

MINUTES of the NEVADA COMMISSION ON TOURISM
October 11, 2016

The Nevada Commission on Tourism held a Commission meeting at 12:00 p.m. on October 11, 2016, at the Grand Sierra Resort, 2500 E. Second Street, Reno, NV 89595 and by phone conference.

Call to Order

Vice Chair Carano called the meeting to order at 12:12 p.m.

Commissioners Present:

Cindy Carano, Vice Chair
Ryan Sheltra
Jennifer Cunningham
Don Newman
Herb Santos, Jr.
John Wagnon
Julia Arger
Dallas Haun
Mike Vaswani
Bob Stoldal

Commissioners who are absent/excused:

Lieutenant Governor Mark A. Hutchison, Chair
Richard Arnold
Bob Morse
Rossi Ralenkotter

Staff present:

Claudia Vecchio, Director
Henna Rasul, DAG

Roll Call and Determination of Quorum

CARANO: Good afternoon and welcome to the Nevada Commission on Tourism, Commission Meeting for October 11, 2016. I am Cindy Carano, Vice-Chair of the Commission and I'd like to call roll.

Lieutenant Governor Hutchison is not in attendance due to the Special Session down in Carson City for the Las Vegas Room Tax, very important. Bob Morse, not able to attend. Jennifer Cunningham?

CUNNINGHAM: Present.

CARANO: Dallas Haun?

HAUN: Present.

CARANO: On the phone. Don Newman?

NEWMAN: Present.

CARANO: Rossi Ralenkotter? Not able to attend. Herb Santos?

SANTOS: Here.

CARANO: Ryan Sheltra?

SHELTRA: Present.

CARANO: Mike Vaswani?

VASWANI: On the phone.

CARANO: Great. And John Wagnon?

WAGNON: Here.

CARANO: Julia Arger?

ARGER: Here by phone.

CARANO: Thank you. Richard Arnold? Bob Stoldal?

STOLDAL: Present.

CARANO: Great. We have a quorum. We have some changes to the Agenda, is that correct?

VECCHIO: Yes, this is Claudia Vecchio for the record. Within Item 3, Presentations, we'll move the Nevada Museum of Art Presentation first so they can do their presentation before we do the international presentations.

Public Comment

CARANO: Great. Any objections? Seeing none. Okay. It's time for public comment. Do we have any public comment? Any on the phone? Hearing none.

Presentations

STOLDAL: We can hear the Chair very clearly but we're unable to hear the previous person speaking.

CARANO: That was Claudia, thank you Bob. Claudia was mentioning that we're going to move the presentation for the Nevada Museum of Art in front of the International Tourism Presentations.

STOLDAL: Thank you.

CARANO: We will work on the technical. David Walker, from the Nevada Museum of Art. Thank you.

WALKER: Thank you Vice-Chair Carano and thank you.

CARANO: Bob, can you hear him?

STOLDAL: Yes, thank you.

WALKER: Thank you Commissioners. This will be the third time I've had the pleasure of presenting to you. We have a little something for you that Mary Ann McAuliffe is going to hand out while we get our clicker in place.

We have a little update on 7 Magic Mountains in Las Vegas. The big project that we're here to talk about today. We will get started with a short video.

So, that's kind of fun huh, to see how that all came together. During the five years it took to produce this extraordinary project and obviously it's become an international pop icon in our culture, we're fortunate to have many partners and many financial supporters. I want to thank the Nevada Commission on Tourism for your early interest and support in the project. You gave us a lot of confidence to move forward with the project.

Here at the ribbon cutting ceremony, Clark County Commission Chairman Steve Sisolak is handing 7 Magic Mountains artist, Ugo Rondinone the key to the Las Vegas Strip. Obviously he was thrilled and surprised. Jim Murren there, Chairman of

MGM is smiling but later in his remarks wondered why he doesn't have a key to the Las Vegas Strip.

As you know, this public art installation resides on BLM land, just south of Las Vegas. It's also within Clark County and we were very happy to work with John Ruhs, the Nevada State Director of BLM and also with Commissioner Steve Sisolak to make this possible.

