goers in 38 international markets.
- Viewership is expected to far exceed our initial estimate of four million viewers generating more than \$44 million of advertising value prior to the end of the film's run in theaters worldwide.
- The film's release in February 2016 was the industry's fastest giant-screen roll-out in at least 5 years, with 48 exhibitions in six countries, and 100 exhibitions in 12 countries within the first 6 months.
- The film was the highest grossing documentary film of 2016 (including both giant-screen and Hollywood documentaries) and won numerous awards in a variety of major categories:
 - » Winner of the of the 2016 GSCA Awards for Best Film, Best Cinematography, Best Sound Design, Best Original Score and Best Marketing Campaign
 - » Winner of the Travel Weekly 2016 Gold Magellan Award for best Advertising/Marketing Campaign
 - » Winner of the Platinum Award for our Great Outdoors Campaign and three Gold Awards at the 2016 HSMIA Adrian Awards for Best Global Campaign, Advertising Innovation, and PR Special Events
- The film's PR campaign garnered more than 4,000 pieces of earned media, with over seven billion global media impressions.
- The global marketing campaign for the film generated over one billion media impressions worldwide.
- According to surveys conducted by the film's producer, MacGillivray Freeman:
 - » 81 percent of international viewers of the film said they are much more likely or somewhat more likely to visit the USA as a result of watching the film.
 - » 62 percent said they are more likely to visit the USA instead of another destination as a result of watching the film.
- Launched a new corporate website — increasing page views by 17 percent and average visit duration by 24 percent while decreasing the bounce rate by 13 percent.
- Honored with over 33 awards in 2016, recognizing the organization's marketing and brand excellence, multi-channel, global advertising, and public relations campaigns, as well as being named "best destination" by outlets such as Lonely Planet, PR News, Travel Weekly, The Addy Awards, HSMIA, and National Geographic to name a few.



MARKETING REACH

- Expanded the USA consumer campaign from 11 markets in FY2014 to 12 markets in FY2015 (Australia, Brazil, Canada, Chile, China, France, Germany, India, Japan, South Korea, Mexico, and the United Kingdom) and 14 markets in FY2016 (with the addition of Colombia and Sweden). In total, these markets generate more than 80 percent of all international visitation to the United States.
- Launched 14 integrated media flights and continued to leverage Brand USA's market-specific channels throughout the year as a storytelling vehicle to promote the diversity of USA travel.
- Hosted three MegaFams, which brought 233 travel agents from five countries to 69 destinations in 24 states and the District of Columbia.
- Hosted two sales missions (to India and China) with 91 U.S. delegates who promoted their travel brands and destinations to more than 730 buyers.
- Leveraged \$49 million in contributed media from 29 global media partners to promote travel to the USA directly to consumers in numerous international markets.
- Expanded the Brand USA travel inspiration guide to 13 languages, 21 markets, and 580,600 print copies (compared to 10 languages, 17 markets, and 580,000 print copies in FY2015).
- Increased the reach of the digital version of the Brand USA travel inspiration guide—generating more than 50 million impressions through owned, earned, and paid promotions (compared to 48 million in FY2015), and extending the use of content assets through the newly launched MyUSA digital magazine pilot.
- Launched 16 multi-channel cooperative marketing programs across 9 markets (Australia, Brazil, Canada, China, France, Germany, Japan, Mexico, and the United Kingdom) compared to seven in FY2015 generating 750 million impressions promoting U.S. destinations and experiences through 12 state cooperative marketing campaigns. More than 50 individual partners participated in the multi-channel programs an average of 2.5 times.
- Expanded the USA Discovery Program to Brazil and China and created a global version for use in multiple international markets; increased the number of registered agents to more than 12,000.
- Hosted many aspects of and supported the U.S.-China Tourism Year through a coordinated effort with our federal partners—creating a partnership year online portal and generating 235 total pieces of earned media with 1.06 billion global media impressions with an ad equivalency of more than \$95 million.
- Increased total earned media exposure with 407 total pieces of coverage compared to 71 in FY2015, 1.6 billion impressions compared to 447 million in FY2015, and \$1.2 billion in advertising equivalency compared to \$201.5 million in FY2015.



Visit *The USA Travel Guide*, and Mexico print proximity ad campaign, featuring California.



Flavours of the USA vignette, featuring Charleston, South Carolina

PARTNERSHIPS, CONTRIBUTIONS, AND INDUSTRY ENGAGEMENT

- Based on the results of our annual partner satisfaction survey, 96 percent of partners agree that partnering with Brand USA adds value to their organization (compared to 92 percent the prior year), and 100 percent intend to partner with Brand USA again in the future (compared to 96 percent the prior year).
- Generated more than \$100 million in industry contributions, including cash contributions of \$53 million (53 percent of all contributions) and in-kind contributions of \$47 million in recognized revenue (47 percent of all contributions).
- Grew Brand USA's partnership network from 577 through FY2015 (a 21 percent increase from FY2014) to 707 partners through FY2016 (a 23 percent increase from FY2015).
- Increased number of unique cash contributors to 163 in FY2016 compared to 154 in FY2015.
- Maintained a partnership program retention rate of over 90 percent (94 percent in FY2015 and 98 percent in FY2016).
- Introduced new programs and continued other successful media partnerships that provided value and attracted new partners and helped maintain partner retention, including:
 - Travel Channel International's "Olly Smith: Ale Trail" series celebrating food and beverage culture in multiple states
 - Flavors of the USA videos on Travel Channel International
 - United States of Adventure" content program with National Geographic
 - Twelve state cooperative marketing programs created through the multi-channel program
 - Royal Horticultural Society campaign, featuring three destinations (Charleston, Austin, and Oregon), that generated earned media coverage valued at more than \$15 million
 - Twelve video vignettes produced by and broadcast on BBC promoting the USA's great outdoors, which featured Arizona, Hawaii, Louisiana, Minnesota, Montana, New Hampshire, and Oregon, and generated \$8.1 million in media value
 - Fourth year partnering with STA Travel targeting millennial travelers, which helped drive a 9 percent increase in arrivals via STA bookings compared to FY2015
 - Fourth year partnering with Thomas Cook — generating 431,883 incremental visitors via Thomas Cook bookings
- Increased the number of state and regional destination partners participating in Brand USA cooperative marketing programs by 56 percent from 32 in FY2015 to 50 in FY2016 (including 30 states, the District of Columbia, and the U.S. Virgin Islands).
- Increased partner program participation in Brand USA multi-channel cooperative marketing programs by 13 percent from 245 in FY2015 to 277 in FY2016.



- Created new opportunities for partners to leverage Brand USA’s proprietary consumer website, VisitTheUSA and GoUSA — and welcomed 94 new partners to the program by:
 - Significantly enhancing content features on the new website, including “Must Sees,” events, and content from TripAdvisor
 - Adding new “Trips” pages promoting multi-destination itineraries and road trip content
 - Providing the ability to connect consumers to activation partners
 - Creating built-in marketing on and off the site
 - Featured sorting/placement for website participants
 - Dedicated traffic generation campaigns with all programs
 - Offering a new microsite opportunity for destinations to leverage Brand USA’s digital platform to market their regions/states
- Filled 100 percent of available exhibitor space in Brand USA pavilions at international trade shows, with an 8 percent average increase in the number of USA exhibitors per show (compared to a 5 percent average increase in the number of USA exhibitors per show from FY2014 to FY2015).
- Hosted the second year of CMO and marketing roundtables—earning an 86 percent overall approval rating from attendees—with the highest ratings for:
 - Event venue (100 percent)
 - Length and pace of sessions (90 percent)
 - Value of the meeting to my organization, opportunity to contribute my ideas, clarity of speaker presentations, and quality of pre-event communications (85 percent each)
 - Quality of content and information (80 percent each)
- Presented at more than 100 industry events around the world.



2016 Marketing Roundtables

HIGHLIGHTS & TIMELINE OF PROGRESS

BALANCED SCORE CARD

DASHBOARD COMPONENT	METRICS	METHODOLOGY	SOURCES	REPORTING FREQUENCY	2013 RESULTS
TRAVEL LIFECYCLE Phase 1 Dream/Awareness	Consumer Destination Familiarity	<ul style="list-style-type: none"> Online survey identifying international travelers from Canada and Mexico, plus intercontinental overseas travelers likely to visit the USA in the next 12 months (1,000 completes per campaign market) 	ORC International	Quarterly	90%
TRAVEL LIFECYCLE Phase 2 Consider/Engagement	Website & Social Engagement	<ul style="list-style-type: none"> Actual values YTD cumulative totals 	Brand USA internal data	Tracked Monthly; Reported Quarterly	9.9 million
	Intent to Visit the USA (within next 2 years)	<ul style="list-style-type: none"> Online survey (1,000 completes per campaign market) 	ORC International	Tracked Monthly; Reported Quarterly	52%
TRAVEL LIFECYCLE Phase 3 Activate/Book	Attributable Increase in Visitation	<ul style="list-style-type: none"> Incremental visitation results determined by an econometric analysis incorporating advertising impressions delivered, website and social engagements, consumer response to advertising, and U.S. market share 	<ul style="list-style-type: none"> Oxford Economics NTTO Brand USA internal data 	Annually	1.10 million incremental visitors
ROI & TRAVEL LIFECYCLE Phase 4 Travel	Attributable Increase in Spend and Jobs	<ul style="list-style-type: none"> Incremental visitation and spend results determined by an econometric analysis incorporating advertising impressions delivered, website and social engagements, consumer response to advertising, and U.S. market share Economic impact results calculated based on attributable visitation and spend metrics 	<ul style="list-style-type: none"> Oxford Economics NTTO Brand USA internal data 	Annually	\$3.40 billion incremental spend; \$7.40 billion total economic impact; 53,181 incremental jobs
	Market Share	<ul style="list-style-type: none"> Actual values globally (total and long-haul) Actual values by campaign market 	<ul style="list-style-type: none"> NTTO UNWTO 	Annually	6.40% total; 13.00% long-haul
TRAVEL LIFECYCLE Phase 5 Share	Consumer Net Promoter Score	<ul style="list-style-type: none"> Online survey (1,000 completes per campaign market) 	ORC International	Annually	43.4%
FINANCIAL Partner Revenue Trends	Percentage of Federal Match	<ul style="list-style-type: none"> Actual realized values of ESTA submissions (not including unrealized in-kind amounts) YTD cumulative totals Amounts are before sequestration 	Brand USA internal data	Quarterly	100%
	Ratio of Cash/In-kind Contributions	<ul style="list-style-type: none"> Ratio of cash & in-kind contributions YTD cumulative totals Cash contributions are realized values of contributions recorded in the fiscal year In-kind contributions are unrealized values (not yet reviewed by 3rd party valuers) 	Brand USA internal data	Quarterly	33% cash; 67% in-kind
PARTNERSHIP VALUE	Value Provided to Partners	<ul style="list-style-type: none"> Number of partners Inception to date cumulative totals Partner program retention rate Partner satisfaction Intent to partner with Brand USA 	Brand USA internal data	Quarterly	339 partners; 97% retention
PROCESS & COMPLIANCE	Compliance	<ul style="list-style-type: none"> Percentage compliance to policies and procedures 	Brand USA internal data	Quarterly	100%
	Cycle Time	<ul style="list-style-type: none"> Average number of ESTA/matching fund filing days from submission to Commerce to receipt of funds Totals represent individual quarter results 	Brand USA internal data	Quarterly	N/A

