

Congress of the United States

Washington, DC 20515

May 13, 2009

The Honorable Timothy Geithner
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Geithner:

We encourage you to act swiftly to provide needed guidance to American companies on the value of business travel for meetings, events and performance incentive purposes as part of your responsibilities under the “economic recovery” legislation, the American Reinvestment and Recovery Act (ARRA).

Our nation’s severe economic downturn caused a dramatic collapse in business travel spending by both TARP and non-TARP companies. The damage was compounded by fear of political and media criticism of legitimate business activities. According to estimates by Smith Travel Research and the U.S. Travel Association, meeting, event and incentive cancellations in January and February 2009 resulted in more than \$1.9 billion in lost travel spending and cost nearly 20,000 American jobs.

Business travel is an essential component of operating in a global economy and is crucial to maintaining competitiveness and a high quality of service. Travel is no less important than purchasing information technology equipment, investing in research and development or paying competitive wages and benefits. Corporate travel takes many forms, each of which generates revenue and employment within American companies. Examples include:

- Salespeople must travel to convince potential buyers to make a purchase and to maintain trusting relationships with existing customers;
- Executives must travel to negotiate complicated business transactions and to interact with their shareholders and employees; and
- Researchers must travel to turn ideas and scientific advances into products and services that improve our standard of living and the competitiveness of our companies and our economy.

The Treasury Department soon will implement ARRA’s mandate to require TARP companies to develop policies on “excessive” or “luxury” expenditures. We are concerned that the Department will require companies receiving TARP funds to develop these policies without any guidance as to how meetings and events are “conducted within the normal course of the business operations of the TARP recipient.”

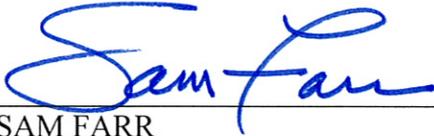
Without this guidance, TARP recipients will have no confidence that their adopted policies may survive political and/or media scrutiny. The end result is further retrenchment and fewer

meetings and events across the country. In addition, without further guidance, companies will adopt myriad different policies which will create extraordinary confusion in the marketplace.

To clarify the situation, we urge the Department to express strong support for the attached model policy, which is built on existing corporate best practices. This policy, developed by experts in the industry, will increase accountability and ensure that companies utilize travel in appropriate ways to create economic growth and protect American jobs.

We strongly encourage you to take this opportunity to save American jobs, strengthen the American economy and provide taxpayers with the transparency and accountability they demand. Thank you for your consideration, and we pledge to continue to work with you and the Administration on this important issue.