Some of you expressed concerns about safety when we presented to you in 2014 and 2015 and we took those concerns very seriously. Working closely with Las Vegas Paving Corporation, we did create a significant parking lot that can accommodate 30-40 cars at any given time. By the way, that's full most of the time. We also installed a left-hand turn lane going southbound on Las Vegas Boulevard, into the parking lot, alleviating any potential for collisions for those motorists heading south. Then of course, we worked closely with the Nevada Department of Transportation and they installed some wonderful signs up and down Highway 15. We worked with these organizations to make sure that safety was a top priority.

Finally, we have also worked with law enforcement, down in the Las Vegas area. Specifically with the Nevada Highway Patrol. They now get off the highway in Jean and come up Las Vegas Boulevard and they make regular stops throughout the day, throughout the evening, just to have their presence felt there.

Now, we have been very fortunate that we have had no incidents in connection with this project since it opened on May 10th. The only high profile incident was the vandalism by graffiti, which seemed to get as much attention as the piece itself when it opened. We're happy to report that within 24 hours, we were able to fix that problem. It only took three hours to do so.

This is Nevada limestone, these boulders. We have anticipated that they could be vandalized by graffiti and so they are coated with an anti-graffiti coating and this allows us to remove graffiti very quickly. However, we're convinced that it was a Californian who came in and sprayed these boulders, because Nevadans have grown to love this piece. They have embraced it. They have reverence for it. Actually there are many, many, many of them out there on a regular basis, just patrolling the installation, making sure there's no "hanky panky", picking up trash and also reporting anything that looks suspicious to the Nevada Museum of Art.

We're really grateful for that. Also, I should say that Republic Services in Las Vegas has provided the trash receptacle in the parking lot and on a pro bono basis is also doing all of the trash hauling for us every week. This is a two-year donation. Just another way you can see the community pitching in here.

Clearly 7 Magic Mountains has elevated the brand of Las Vegas and Nevada, but what you really want to hear about today is the extraordinary attention Nevada has received since the May 10th opening. I'd like to now introduce to you the talented person who is responsible for this success. She is Amanda Horn, the Nevada Museum of Arts, Director of Communications. Amanda?

HORN:

Thank you David. Before I get into the media report, I'm going to put on your table up there the press book just from the opening press. This is really just a snapshot of what we received in the first week of opening. I made a couple of copies there for you to thumb through after the presentation today.

About three weeks after 7 Magic Mountains opened, we received a call from the Editorial Board of the New York Times to let us know that in all of their years they had never seen an artwork or exhibition receive the international buzz that 7 Magic Mountains has since the opening. It's pretty phenomenal just to get a call from the Editorial Board because we're like on texting basis anyway now, which is amazing, but to hear that sort of response was more than we could've possibly dreamed of.

The logos you see here on the slide represent only a small fraction of the more than 500 earned media placements around the globe that 7 Magic Mountains has received since the May 10th opening and it still continues. These top tier media that you see here before you represent not just listings or mentions, but feature stories.

The onslaught of the media coverage kicked off with a major Sunday feature in the New York Times by the Arts Writer, Randy Kennedy, with whom I had the pleasure of spending two full days. He flew to Reno, we spent a day at the museum. He interviewed David. We drove to Las Vegas. We went through all of the places on that long road to Las Vegas. Then we spent a full day in Las Vegas with the artist at 7 Magic Mountains.

I just received word this morning that a long awaited piece that we've been waiting for with CBS Sunday Morning is on the schedule for this Sunday, which is incredible. They just kicked off their new season. As you may know, Jane Pauley is now the new anchor and it's on the schedule. As we know, those are familiar with media, that can always change last minute, but the producer let me know just before I came here today that it is on the schedule. That's incredible. That alone is the biggest news magazine show in the United States and for art or culture, there is no other slam dunk than CBS Sunday Morning. Again, it not only features 7 Magic Mountains but they also spent a day at the Museum. Again, it's two places. It's showing you both Reno and Las Vegas, the Nevada Museum of Art as well as 7 Magic Mountains.