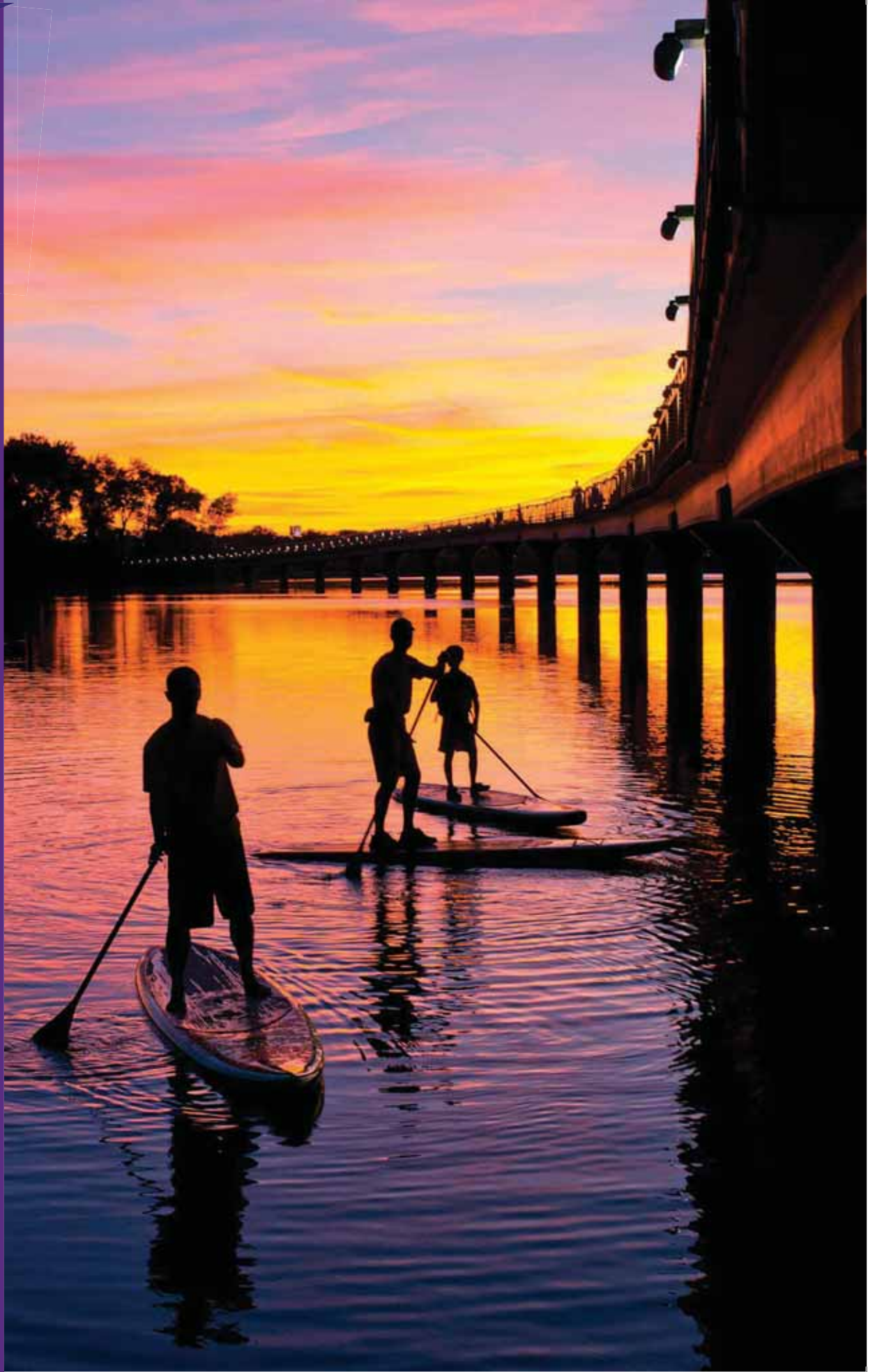


2014 RESULTS	2015 RESULTS	2016 RESULTS	TREND	COMMENTS
92% (2% increase from 2013)	93% (1% increase from 2014)	94% (2% increase from 2015)	●	Targeting 1% annual increases or maintaining YOY
40.1 million (305% increase from 2013)	41.6 million (4% increase from 2014)	81.5 million (96% increase from 2015)	▲	Targeting 5% average annual increases over a 5-year period
60% (15% increase from 2013)	59% (1% decrease from 2014)	60% (2% increase from 2015)	●	Targeting 5% average annual increases over a 5-year period; FY2016 target was aggressive and will be adjusted to maintain and protect for FY2017
903,440 incremental visitors (18% decrease from 2013)	1.03 million incremental visitors (11% increase from 2014)	1.20 million incremental visitors (17% increase from 2015)	●	Targeting 7% average annual increases over a 5-year period
\$3.10 billion incremental spend; \$7.06 billion total economic impact; 46,510 incremental jobs	\$3.04 billion incremental spend; \$6.60 billion total economic impact; 44,533 incremental jobs	\$4.10 billion incremental spend (34.9% increase from 2015); \$8.9 billion total economic impact (34.8% increase from 2015); 59,500 incremental jobs (33.6% increase from 2015)	●	Targeting 10% average annual increases for spend; 3% for economic impact; 3% for jobs (over a 5-year period)
6.60% total; 13.30% long-haul (3.1% & 2.31% increases vs 2013)	6.90% total; 13.80% long-haul (5% decrease & 3.7% increase vs 2014)	6.70% total; 13.90% long-haul (0.75% decrease & 1.5% increase vs 2015)	▲	Targeting annual increases of .75% total and 1.5% long-haul
46.4% (7% increase from 2013)	44.7% (4% decrease from 2014)	44.1% (1% decrease from 2015)	●	Targeting 2% average annual increases over a 5-year period; YTD results by individual markets show relative YOY increases in all markets except Brazil, Canada, and South Korea
100%	100%	100%	●	100% target each year
53% cash; 47% in-kind	37% cash; 63% in-kind	53% cash \$52.9 million; 47% in-kind \$46.6 million	✓	Varies but no more than 70% in-kind a year
475 partners (up 40% vs 2013); 94% retention	577 partners (up 20% vs 2014); 94% retention 92% satisfaction 96% intent	707 partners (up 23%) 98% retention (up 4%) 96% satisfaction (up 4%) 100% intent (up 4%)	▲	Targeting 6% average annual increases in partners from 2016 forward and 90%+ retention rate each year
100%	100%	100%	✓	100% target each year Brand USA certifies that it is in compliance with its competitive procurement policy.
Cash: 88 days; In-Kind: 140 days	Cash: 107 days; In-Kind: 167 days	Cash: 85 days; In-Kind: 122 days	●	Targeting Cash: <90 days; In-kind: <170 days

KEY

- Maintaining and within the target range
- Maintaining and/or at the bottom of the target range
- Below the target range
- ✓ In compliance and at the required level
- ▲ Trending upward and on target
- ▲ Within target but inconsistent
- ▼ Trending down slightly
- ▼ Trending down and below range

OBJECTIVES REVIEW





OBJECTIVES REVIEW

OBJECTIVE #1: DRIVE RESULTS

Increase international visitation, spend, and global market share for the United States.

Goals:

- 1.04 million incremental international visitors
- \$3.8 billion in incremental international spend
- \$7.6 billion in total economic impact
- 51,400 incremental jobs supported
- Overhead below 15 percent.

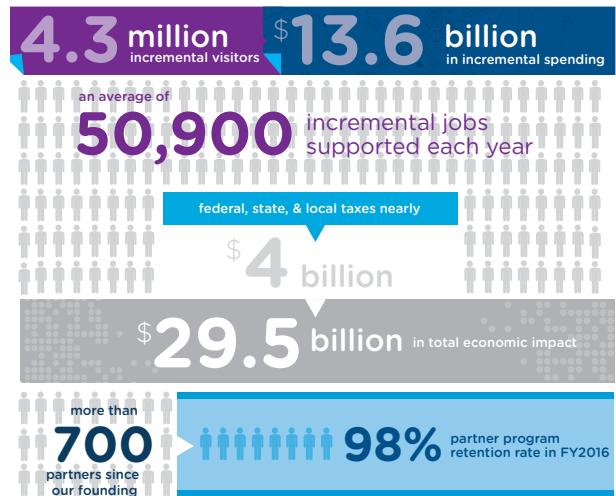
FY2016 Results:

Brand USA exceeded this objective by generating:

- 1.2 million incremental visitors
- \$4.1 billion in incremental spend
- \$1.2 billion in federal, state, and local taxes
- \$8.9 billion in total economic impact
- 59,500 incremental jobs supported
- Overhead at 9.6 percent

The annual study by Oxford Economic reveals that over the past four years, in collaboration with our partners, Brand USA generated:

- 4.3 million incremental visitors
- \$13.6 billion in incremental visitor spending
- Nearly \$4 billion in federal, state, and local taxes
- \$29.5 billion in total economic impact (including indirect and induced impacts)
- An average of 50,900 incremental jobs supported each year
- Returned to the U.S. economy an average of \$27 for each \$1 spent on marketing activities.



The FY2016 results show consistently strong marketing performance despite significant challenges such as the strength of the U.S. dollar against many target market currencies.

We accomplished this by:

- Maximizing return on investment by deploying the right messages, in the right markets, through the right channels, at the right times, and at the right levels of investment.
- Establishing processes and systems to maximize, track, and report use of our overhead to ensure the majority of our annual budget goes to effective marketing initiatives.
- Shifting marketing expenditure to markets that drive higher ROI by securing contributions that are optimized for growth/higher ROI markets and maintaining presence in co-op programs.
- Executing consumer advertising in selected markets that effectively target travelers and positively impact their intent to visit the USA (according to market prioritization and segmentation strategies).
- Tracking and documenting results of all programs segmented by country and ensuring that all programs meet our messaging objectives.
- Conducting in-market post-campaign studies and monthly brand tracking reports.

OBJECTIVE #2: CREATE INNOVATIVE MARKETING

Promote the entirety of the USA with innovative marketing that supports all 50 states, the District of Columbia, and five territories to, through, and beyond the gateways.