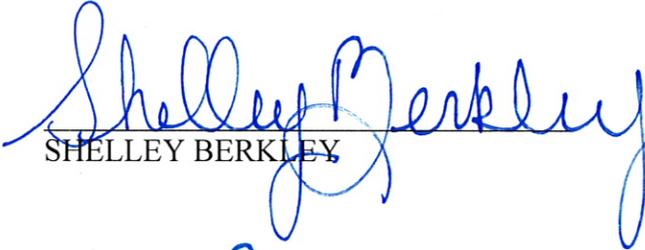
Sincerely,



SAM FARR
Co-Chair
Congressional Travel & Tourism Caucus



ROY BLUNT
Co-Chair
Congressional Travel & Tourism Caucus



SHELLEY BERKLEY



BLAINE LUETKEMEYER



JIM LANGEVIN



WILLIAM DELAHUNT



DIANE WATSON



TODD AKIN



MIKE HONDA



JIM COSTA



HENRY WAXMAN



MIKE CONAWAY



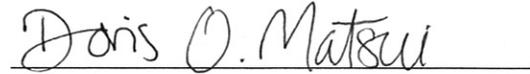
JANE HARMAN



HOWARD BERMAN



MIKE THOMPSON



DORIS MATSUI



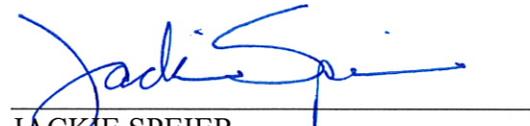
LYNN WOOLSEY



NEIL ABERCROMBIE



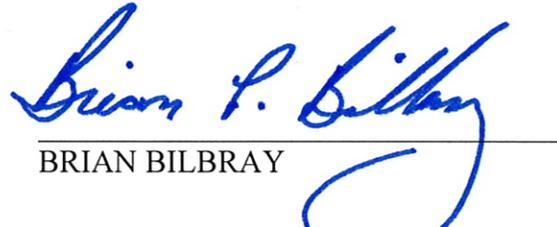
DONNA CHRISTENSEN



JACKIE SPEIER



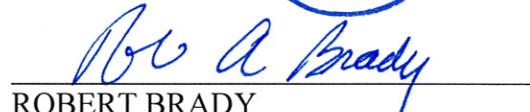
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U.S. TRAVEL
ASSOCIATION

This model policy is intended for adoption by companies receiving emergency lending from the federal government.

If other companies are interested in adopting these guidelines, they may choose to alter metrics based upon industry size, company size and market sector.

Model Board Policy for Approval of Meetings, Events and Incentive/Recognition Travel

1. General policy statement: The CEO shall be responsible for implementing adequate controls to assure that meetings, events and incentive/recognition travel organized by the company serve legitimate business purposes and are cost justified.
2. All proposed meetings, events and incentive/recognition travel organized by the company must serve one or more specified legitimate business purposes (see representative listing attached). Each proposed meeting, event or incentive/recognition travel with a cost exceeding \$75,000 must be supported by a written business case identifying a specific business purpose.
3. Total annual expenses for meetings, events and incentive/recognition travel shall not exceed 15 percent of the company's total sales and marketing spend.
4. The amount spent for an employee performance incentive/recognition event shall not exceed two (2) percent of the total compensation of eligible participants or 10 percent of total award earners' compensation.
5. The process for approving meetings, events and incentive/recognition travel, and the procedures for assuring adherence to this policy, will be subject to independent audit to confirm policy adherence.
6. At least 90 percent of incentive program attendees shall be other than senior executives (as defined by applicable Treasury Department guidelines) from the host organization.
7. Performance incentives shall not promote excessive or unnecessary risk-taking or manipulation of financial results.
8. All internal meetings or events attended only by senior executives (as defined by applicable Treasury Department guidelines) and/or board members shall be devoted to specific business purposes, and participating senior executives shall be responsible for any expenses incurred for non-business related activities.
9. The CEO of the company shall certify to the board at least annually that the foregoing policies are being followed, and are sufficient to provide reasonable assurance that the company's expenditures for such purposes are not excessive.
10. These policies shall be subject to modification only with board approval stating the specific business rationale for the change in policy.

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Examples of Legitimate Business Purposes for Meetings, Events, Incentive/Recognition Travel

As with all business expenditures authorized in these challenging circumstances, all proposed expenditures for meetings, events and incentive/recognition travel should be made to strengthen the competitive position of the company in the marketplace and position the company for the creation of long-term value and growth. Below is a representative list of legitimate business purposes for meetings, events and incentive/recognition travel.

- Effective product launches to educate sales force, channel partners and customers.
- Sales conferences and employee meetings to align vision, strategy and tactics.
- Training and staff development meetings – learning environments conducive to adult learning and professional development, improving participants’ skills at their trade and/or their familiarity with the company’s products or services.
- Employee recognition programs to motivate and reward employees for achievement and productivity.
- Professional conferences that provide networking, education and best practice sharing across companies and industries.
- Performance incentives with clear rule structures that are designed to motivate and reward high performers for exceeding established goals that generate incremental revenue growth for their respective organizations and that are beyond the investment in the program.
- User conferences for customers utilizing the company’s products or services to obtain feedback, build networks, provide product training and capture ideas for enhancements to the company’s product offerings.
- Product development events designed to generate feedback for research and development purposes.
- Corporate-sponsored events that further charitable purposes.
- Trade shows and similar events that bring prospective buyers and sellers together.
- Strategic, business and financial planning and review meetings.
- Employee meetings as a result of company mergers and/or acquisitions for the purpose of alignment of products, brands and cultures.