Goals:

- Achieve year-over-year market targets consistent with the Department of Commerce, National Travel and Tourism Office (NTTO) forecast.
 - 81.5 million international visitors in 2016
 - \$240 billion in international spend in 2016
- Support the United States' increase in global market share:
 - 13.60 percent long-haul market share
 - 6.75 percent global market share

FY2016 Results:

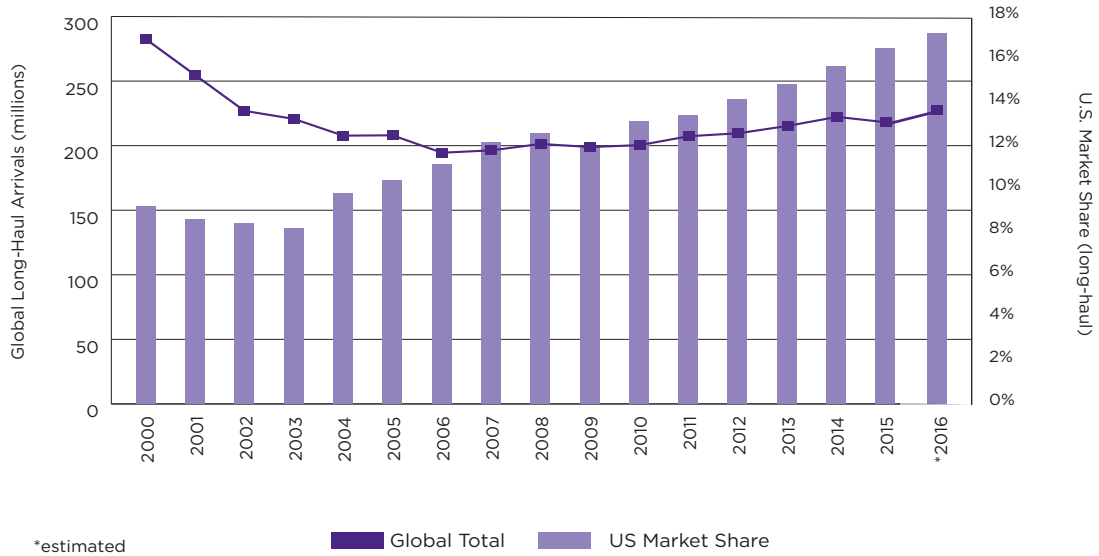
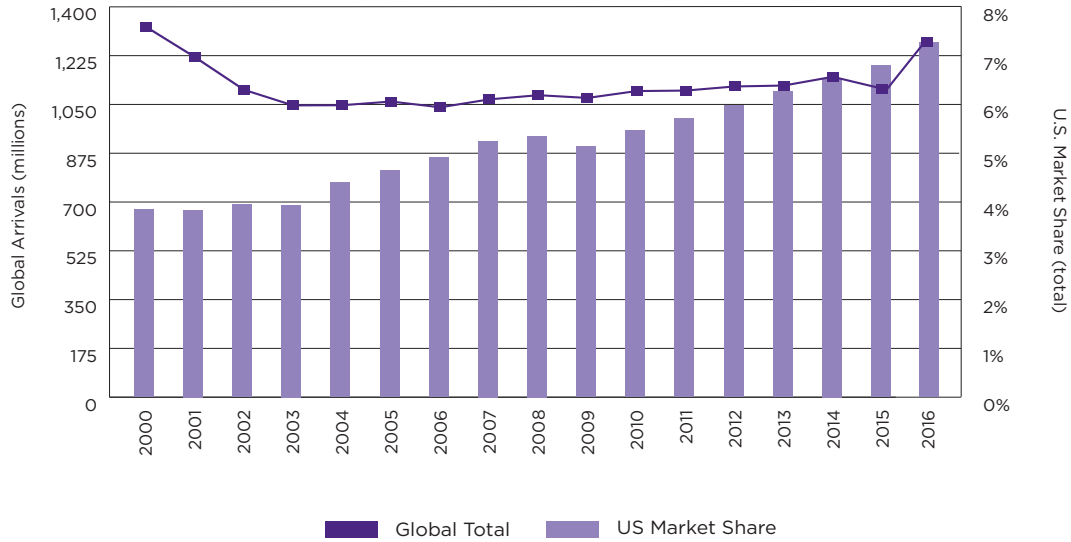
Based on the NTTO forecast as of May 2017, Brand USA will meet two of the four goals for this objective as follows:

- Calendar year 2016 NTTO forecast: 76.8 million (4.7 million lower than the August 2016 forecast)
- Calendar year 2016 NTTO spend (reported actual) spend: \$246 billion (\$6 billion above the August 2016 forecast)
- 13.9 percent long haul market share in 2016 up from 13.7 percent in 2015 and 13.2 percent in 2014 (1.5 percent increase from 2015)
- 6.7 percent global market share in 2016, down from 6.9 percent in 2015 and 7.0 percent in 2014 (0.75 percent decrease from 2015)

We accomplished this objective by implementing strategies to address global market challenges.

This included:

- Developing and launching compelling new creative, messaging, content, and marketing plan that inspire travelers to visit the 50 states, five territories, and the District of Columbia.
- Optimizing the mix of consumer marketing, trade outreach, and cooperative programs and platforms to increase awareness, intent to travel and demand.
- Engaging and inspiring travelers through storytelling that emphasizes experience and provides a call to action.
- Building and distributing dynamic content with a focus on the Great Outdoors, Urban Escapes, Culinary, and other inspiring experiences.
- Maximizing the launch of the giant-screen film to drive visitation, spend, and market share across the travel lifecycle.
- Leveraging traveler segmentation and market prioritization to maximize effectiveness and efficiency of all efforts, including identifying the most valuable traveler segments as well as key markets for investment. Developing programs to engage partners along this roadmap.
- Establishing a development roadmap and partner programs plan that supports the deployment of marketing spend in the markets that drive the strongest increases in, or defense of, visitation, spend, and/or market share.
- Designing and launching a new consumer website that informs, engages, and inspires travelers to proceeding through the travel planning journey.
- Developing and delivering 2016 metrics plan to provide leading and lagging indicators of market conditions, trends and ROI to support the Path to 100 Million International Visitors.



*estimated



OBJECTIVE #3: MARKET THE WELCOME

Inspire, inform, welcome, and thank travelers while accurately communicating vital and compelling information about visa and entry policies.

Goals:

- Deploy federal resource program in three embassies by fiscal year-end.
- Deploy international arrivals program in five international arrivals halls with 100 percent compliance to brand and national voice.
- Achieve 100 percent of the annual objectives shared with the Tourism Policy Council.

FY2016 Results:

Brand USA partially met part one of the goals associated with this objective (the international arrival program) and 100 percent of the other goals for this objective (shared objectives with the Tourism Policy Council) as follows:

FEDERAL RESOURCE PROGRAM WITH EMBASSIES

- Collaborated with the U.S. Department of Commerce and the U.S. Department of State to develop a toolkit of marketing assets promoting the United States for use by the embassies and consulates. Staff use these assets for physical spaces; social media sites; digital platforms; events, activities, and other promotional opportunities; print and digital displays; and more.
- From January through December 2016, there were 138 accounts in 63 countries and over 1,500 individual downloads of photos, videos, marketing and print pieces.
- Deployment of this federal resource program to several dozen posts far eclipses the goal of three embassies.

INTERNATIONAL ARRIVALS PROGRAM WITH INTERNATIONAL ARRIVALS HALLS

- Installed the full international arrival hall program in four of five targeted airports: Chicago O'Hare Airport, Miami International Airport, Minneapolis-St. Paul International Airport, and Louis Armstrong New Orleans International Airport.
- While several additional airports are slated for completion in FY2017, the reason for falling one short of the stated goal in FY2016 is mostly due to turnover of airport authority and Customs and Border Protection leadership at the fifth airport that was anticipated for FY2016. That airport is currently on schedule for completion in FY2017.
- Full program strategy established to ensure integration with Brand USA's global creative strategy.



SHARED OBJECTIVES WITH TOURISM POLICY COUNCIL

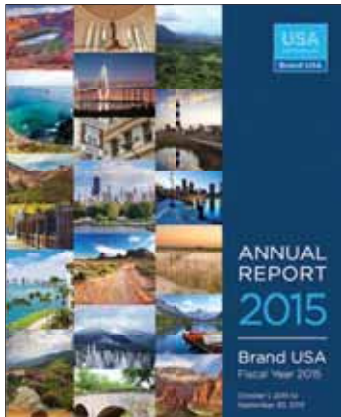
- Met 100 percent of the shared objectives to collaborate on communicating visa and entry policy; jointly market along two thematic campaigns on culinary and great outdoors; and participate in enacting country plans in the top 11 source markets for international travel.

We were able to achieve these objectives by:

- Collaborating with the federal government to communicate vital and compelling information regarding visa and entry policies through all Brand USA channels.
- Developing FY2016 shared objectives and work plan with the Tourism Policy Council to execute collaboratively during the fiscal year.
- Collaborating with the U.S. missions abroad to develop new collateral and enhance existing communications materials that can be distributed and displayed at embassies, consulates, key information centers, digital properties, meetings, and high-profile events.
- Supporting the expansion of the Market the Welcome program developed for airports to U.S. embassies and other relevant welcome organizations to carry the brand and national voice. This program includes, but is not be limited to, the creation of video, signage, and other collateral for international arrivals halls.
- Collaborating with the Department of Homeland Security to promote trusted traveler programs, such as Global Entry.



Market The Welcome campaign artwork



Brand USA FY2015 Annual Report; Brand USA B2B

OBJECTIVE #4: BUILD AND MAINTAIN TRUST

Build and maintain trusted relationships with stakeholders worldwide through inclusive, proactive, and transparent outreach with a commitment to compliance and integrity through words, actions, and results.

Goals:

- Maintain 100 percent compliance with policies, procedures, and the requirements of the Travel Promotion Act;
- Earn an 85 percent overall satisfaction rating with domestic partners on annual partner survey; and
- Manage matching fund submission cycle time to 85 days or fewer for cash contributions and 120 days or fewer for in-kind contributions.

FY2016 Results

Brand USA successfully realized each of the goals for this objective:

- Maintained 100 percent compliance with policies, procedures, and the requirements of the Travel Promotion Act;
- Earned a 96 percent overall satisfaction rating with domestic partners on annual partner survey; and
- Managed matching fund submission cycle time to an average of 85 days for cash contributions and an average of 122 days (just two days more than the target) for in-kind contributions

We were able to accomplish these goals by:

- Ensuring ongoing compliance management and monitoring with appropriate policies, procedures, and controls.
- Delivering well-documented and compliant matching fund submissions.
- Producing and delivering the organization's FY2015 annual report to the Department of Commerce for transmittal to Congress by May 15, 2016.
- Producing and delivering the organization's annual objectives, budget, and marketing plan to the Department of Commerce by August 1, 2016.
- Developing a communications and cultivation strategy to support all departments and ensure we consistently employ inclusive, proactive and transparent outreach with stakeholders worldwide.
- Ensuring full engagement with partners to maximize partner satisfaction and retention that establishes Brand USA as their go-to partner to support their international marketing efforts.
- Executing a partner feedback study.
- Continuing to deploy and expand strategic communications, industry relations, and media relations plans to ensure consistent, accurate, and frequent updates on progress through a series of webinars, newsletters, meetings, and other communications.
- Cultivating industry relationships and seeking partner input and feedback through a series of partner roundtables and other cultivation events.
- Maintaining active participation in key industry conferences.



OBJECTIVE #5: ADD AND CREATE VALUE

Pioneer cooperative marketing platforms and programs that leverage and grow the USA brand in ways our partners would be challenged or unable to do on their own.

Goals:

- Generate \$100 million in contributions from private industry and other non-federal sources.
- Target 50 percent from cash contributions and 50 percent from in-kind contributions, but no less than 30 percent cash and no more than 70 percent in-kind.
- Maintain a 90 percent partner program retention rate.
- Increase partnership base to 525.

FY2016 Results

Brand USA met each of the goals associated with this objective.

- Generated more than \$100 million in contributions from private industry and other non-federal sources.
- Generated 53 percent of these contributions from cash contributions and 47 percent from in-kind contributions.
- Earned a 98 percent partner program retention rate.
- Increased partnership base to 707.

We accomplished this objective by:

- Building upon the effectiveness of our overall destination marketing strategies by leveraging the strength of federal resources, including embassy and consulates, worldwide.
- Participating in the development of in-country strategies with the Foreign Commercial Service and Visit USA committees.
- Collaborating with the State Department and the Foreign Commercial Service on in-market communications, social media, and embassy events.
- Engaging with partners to create scalable programs across multiple budget levels by sharing insights, best practices from past programs, and co-creating 2017 initiatives with ample lead times.
- Creating industry-leading, compelling and scalable turnkey programs that showcase the full variety of U.S. destinations.
- Continuing to establish programs that allow partners to contribute and engage across all markets to leverage and promote their assets to international audiences.
- Focusing development efforts on securing in-kind media to enhance Brand USA consumer campaigns or cooperative marketing campaigns, extending the reach of USA marketing efforts.
- Establishing a strategy with major partners to amplify a national voice in markets and expand reach while developing other market entry programs.
- Sharing proprietary Brand USA insights with partners to provide guidance for cooperative marketing strategies.



Brand USA Partner Programs Roundtable

FINANCIAL REVIEW





Report of Independent Auditors
and Financial Statements for
The Corporation for Travel Promotion
dba Brand USA
September 30, 2016 and 2015

MOSS-ADAMS_{LLP}

Certified Public Accountants | Business Consultants

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REPORT OF INDEPENDENT AUDITORS

The Audit Committee, Board of Directors, and Management
The Corporation for Travel Promotion dba Brand USA

Report on Financial Statements

We have audited the accompanying financial statements of The Corporation for Travel Promotion dba Brand USA (CTP), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Corporation for Travel Promotion dba Brand USA as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Mass Adams LLP

Sacramento, California
February 27, 2017

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA
STATEMENTS OF FINANCIAL POSITION

ASSETS	SEPTEMBER 30,	
	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	\$ 55,616,732	\$ 31,879,126
Investments, current portion	6,432,640	29,463,664
Accounts receivable, net	44,808,259	84,130,753
Pledges receivable, current portion	2,061,750	25,942,937
Prepaid expenses and other current assets	2,108,296	5,238,889
Total current assets	111,027,677	176,655,369
INVESTMENTS, less current portion	22,004,764	-
PLEDGES RECEIVABLE, less current portion	506,799	261,622
PROPERTY AND EQUIPMENT, net	1,897,712	292,282
INTANGIBLE ASSETS, net	11,513,735	6,737,419
Total assets	\$ 146,950,687	\$ 183,946,692
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 7,360,620	\$ 6,189,470
Accrued expenses and other liabilities	13,604,525	12,131,942
Total current liabilities	20,965,145	18,321,412
NET ASSETS		
Unrestricted	121,383,987	132,735,023
Temporarily restricted	4,601,555	32,890,257
Total net assets	125,985,542	165,625,280
Total liabilities and net assets	\$ 146,950,687	\$ 183,946,692

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	<u>YEARS ENDED SEPTEMBER 30,</u>	
	<u>2016</u>	<u>2015</u>
UNRESTRICTED NET ASSETS		
Support and revenue		
Travel promotion fund proceeds	\$ 76,455,855	\$ 113,876,071
Partner contributions	52,487,200	44,023,197
In-kind contributions	41,669,205	55,865,976
Trade show and other revenue	4,242,753	1,793,277
Net assets released from restrictions	<u>31,996,628</u>	<u>24,085,018</u>
Total unrestricted support and revenue	206,851,641	239,643,539
Functional expenses		
Program services	193,486,375	218,773,137
General and administrative	<u>24,716,302</u>	<u>20,687,256</u>
Total functional expenses	<u>218,202,677</u>	<u>239,460,393</u>
Change in unrestricted net assets	<u>(11,351,036)</u>	<u>183,146</u>
TEMPORARILY RESTRICTED NET ASSETS		
In-kind contributions	2,306,926	24,660,404
Partner contributions	401,000	2,954,498
Sponsorships	1,000,000	3,731,201
Net assets released from restrictions	<u>(31,996,628)</u>	<u>(24,085,018)</u>
Change in temporarily restricted net assets	<u>(28,288,702)</u>	<u>7,261,085</u>
CHANGE IN TOTAL NET ASSETS	<u>(39,639,738)</u>	<u>7,444,231</u>
NET ASSETS, beginning of year	<u>165,625,280</u>	<u>158,181,049</u>
NET ASSETS, end of year	<u>\$ 125,985,542</u>	<u>\$ 165,625,280</u>

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA
STATEMENTS OF CASH FLOWS

	YEARS ENDED SEPTEMBER 30,	
	2016	2015
NET CASH FROM OPERATING ACTIVITIES		
Change in net assets	\$ (39,639,738)	\$ 7,444,231
Adjustments to reconcile change in net assets to cash from operating activities:		
Realized and unrealized losses on investments	238,918	620,378
Change in allowance for doubtful accounts	(77,068)	86,185
Change in allowance for sequestration	3,425,773	(1,894,149)
Depreciation and amortization	3,179,991	1,689,387
Loss on disposal of property and equipment	-	144,081
Change in operating assets and liabilities:		
Accounts receivable	35,973,789	935,536
Prepaid expenses and other current assets	3,130,593	1,707,971
Pledges receivable	23,636,010	(575,387)
Accounts payable	1,171,150	(10,380,574)
Accrued expenses	1,472,583	2,267,184
Deferred revenue	-	(8,423,453)
Net cash from operating activities	<u>32,512,001</u>	<u>(6,378,610)</u>
NET CASH FROM INVESTING ACTIVITIES		
Purchases of investments	(28,823,983)	(30,970,585)
Proceeds from sales of investments	29,611,325	30,681,950
Purchase of property and equipment	(1,863,057)	(296,659)
Purchase of website and development	(7,698,680)	(3,318,229)
Net cash from investing activities	<u>(8,774,395)</u>	<u>(3,903,523)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	23,737,606	(10,282,133)
CASH AND CASH EQUIVALENTS, beginning of year	<u>31,879,126</u>	<u>42,161,259</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 55,616,732</u>	<u>\$ 31,879,126</u>

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATIONAL STRUCTURE

The Corporation for Travel Promotion (CTP), also doing business as “Brand USA,” was formed pursuant to the Travel Promotion Act of 2009 (the Act). CTP’s mission is to promote increased foreign leisure, business, and scholarly travel to the United States of America (USA), which in turn will drive significant economic growth and job creation in communities across the country.

CTP is a not-for-profit corporation incorporated in November 2010, subject to the provisions of the District of Columbia Non Profit Corporation Act. CTP is qualified as a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code. The public-private marketing entity works in close partnership with the travel industry to maximize the social and economic benefit of travel in communities around the country.

Under the Act, the U.S. Department of Homeland Security (DHS), through the Secretary of the U.S. Department of the Treasury, made available to CTP initial funding, not to exceed \$10 million, for initial expenses and activities in fiscal year 2011. For each of the fiscal years 2012 through 2015, from the fees collected by DHS, the Secretary of the U.S. Department of the Treasury will transfer not more than \$100 million to CTP. For fiscal year 2012, funds were made available to CTP on a matching basis, for every \$1 of unrestricted cash or in-kind contributions raised (from non-federal sources) by CTP, \$2 would be transferred up to the \$100 million cap. For each of the fiscal years 2013 through 2015, funds were made available to CTP on a matching basis, for every \$1 of unrestricted cash or in-kind contributions raised (from non-federal sources) by CTP, \$1 would be transferred up to the \$100 million cap. The funding provided to CTP originates from visa application fees collected under section 217(h)(3)(B)(i)(I) of the Immigration and Nationality Act (8 U.S.C. 1187(h)(B)(i)(I)).

In December 2014, the U.S. Congress approved a five-year reauthorization for CTP through 2020. For each of the fiscal years 2016 through 2020, from the fees collected by DHS, the Secretary of the U.S. Department of the Treasury will transfer not more than \$100 million to CTP, and funds will be made available to CTP on a matching basis for every \$1 of unrestricted cash or in-kind contributions (from non-federal sources) raised by CTP, \$1 will be transferred up to the \$100 million cap.

CTP’s programs, activities, and operations are managed and primarily supported from its corporate office in Washington, D.C.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents – Cash and cash equivalents include cash and highly liquid investments with maturities at the date of investment of not more than three months.



THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable – Accounts receivable are stated at the amount management expects to collect from outstanding balances taking into account the credit worthiness of donors and history of collection. Management provides for probable uncollectible amounts through a charge to expense and an increase to a valuation allowance based on its assessment of the current status of individual accounts. At September 30, 2016 and 2015, the allowance for doubtful accounts is \$142,721 and \$65,653, respectively. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction of trade accounts receivable.

Sequestration allowance – On March 1, 2013, the Budget Control Act of 2011, P.L. 112-25 became effective, and triggered automatic cuts to spending. CTP's funds received from the Department of Treasury under the Travel Promotion Act were automatically reduced by sequestration of 6.8% in fiscal 2016, and 7.3% in fiscal 2015. As a result, CTP has recorded an allowance for the sequestration expected to be withheld from future collections on its accounts receivable due from the Department of Treasury as of September 30, 2016 and 2015 in the amount of \$2,431,864 and \$5,653,841, respectively. The sequestration rate is anticipated to be 6.9% throughout fiscal 2017.

CTP has also recorded an allowance for the amount of in-kind contributions submitted to the Department of Commerce for matching funds, which may require additional valuation support prior to being able to receive matching funds in the amount of \$1,384,214 and \$1,588,010 at September 30, 2016 and 2015, respectively. The allowance directly reduces deferred revenue.

Pledges receivable – In-kind contributions with future economic benefit are capitalized until the benefit of such contributions has been received. At September 30, 2016 and 2015, pledges receivable consist of donated advertising and marketing campaigns. Future utilization is expected to be \$2,061,750 and \$506,799 for fiscal 2017 and 2018, respectively. Management has determined that an allowance for doubtful accounts for pledges receivable is not necessary based on a periodic review of accounts and planned future usage.

Investments – Investments are carried at fair value with corresponding changes in value included in trade show and other revenue on the statements of activities and changes in net assets. Interest and dividends earned on investments are also included in trade show and other revenue on the statements of activities and changes in net assets in the year earned. Unrealized gains and losses reflect the changes in the market values of investments from the prior year. The date of record for investments is the trade date.

CTP holds various investments, including certificates of deposit (CDs) and corporate bonds. The CDs and corporate bonds are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and investment contracts and the level of uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in risks in the near term would affect CTP's account balances and the amounts reported in the statements of financial position and the statements of activities and changes in net assets.

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued) – CTP follows an investment policy that anticipates a sufficient return while maintaining the preservation of capital as the highest priority and ensuring adequate liquidity. The after-tax return on investment of the portfolio is tertiary to the objectives of preservation of capital and fulfillment of liquidity needs. Given the parameters set forth in the investment policy, the goal is to achieve an aggregate rate of return consistent with a conservatively managed, liquid fixed income investment portfolio. CTP follows the criteria that in no event shall the average of all fixed income securities exceed 3 years in duration.

Fair value of financial instruments – A financial instrument is defined as a contractual obligation that ultimately ends with the delivery of cash or an ownership interest in an entity. Disclosures included in these notes regarding fair value of financial instruments have been derived using external market sources or other valuation techniques.

CTP carries all investments at fair value. Fair value is defined as the price that would be received to sell an asset (i.e. the “exit price”) in an orderly transaction between market participants at the measurement date. Fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that CTP has the ability to access at the measurement date;

Level 2 – Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered active;

Level 3 – Inputs that are unobservable.

Inputs are used in applying the valuation techniques and broadly refer to the assumptions that CTP uses to make valuation decisions, including assumptions about risk. Inputs may include quoted market prices, recent transactions, manager statements, periodicals, newspapers, provisions within agreements with investment managers and other factors. An investment’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to CTP’s perceived risk of that investment.

Although CTP uses its best judgment in determining the fair value, there are inherent limitations in any methodology. Future confirming events could affect estimates of fair value. These events could also affect the amount realized upon liquidation of the investments.



THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment – Property and equipment is stated at acquisition cost or at the estimated fair value at the date of gift, if donated, net of accumulated depreciation or amortization. All donated assets are reported as unrestricted support unless donors' stipulations specify how the assets are to be used. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally ranging from three to five years. Leasehold improvements are amortized using the straight-line method, over the shorter of the life of the improvement or the lease term. Expenditures for maintenance and repairs are charged to operations as incurred, while renewals and betterments are capitalized. When property and equipment is retired or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is reflected in the statement of activities and changes in net assets for the period.

Indefinite-lived intangible assets – Identifiable intangible assets deemed to have indefinite lives are subject to annual impairment tests. Depending upon the results of that review, the recorded intangible assets may be written down when their carrying value exceeds their estimated fair value. Management, using its best estimates based on reasonable and supportable assumptions and projections, reviews indefinite-lived intangible assets, annually, or in certain circumstances, as required, for impairment. Management has concluded that no impairment exists as of September 30, 2016.

Intangible assets – Intangible assets are stated at fair market value at the date of purchase or contribution, net of accumulated amortization. Amortization is provided on the straight-line method over the estimated useful life. When intangible assets are retired or otherwise disposed of, the cost and related accumulated amortization are removed and any resulting gain or loss is reflected in the statement of activities and changes in net assets for the period. Intangible assets consists of a contributed website and purchased website additions and software licenses.

Deferred revenue – CTP has the right to receive travel promotion funds (earmarked by the Department of Commerce) upon submission of qualified matching contributions. For fiscal years 2016 and 2015, CTP was subject to a 100% match (from non-federal sources) of the amount to be transferred. Such funds are recorded as accounts receivable and deferred revenue upon submission to the Department of Commerce, and recognized in the statements of activities and changes in net assets, as travel promotion fund proceeds to the extent that CTP fulfills the revenue recognition criteria. Management has determined that revenue recognition occurs upon fulfilling the purpose of the donated funds, expending on programs, activities, and operations to promote increased foreign leisure, business, and scholarly travel to the USA. Matching contributions that exceed the allowable matchable funds in a given year can be carried forward and applied against the match of a future year.

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net asset presentation – CTP classifies resources into three net asset categories according to externally imposed restrictions:

Permanently restricted net assets are comprised of the historical dollar amount of gifts, including pledges, which are required by donors to be permanently retained and only expended to the extent of earnings on investment of the funds. CTP had no permanently restricted net assets as of September 30, 2016 and 2015.

Temporarily restricted net assets are comprised of partner contributions, sponsorships, and in-kind contributions with future economic benefit. In-kind contributions consist of donated advertising and marketing campaigns, which are scheduled to benefit CTP in future periods.

Unrestricted net assets are all the remaining net assets of CTP, including those derived from revenues of project activities, government grants and unrestricted donations and pledges. Unrestricted net assets may be, in part, limited as to use by contractual agreements with outside parties.

When a time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Travel promotion fund proceeds – Federal funds are reported as deferred revenue in the period the Travel Promotion Act makes them available until expended. The funds remain available until expended. The funds are reported as support and revenue when expended.

Partner contributions – Partner contributions are recognized in the year an agreement is executed and are classified as either temporarily restricted or unrestricted based on whether the Partner (donor) intends for the contribution to be used in the current or future fiscal year.

In-kind contributions – In-kind contributions are valued at fair market value, which is defined as the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act; both having reasonable knowledge of the relevant facts. CTP recognizes the fair value of donated services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not donated.

Management uses estimates based on available information provided by donors to record the fair market value of certain in-kind contributions which are still in the valuation assessment process but have been fully or partially utilized by fiscal year-end. The recorded fair value of such an in-kind contribution is subject to change in the subsequent fiscal year upon completion of the valuation process. The change in fair market value is recorded as an adjustment to revenue in the fiscal year in which the fair market value has been established.



THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional expenses – The costs of providing the program services and general and administrative activities have been summarized on a functional basis in the statements of activities and changes in net assets. Most expenses are directly charged to the respective program or supporting activity. Certain costs have been allocated among the program and support services benefited based upon management’s estimate of each program’s share of the allocated costs.

Program services activities, representing marketing, business development, and strategic outreach programs to promote increased foreign leisure, business, and scholarly travel to the USA, and general and administrative activities, are expensed as incurred.

CTP does not have any fundraising expenses.

Income taxes – CTP is exempt from federal income taxes under the provisions of Section 501(c)(6) of the Internal Revenue Code. Contributions to CTP are not tax deductible by donors under Section 170(c)(2) of the Internal Revenue Code. CTP uses a comprehensive model for recognizing, measuring, presenting, and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. CTP does not believe its financial statements include any uncertain tax positions.

Concentration of credit risk – CTP maintains cash in bank deposit accounts, which, at times, may exceed federally insured limits. CTP has not experienced any losses in any of its accounts. CTP believes it is not exposed to any significant credit risk on cash and cash equivalents.

As of September 30, 2016 and 2015, approximately 70% and 83%, respectively, of the CTP’s accounts receivable came from one grantor.

For 2016, approximately 13% of the CTP’s in-kind contributions came from one donor. For 2015, approximately 29% of the CTP’s in-kind contributions came from two donors.

For 2016, approximately 11% of the CTP’s partner cash contributions came from one donor.

Related parties – For 2015, approximately 1% of in-kind contributions came from organizations affiliated with members of the Board of Directors. For 2016 and 2015, approximately 8% and 10% of partner contributions came from organizations affiliated with members of the Board of Directors, respectively. For 2016 and 2015, approximately 9% and 4% of the trade show contributions came from organizations affiliated with members of the Board of Directors, respectively.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent events – Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. CTP recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. CTP's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position, but arose after the statement of financial position date and before financial statements were available to be issued. CTP has evaluated subsequent events through February 27, 2017, which is the date the financial statements were available to be issued as approved by management.

NOTE 3 – INVESTMENTS

The following schedule summarizes CTP's investment returns for the years ended September 30:

	2016	2015
Investment income	\$ 317,526	\$ 35,554
Unrealized gain	122,715	117,685
Net investment return	<u>\$ 440,241</u>	<u>\$ 153,239</u>

The following schedule summarizes CTP's investments by asset class for the years ended September 30:

	2016	
	Cost	Fair Value
Certificates of deposit	\$ 6,715,000	\$ 6,790,044
Corporate bonds	21,602,780	21,647,360
Total	<u>28,317,780</u>	<u>28,437,404</u>
Less short-term investments	<u>(6,436,143)</u>	<u>(6,432,640)</u>
Long-term investments	<u>\$ 21,881,637</u>	<u>\$ 22,004,764</u>
	2015	
	Cost	Fair Value
Certificates of deposit	\$ 10,349,998	\$ 10,368,297
Corporate bonds	19,116,758	19,095,367
Total short-term investments	<u>\$ 29,466,756</u>	<u>\$ 29,463,664</u>

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA NOTES TO FINANCIAL STATEMENTS

NOTE 4 – FAIR VALUE MEASUREMENTS

The following tables present information about CTP's assets measured at fair value on a recurring basis as of September 30:

	2016			
	Fair Value	Level 1	Level 2	Level 3
Certificates of deposit	\$ 6,790,044	\$ -	\$ 6,790,044	\$ -
Corporate bonds	21,647,360		21,647,360	-
	<u>\$ 28,437,404</u>	<u>\$ -</u>	<u>\$ 28,437,404</u>	<u>\$ -</u>
	2015			
	Fair Value	Level 1	Level 2	Level 3
Certificates of deposit	\$ 10,368,297	\$ -	\$ 10,368,297	\$ -
Corporate bonds	19,095,367	-	19,095,367	-
	<u>\$ 29,463,664</u>	<u>\$ -</u>	<u>\$ 29,463,664</u>	<u>\$ -</u>

The fair values for certificates of deposit and corporate bonds are based on quoted market prices for similar securities. CTP's policy is to recognize transfers in and out of level classifications as of the first day of the reporting period in which the change in circumstances causing the transfer occurred.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	2016	2015
Furniture	\$ 448,430	\$ 29,496
Computer equipment	369,356	32,933
Leasehold improvements	1,372,240	-
CIP	-	264,540
	<u>2,190,026</u>	<u>326,969</u>
Less accumulated depreciation	<u>(292,314)</u>	<u>(34,687)</u>
	<u>\$ 1,897,712</u>	<u>\$ 292,282</u>

For 2016 and 2015, depreciation expense of \$257,627 and \$109,567, respectively, is included in general and administrative expense in the statements of activities and changes in net assets.

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – INTANGIBLE ASSETS

Intangible assets consist of the following at September 30:

	<u>Useful Life</u>	<u>2016</u>	<u>2015</u>
Cost basis			
Website	3 years	\$ 19,212,887	\$ 12,028,446
License	3 years	653,382	139,143
Brand name	Indefinite	<u>3,400,000</u>	<u>3,400,000</u>
		23,266,269	15,567,589
Less accumulated amortization		<u>(11,752,534)</u>	<u>(8,830,170)</u>
		<u>\$ 11,513,735</u>	<u>\$ 6,737,419</u>

The U.S. Travel Association donated the Discover America website and brand name to CTP. CTP utilized the services of an independent valuation firm to assist in the estimation of the fair value of the donated assets. The assets were valued utilizing the cost approach, which is based on consideration of the costs to recreate the assets. The valuation resulted in an estimated fair value of \$9,400,000, but CTP paid the U.S. Travel Association a nominal fee of \$830,000 as was specified in the donation agreement. Management allocated \$6,000,000 of the contributed assets to the website, based on management's best estimate to rebuild and/or purchase an established website, and assigned the remaining fair value of \$3,400,000 to the Discover America brand name. Management determined that the website had an estimated useful life of three years, and the brand name had an indefinite life. During 2016 and 2015, CTP also capitalized \$7,184,441 and \$3,179,085, respectively, of additional website development costs incurred, and \$514,239 and \$139,143, respectively, of software licenses. During 2016 and 2015, CTP recognized \$2,922,364 and \$1,579,820 of amortization expense, respectively, included in general and administrative expense in the statements of activities and changes in net assets. Future amortization, including amortization of additional website development costs and software license, is expected to be \$3,814,179, \$3,062,700 and \$1,236,856 for 2017, 2018, and 2019, respectively.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Operating lease – CTP leases the corporate facility under an operating lease agreement that expires in December 2025. Minimum rental payments under the operating lease are recognized on a straight-line basis over the term of the lease including any periods of free rent. Total rent expense for the lease for the years ended September 30, 2016 and 2015 totaled \$1,208,707 and \$1,174,552, respectively. The related deferred rent liability for the operating lease at September 30, 2016 and 2015 totaled \$1,618,482 and \$826,980, respectively, and is recorded as a component of accrued expenses in the statements of financial position.

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating lease (continued) – The future minimum annual lease payments under the non-cancellable operating lease are as follows:

<u>Years Ending September 30,</u>	
2017	\$ 1,204,961
2018	1,234,975
2019	1,265,922
2020	1,297,652
2021	1,348,349
Thereafter	<u>6,045,010</u>
	<u><u>\$ 12,396,869</u></u>

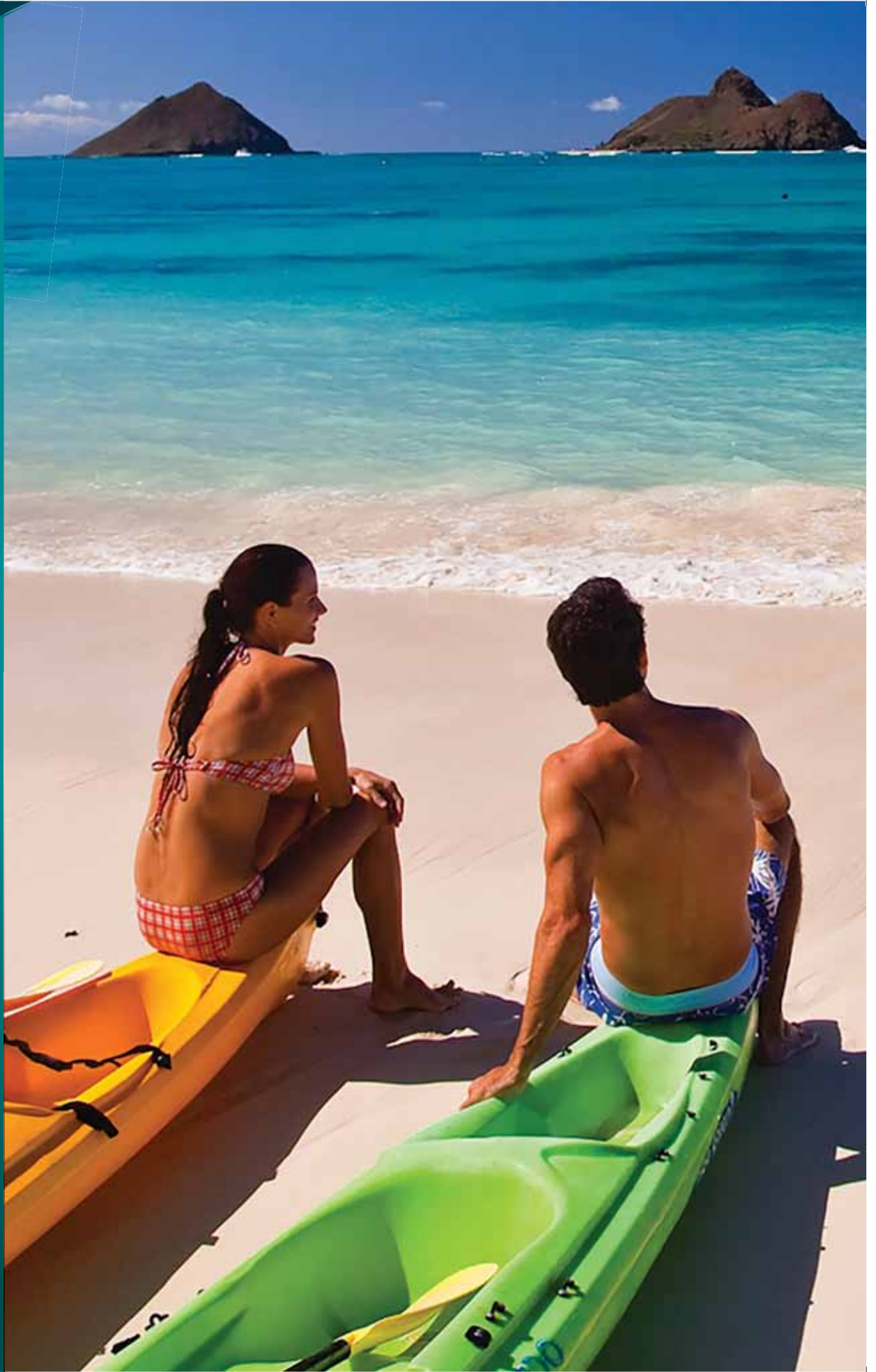
Travel promotion funds – CTP receives significant amounts of federal funding from visa application fees collected from international travelers to the USA. These funds are subject to audit by federal agencies. Management believes that adjustments, if any, would not have a significant effect on the financial statements.

Employment agreements – CTP has employment agreements with certain officers of the organization. The agreements provide for annual compensation and benefit amounts. In the event of termination of employment without cause, in addition to receipt of base pay through termination date, the officers are entitled to receive severance equal to either a) 18 months of current base salary, less applicable withholdings, if termination results from cessation of CTP operations as defined in the agreement, or b) 12 months of current base salary, less applicable withholdings, if termination results from other circumstances.

U.S. Travel Association agreement – CTP entered into a sponsorship agreement with U.S. Travel Association to be the premier sponsor of the IPW Conference (the Conference) for five years from 2016 through 2020. The Conference is a travel industry trade event that has been occurring annually for approximately 45 years. CTP will make annual payments of \$1.3 million beginning in fiscal 2016, and increasing by \$50,000 in each subsequent fiscal year, through fiscal 2020.

Other matters – Various claims and legal proceedings generally incidental to the normal course of business are pending or threatened against CTP. Although CTP cannot predict the outcome of these matters, in the opinion of management, any liability arising from them will not have a material adverse effect on the financial position, results of operations or liquidity.

IN-KIND CONTRIBUTIONS



FY2016 IN-KIND CONTRIBUTIONS

CONTRIBUTOR	DESCRIPTION	FAIR MARKET VALUE
Agaxtur Viagens	Trade show sponsorship, out-of-home media space, and customized travel trade training sessions in Brazil	\$369,792.00
Air Berlin	Digital and out-of-home advertising media space in Germany	\$1,128,150.00
ATM 2015	Cooperative trade show pavilion space with partners such as Las Vegas Convention & Visitors Authority, NYC & Company, Colorado Tourism Organization, Aspen Skiing Company, and Team America Receptive Tour Operator	\$201,432.00
British Airways	Airline tickets to support the MegaFam from the United Kingdom to the USA	\$1,215,240.00
Cleverdis	Kingdom to the USA	\$222,220.00
Expedia Inc.	Digital media space in Australia, Brazil, Canada, Japan, Mexico, and the United Kingdom	\$954,838.00
FITUR 2015	Cooperative trade show pavilion space with partners such as Action Travel, Go West Tours, Kaluah Tours, and NYC & Company.	\$50,773.00
Globelite Travel Marketing (Dreamscapes)	Print and digital advertising and advertorial space in Canada	\$261,890.00
Hindustan Times	Print and digital advertising and advertorial media space in India	\$256,008.00
IMEX 2015	Cooperative trade show pavilion space with partners such as Choose Chicago, Los Angeles Tourism, Scottsdale Convention & Visitors Bureau, Wyndham Hotel Group, and Island Partners Hawai'i	\$114,437.00
ITB Berlin 2015	Cooperative trade show pavilion space with partners such as Alabama Tourism Department, AIANTA, Las Vegas Convention & Visitors Authority, Rocky Mountain International, Travel Oregon, and Visit California	\$814,468.00

IN-KIND CONTRIBUTIONS

CONTRIBUTOR	DESCRIPTION	FAIR MARKET VALUE
Lime Tree Media	Trade sponsorship and print advertising and advertorial media space in the United Arab Emirates	\$248,004.00
Lufthansa	Airline tickets to support the MegaFam from Austria, Germany, and Switzerland to the USA	\$467,183.00
PM Publishing Solutions	Print advertising and advertorial media space in Latin America	\$345,883.00
Qunar	Digital advertising media space in China	\$767,028.00
SATTE 2015	Cooperative trade show pavilion space with partners such as Enterprise Holdings, Visit California, and Las Vegas Convention & Visitors Authority	\$34,330.00
Scripps Networks (Travel Channel International)	TV advertising media space in Europe, the Middle East and Africa	\$2,027,196.00
SINA Corporation	Digital advertising space in China	\$1,350,860.00
Smart Idea	Print advertising and advertorial media space in Taiwan	\$137,025.00
STA Travel	Digital, print, and out-of-home media space in Australia, France, Germany, Austria, Switzerland, Japan, New Zealand, Scandinavia, Singapore, South Africa, Thailand, and the United Kingdom	\$4,918,643.00
Telegraph Media Group	Print and digital advertising media space in the United Kingdom	\$ 2,218,870.00
Thomas Cook	Print, digital, and out-of-home advertising and advertorial media space in the United Kingdom and Germany	\$838,528.00



CONTRIBUTOR	DESCRIPTION	FAIR MARKET VALUE
Times of India	Print and digital advertising and advertorial space in India	\$433,525.00
Travel Rich	Print advertising and advertorial space in Taiwan	\$204,781.00
Travel Weekly China	Print and digital advertising media space in China	\$422,443.00
TTG Asia	Print, digital, and e-mail advertising and advertorial media space in Asia	\$684,916.00
WTM Latin America 2015	Cooperative trade show pavilion space with partners such as Big Bus Tours, Experience Kissimmee, Kaluah Tour, Premium Outlets, Travel Portland, and Wyndham Hotel Group	\$303,926.00
TOTAL IN-KIND CONTRIBUTIONS SUBMITTED IN FY2016*		\$20,992,389.00

*Note: The total amount of in-kind contributions submitted for matching funds in any given year may differ from the total amount of in-kind contributions recorded in the organization's financial statements (as shown in the Financial Review section, which begins on page 64 of this report) due to the difference between the revenue recognition policy and matching fund submissions, of which timing plays a major role. The amounts reflected in this chart are consistent with the valuation used to calculate the total amount of eligible matching funds the organization received for the fiscal year.

PARTNERS





PARTNERS

Founding Partners

Founding Partners are recognized in perpetuity for their significant contributions of \$1 million or more of cash, in-kind or a combination thereof during Brand USA's first year in operation. The contributions made by the partners listed below were critical to the launch of Brand USA and the inaugural marketing campaign. As a result of their contributions during Brand USA's founding year, Brand USA was able to begin operations with a solid foundation from which to build.



Best Western



California Travel and Tourism Commission



The Walt Disney Company



Enterprise Holdings, LLC



Florida Tourism Industry Marketing Corporation (Visit Florida)



Hilton Worldwide



Illinois Department of Commerce and Economic Opportunity (Discover Illinois)



Las Vegas Convention and Visitors Authority



Marriot International, Inc.



Massachusetts Office of Travel and Tourism



NBC Universal



NYC & Company



Orlando/ Orange County Convention & Visitor's Bureau, Inc. (Visit Orlando)



U.S. Travel Association



PARTNERS

Diamond (contributions of \$1 million and higher)

Air Berlin	News Corp Australia
BBC Worldwide	Ocean USA
California Travel & Tourism Commission (Visit California)	Oregon Tourism Commission (Travel Oregon)
Capital Region USA	OSN (Premier Solutions Media)
Enterprise Holdings, LLC	PPLV Corporation
ESPN	Qunar
Expedia	REI
Florida Tourism Industry Marketing Corporation (Visit Florida)	San Diego Tourism Authority
Osceola County Department of Tourism (Experience Kissimmee)	Scripps Networks International Limited (Travel Channel International)
Flight Centre UK Limited	SeaWorld Parks & Entertainment, Inc.
Greater Miami Convention & Visitors Bureau	SINA Corporation
Hawaii Tourism Authority	Smart Destinations, Inc.
Hawaiian Airlines	Sohu, Inc.
Hilton Worldwide	South Carolina Department of Parks, Recreation & Tourism (Discover South Carolina)
Illinois Department of Commerce & Economic Opportunity (Discover Illinois)	STA Travel
JoongAng ilbo Newspaper	Telegraph Media Group
Las Vegas Convention & Visitors Authority	State of Texas, Office of the Governor, Economic Development & Tourism (Texas Tourism)
Los Angeles Tourism & Convention Board (Discover Los Angeles)	Thomas Cook
Louisiana Office of Tourism	Trading Up Magazine
Michigan Economic Development Corporation (Pure Michigan)	Travel Portland
Myrtle Beach Area Chamber of Commerce & Convention and Visitors Bureau	TripAdvisor
National Geographic	Utah Office of Tourism
NBC Universal Orlando	Vegas.com
NBC Universal Studios Hollywood	Wanda Group
	Washington Convention & Visitors Bureau (Destination DC)
	Zone Outdoor



Platinum (contributions of \$500,000 to \$999,999)

American Sky	MGM Resorts International
Arizona Office of Tourism	New Orleans Convention & Visitors Bureau
Buffalo Niagara Convention & Visitors Bureau	Outrigger Hotels and Resorts
Choose Chicago	San Antonio Convention and Visitors Bureau (Visit San Antonio)
Colorado Tourism Office	South Dakota Department of Tourism (Travel South Dakota)
Deutsche Lufthansa AG	Southern State Tourism Offices (Travel South USA)
Disney	Top Travel
Great Rail Journeys	TTG Asia Media
Greater Fort Lauderdale Convention & Visitors Bureau	TTG Media Limited
Lee County Convention & Visitors Bureau (The Beaches of Fort Myers and Sanibel)	TUI Specialists
Marriott International, Inc.	Weekend Weekly

Gold (contributions of \$250,000 to \$499,999)

Alabama Tourism Department	Nevada Department of Tourism & Cultural Affairs (Travel Nevada)
America Journal	New York State Department of Economic Development
Avis Budget Car Rental, LLC	North Carolina Division of Tourism (Visit NC)
Charleston Area Convention & Visitors Bureau (Explore Charleston)	Orange County Visitors Association
Denver Convention & Visitors Bureau (Visit Denver)	Orbitz Worldwide
Despegar.com	Philadelphia Convention & Visitors Bureau
Explore Minnesota Tourism	Porter Airlines
Food and Travel	San Francisco Travel
Fort Worth Convention and Visitors Bureau	South Hall Travel Limited
General Growth Services	The Official Tourism Marketing Corporation for The Palm Beaches (Discover The PalmBeaches)
Georgia Department of Economic Development - Tourism Division (Explore Georgia)	Times of India
Globelite Travel Marketing/Dreamscapes	Travel + Leisure
Hindustan Times Ltd.	Travel Weekly Group (China)
International Media Organizations	UBM (UK) Limited
Interpark Tour	USAirtours Ltd.
Missouri Division of Tourism, Department of Economic Development	Utah Consortium of Destinations
MOAC Mall Holdings LLC (Mall of America)	
Montana Office of Tourism (Visit Montana)	



PARTNERS

Silver (contributions of \$100,000 to \$249,999)

Air New Zealand	Monterey County Convention & Visitors Bureau
American Samoa Visitors Bureau	North Dakota Department of Commerce
Atlanta Convention and Visitors Bureau	NYC & Company
Austin Convention & Visitors Bureau	Operate Up (Utah Consortium)
CenterState Corporation for Economic Opportunity	Papillon Group
Cirque du Soleil	Pleasanton Downtown Association (Visit Tri-Valley)
CityPass, Inc.	PM Publishing Solutions
Clackamas County Tourism & Cultural Affairs (Oregon Mt. Hood's Territory)	Rhythms of the South
Cleverdis	Rocky Mountain International
Dallas Convention & Visitors Bureau (Visit Dallas)	Scenic Tours
Destiny USA	Smartidea
Discover New England	South Coast Plaza
Etihad Airlines	Sunwing Vacations Inc.
Greater Houston Convention & Visitors Bureau	Tennessee Department of Tourist Development
Greater Newark Convention & Visitors Bureau	Travel Rich
Greater Philadelphia Tourism Marketing Corporation (Visit Philly)	TravMedia
Hilton Head CVB	U.S. Virgin Islands Department of Tourism
Hoot Holidays	Orlando/Orange County Convention & Visitor's Bureau, Inc. (Visit Orlando)
Idaho Division of Tourism Development (Visit Idaho)	St. Petersburg/Clearwater Convention and Visitors Bureau (Visit St. Petersburg/ Clearwater)
Irvine Company Retail Properties	Visit Tampa Bay
Kentucky Department of Travel and Tourism (Kentucky Tourism)	West Virginia Department of Commerce (West Virginia Tourism)
Massachusetts Office of Travel and Tourism	Westfield Corporation
Memphis Convention & Visitors Bureau	Wyoming Office of Tourism (Travel Wyoming)



Bronze (contributions of \$10,000 to \$99,999)

Alexandria/Pineville Area Convention & Visitors Bureau	High Sierra Visitors Council
Amelia Island Convention and Visitors Bureau	Houma Area Convention & Visitors Bureau
Artegon Marketplace	Howard County Tourism and Promotion
Ashford Hospitality Trust LP	Hudson County Office of Cultural Affairs and Tourism
Atlantic City Convention and Visitors Authority	Huntington Beach Marketing & Visitors Bureau (Visit Huntington Beach)
Baxter Travel Media	The Kahala Hotel & Resort
Beverly Hills Conference & Visitors Bureau	Kansas City Tourism (Visit Kansas City)
Big Bear Visitors Bureau	Kansas/Oklahoma Travel & Tourism
BITE	Lafayette Convention & Visitors Commission
Bloomington CVB	Lake Charles Convention & Visitors Bureau (Visit Lakes Charles)
Bradenton Area Convention and Visitors Bureau	Lake Tahoe Visitors Authority
Breckenridge Resort Chamber	Laramie County Convention & Visitors Bureau (Visit Cheyenne)
The Broadmoor	Macerich
Burbank Hospitality Association (Visit Burbank)	Macy's
Burlington International Airport	Mammoth Lakes Tourism (Visit Mammoth)
Catskill Association for Tourism Services	Mammoth Mountain Ski Area, LLC (Mammoth Resorts)
Central New York Vacation Region	Mono County Economic Development, Tourism and Film Commission
Charleston Convention & Visitors Bureau (Visit Charleston)-West Virginia	Nashville Convention & Visitors Corp. (Visit Music City)
Chickasaw Nation	National Football League
Clearfield County Recreation and Tourism Authority (Visit Clearfield County)	National September 11 Memorial & Museum
Corning Museum of Glass	Niagara Tourism & Convention Corporation
Costa Mesa Convention and Visitors Bureau	North of Boston Convention & Visitors Bureau
Detroit Metro Convention & Visitors Bureau (Meet Detroit)	Novak Birch
Durango Area Tourism Office	Out & About With Kids
Eden Roc Miami Beach	Oxnard Convention & Visitors Bureau
Elizabeth Destination Marketing Organization	PA Route 6 Alliance
Federal Realty	Panama City Beach Convention & Visitors Bureau (Travel PCB)
Finger Lakes Regional Tourism Alliance (Wine, Water, and Wonders)	Park City Convention & Visitors Bureau
Flagstaff Convention and Visitors Bureau	Pasco County Board of County Commissioners
FVW Mediengruppe	Pennsylvania Association of Travel and Tourism
Gettysburg Travel (Destination Gettysburg)	Pennsylvania Tourism Office
Grand Junction Visitor & Convention Bureau	Red and White Fleet
Greater Merrimack Valley Convention & Visitors Bureau	Redondo Beach Chamber of Commerce & Visitors Bureau
Greater Palm Springs Convention & Visitors Bureau (Visit Palm Springs)	



PARTNERS

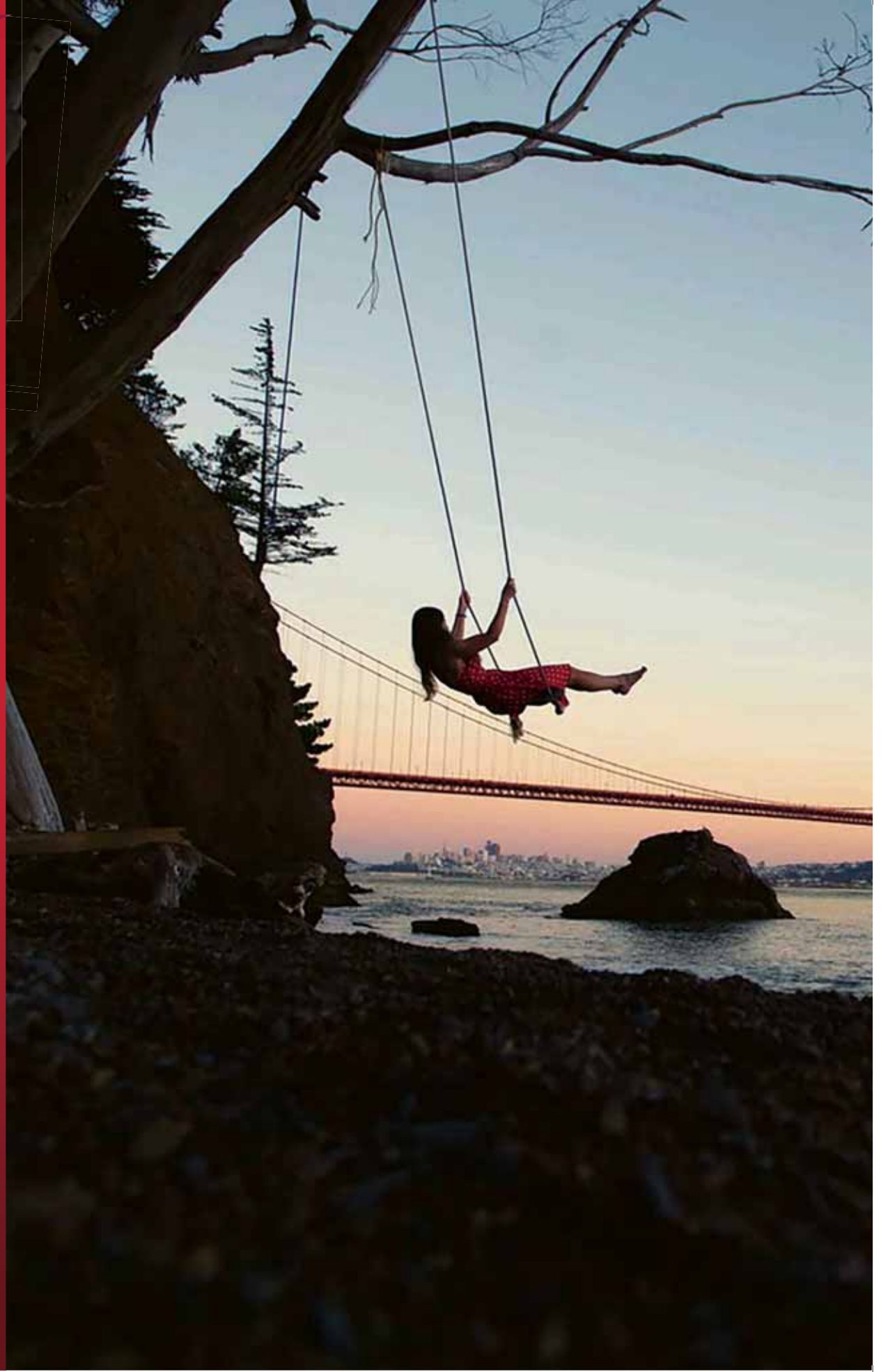
River Oaks District
San Jose Convention and Visitors Bureau
San Luis Obispo County Visitors & Convention Bureau (Visit San Luis Obispo County)
San Marcos Convention & Visitors Bureau
Santa Barbara Conference and Visitor's Bureau and Film Commission (Visit Santa Barbara)
Santa Cruz County Conference and Visitors Council
Santa Monica Convention and Visitors Bureau
Sarasota Convention & Visitors Bureau (Visit Sarasota)
Saratoga County Chamber of Commerce
Savannah Convention and Visitors Bureau (Visit Savannah)
Seattle Convention & Visitors Bureau (Visit Seattle)
Shasta Cascade Wonderland Association
Shop America Alliance LLC
Shreveport - Bossier Convention & Tourist Bureau
Somerset County Business Partnership
Sonoma County Tourism Bureau
Springfield Convention and Visitors Bureau
St. Augustine, Ponte Vedra & the Beaches Visitors and Convention Bureau
Strong, The (Rochester, NY)
Tanger Factory Outlet Centers
The Shops Buckhead Atlanta
The Venetian/The Palazzo
TKS Exhibition Services (Hong Kong)
Tourism Santa Fe
Tucson Convention and Visitors Bureau (Visit Tucson)
Tuolumne County Visitors Bureau (Visit Tuolumne County)
Turistampa
U.S. Chamber of Commerce
Ventura Visitors and Convention Bureau
Vermont Department of Tourism and Marketing
Visit Baton Rouge
Visit Napa Valley
Yosemite National Park
Yosemite/Mariposa County Tourism Bureau

**Supporting (contributions up to \$10,000)**

Adventure Cycling Association	Natchitoches Parish Tourist Commission & Cane River National Heritage Area
Alachua County Visitors & Convention Bureau	New England Inns & Resorts Association
Athens Convention and Travel Bureau	Niagara Jet Adventures
Cane River National Heritage Area	Outlets at Assembly Row (The)
Cape Cod Chamber of Commerce	Pasadena Convention & Visitors Bureau (Visit Pasadena)
Colorado Springs CVB (Visit Colorado Springs)	Salem Witch Museum
Embassy Suites Waikiki Beach Walk	St. Tammany Tourist & Convention Commission (Louisiana Northshore)
Evergreen Escapes	Sullivan County Catskills
Greater Boston Convention and Visitors Bureau	Temecula Valley Convention & Visitors Bureau
Greater Phoenix Convention & Visitors Bureau (Visit Phoenix)	Tripinfo.com (Brazil)
Hershey Harrisburg Regional Visitors Bureau	Twin Mountain-Bretton Woods Chamber of Commerce
Hudson Valley Tourism	Vacations Exotica Destinations Pvt. Ltd. (India)
Lakes Region of New Hampshire	Visit Oakland
Lakes Region Tourism Association	Washington Tourism Alliance
Macon-Bibb County Convention and Visitors Bureau	
Maid of the Mist Corporation	

Note: The partners listed in the FY2016 annual report are those who have made any combination of cash or in-kind contributions to Brand USA from FY2015 through FY2016.

EXECUTIVE AND SENIOR LEADERSHIP





EXECUTIVE AND SENIOR LEADERSHIP



Christopher L. Thompson
President & CEO



Thomas Garzilli
Chief Marketing Officer



Anne Madison
Chief Strategy &
Communications Officer



Donald F. Richardson
Chief Financial Officer



Karyn Gruenberg
Senior Vice President,
Partner Marketing &
Strategic Alliances



Cathleen Domanico
Vice President,
Global Trade Development



Tracy Lanza
Vice President,
Integrated Marketing



Stanley Mattos
Vice President,
Operations



Carroll Rheem
Vice President,
Research & Analytics



Aaron Wodin-Schwartz
Vice President,
Public Policy

BOARD OF DIRECTORS



BOARD OF DIRECTORS

Brand USA is governed by an 11-member Board of Directors appointed for a maximum of two consecutive three-year terms by the U.S. Secretary of Commerce in consultation with the Secretary of State and the Secretary of Homeland Security.

As required by the Travel Promotion, Enhancement, and Modernization Act of 2014, all members of the board are United States citizens and are either current or former chief executive officers, chief financial officers, or chief marketing officers, or have held equivalent management positions.

Members of the board have leadership expertise in specific sectors of the travel industry including: hotel accommodations; restaurants; retail or a related association; travel distribution; attractions or recreations; state-level tourism office; city-level convention and visitors bureau; passenger air; land or sea transportation; and immigration law and policy. At least two members of the board are audit committee financial experts. In addition, at least five members of the board have expertise in international travel promotion or marketing broadly representing various regions of the United States.

In accordance with the above, the following business leaders at the time of publication of this annual report serve on the board of directors of Brand USA:



Tom Klein
CHAIR OF THE BOARD

President & CEO
Sabre Corporation
Board member since
September 2010

**Member: Finance Committee and
Audit Committee**
Represents: Travel distribution sector



John F. Edman
VICE CHAIR, BRAND USA

Director & CEO,
Explore Minnesota Tourism
Board member since
October 2014

**Member: Finance Committee and
Marketing Committee**
**Represents: Official of a state
tourism office**



Barbara J. Richardson
VICE CHAIR, BRAND USA

Chief of External Relations,
Washington Metropolitan Area
Transit Authority
Board member since October 2013

Chair: Marketing Committee
**Member: Finance Committee and
Conflict of Interest Committee**
**Represents: Land or sea
transportation sector**

BOARD OF DIRECTORS



Arne M. Sorenson
TREASURER, BRAND USA

President & CEO,
Marriott International, Inc.
Board member since October 2012

Chair: Finance Committee
Represents: Hotel accommodations sector



Andrew Greenfield
SECRETARY, BRAND USA

Partner, Fragomen, Del Rey,
Bernsen and Loewy, LLP
Board member since October 2013

Chair: Governance & Nominating Committee
Member: Audit Committee and
Conflict of Interest Committee
Represents: Immigration law and policy sector



Kyle Edmiston
BOARD MEMBER

Assistant Secretary, Louisiana Tourism
Board member since December 2015

Chair: Audit Committee
Member: Marketing Committee
Represents: Official of a state tourism office



Maryann Ferenc
BOARD MEMBER

Founder, President & CEO, Mise en Place, Inc.
Board member since December 2015

Member: Governance & Nominating Committee and
Conflict of Interest Committee
Represents: Restaurant sector



Daniel J. Halpern
BOARD MEMBER

President & CEO, Jackmont Hospitality, Inc.
Board member since September 2010

Chair: Conflict of Interest Committee
Member: Finance Committee and Governance & Nominating Committee
Represents: Small business or retail sector



Alice Norsworthy
BOARD MEMBER

Executive Vice President of Marketing and Sales,
Universal Orlando

Board member since December 2016
Member: Audit Committee and Marketing Committee
Represents: Attractions or recreation sector



Thomas F. O'Toole
BOARD MEMBER

Senior Fellow and Clinical Professor of Marketing,
Kellogg School of Management, Northwestern University
Board member since December 2016

Member: Audit Committee and Governance & Nominating Committee
Represents: Passenger Air Sector



Rossi Ralenkotter
BOARD MEMBER

President & CEO,
Las Vegas Convention and Visitors Authority
Board member since December 2015
Member: Marketing Committee
Represents: Official of a City Convention & Visitors Bureau

BOARD COMMITTEES

Finance Committee

Arne Sorenson, Chair

John Edman
Daniel Halpern
Tom Klein
Barbara Richardson

Finance Committee Meetings are held four times a year and are scheduled to occur immediately prior to each board meeting.

Audit Committee

Kyle Edmiston, Chair

Andrew Greenfield
Tom Klein
Alice Norsworthy
Thomas O'Toole

Audit Committee Meetings are held at least three times a year with one meeting scheduled to occur with the conclusion of the annual audit.

Governance & Nominating Committee

Andrew Greenfield, Chair

Maryann Ferenc
Daniel Halpern
Thomas O'Toole

Governance & Nominating Committee Meetings are held at least once a year and timed to occur at or near the conclusion of the board chair's term and/or the appointment of new board members.

Marketing Committee

Barbara Richardson, Chair

John Edman
Kyle Edmiston
Maryann Ferenc
Alice Norsworthy
Rossi Ralenkotter

Marketing Committee Meetings are held at least four times a year and are scheduled in advance of each board meeting (usually one week prior to the board meeting).



Conflict of Interest Committee

Daniel Halpern, Chair

Maryann Ferenc

Andrew Greenfield

Barbara Richardson

Conflict of Interest Committee Meetings are scheduled on an as-needed basis as determined by the board chair and/or committee chair.

The board of directors and its committees meet regularly throughout the year. Members of the public are encouraged to participate by webcast and/or conference call. For more information about members of the Brand USA board of directors, regularly scheduled meetings or records of past board meetings, please visit: TheBrandUSA.com/about/directors.

Board-related questions or comments can be addressed to BoardMeetings@TheBrandUSA.com.

CONNECT WITH US





CONNECT WITH US

To follow our progress and announcements of new initiatives, please connect with us on these social media channels.

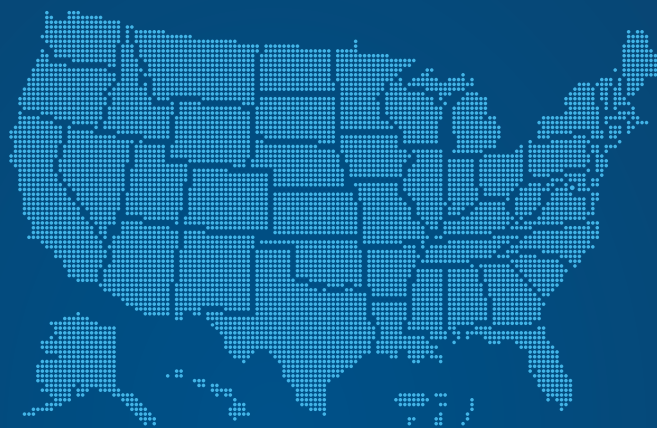
For industry or partner information about Brand USA, please visit or connect with us on the following Brand USA corporate channels:

- Website: TheBrandUSA.com
- Twitter: [@BrandUSA](https://twitter.com/BrandUSA)
- YouTube: [YouTube.com/BrandUSATV](https://www.youtube.com/BrandUSATV)
- LinkedIn: [Linkedin.com/Company/BrandUSA](https://www.linkedin.com/company/BrandUSA)

For information about exceptional and unexpected travel experiences in the United States, please visit or connect with us on our consumer channels:

- Website: VisitTheUSA.com
- Twitter: [@VisitTheUSA](https://twitter.com/VisitTheUSA)
- Facebook: [Facebook.com/VisitTheUSA](https://www.facebook.com/VisitTheUSA)
- YouTube: [YouTube.com/VisitTheUSA](https://www.youtube.com/VisitTheUSA)
- Instagram: [VisitTheUSA](https://www.instagram.com/VisitTheUSA)
- Google+: [Google.com/VisitTheUSA](https://www.google.com/VisitTheUSA)

To receive our news and updates, please visit TheBrandUSA.com and enter your email address at the bottom of the home page.



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