I'm reminded of something Clark County Commission Chair Steve Sisolak said when we first began speaking to him about this project. He said, that 7 Magic Mountains would be more famous than the Welcome to Las Vegas Sign. Well, a recent feature on the Discovery Channel's Canadian based show, the Daily Planet said verbatim, that 7 Magic Mountains is the new unofficial welcome sign for Las Vegas. Chairman Sisolak, I think that we've achieved what you had imagined.

Stories have appeared around the world. The UK, Belgium, the Netherlands, Germany, France, Italy, Switzerland, Sweden, China, Japan, South Korea, Thailand, India, Mexico, Brazil, Canada and Australia, just to name a few countries. Speaking of Australia, we have just learned that in the November issue, 7 Magic Mountains will be featured on the cover of Qantas Airlines in-flight magazine. Which as you know, is the airline of Australia. Again, another incredible slam dunk. And it does look beautiful on a cover, I must say. This is *Juxtapose Magazine*, which is an art magazine, this is this month's issue. Just to keep bragging because it's so cool, this is one of the luxury Asian publications that featured 7 Magic Mountains and they actually gave it about 10-pages of real estate. They included behind the scenes images as well. It's truly a beautiful and incredible spread. This is just a couple here.

To summarize, there have been across multiple vertical markets, so travel, luxury, mainstream news, fashion, art, academic publications, science and lifestyle to name a few. We have received over 500 earned media placements since opening May 10th. A total TV audience of 4.3 million to date, and of course, when CBS Sunday Morning comes up, that will raise that by about 6 million, so that's pretty awesome. A total estimated online news visitors to date, 150,574,715. The exhibition was also just included in a round-up at the United Nations, as part of a feature exhibition they have called Future Forest. I mean, really, I could go on but why brag, right?

With social media too, I want to hit on a few highlights. Truly, this is where aside from the incredible earned media placements that we have just talked about that you can really see the success. For public art, which is truly there for the public, for people to embrace, to take ownership of, to enjoy and to really believe in it as their own, social media is where you're going to see if that is successful or not.

The hashtags #7MagicMountains and #SevenMagicMountains, have already a combine average of more than 300 mentions per month on Twitter since the opening and it continues to aggregate and escalate as we continue to be open. There so far have been more than 280,000 likes on Instagram since the opening with incredible engagement, averaging almost 3,000 comments per month, which for four months is pretty awesome. We have so far about a combine hashtag usage

on Instagram of over 16,000 and counting. We actually, at the gallery in the Nevada Museum of Art, we made an interpretation center so that people here in the North could connect with this project in the South. We have some of the objects from our archive because we do now own this archive as part of our Center for Art and Environment Archive Collections. We have a live, real-time Instagram and Twitter feed on the wall because we just thought it was so incredible to see how frequently people engage with us whenever they go out to 7 Magic Mountains.

Speaking of visitor engagement. Over the summer months, which as you know in Las Vegas, it is hot in the summer. Even still, with it being as hot as it is, there have been an estimated 600 to 1,000 visitors per day at the exhibition visiting which is phenomenal. As the weather begins to cool, this is only going to continue to increase.

Now, we've so far had to use anecdotal evidence correlated with what we see, snapshots in the parking lot which is full at any given time. As well as, using social media as our marker for how many people are visiting and what kinds of pictures they take, because you can see it. The parking lot is constantly full.

There has been at least one engagement that we know of, because it went viral on social media. There has been a couple that flew from Canada to have a wedding there because they emailed me asking permission, if they could do so. There have been maternity photos taken. Famous dogs of Instagram, famous moms of Instagram, posing their children there. Famous pop icons like DJ Tiesto who is a pretty big deal. Jay-Z and Beyonce as well, have visited and Tweeted about it. We've even given a private tour to British royalty, Princess Eugenie, who I've learned is the daughter of Duchess of York and Prince Andrew.

My phone number for better or worse is the number that's associated on Google with Seven Magic Mountain, so I can tell you, just even the people that are lost, I get about 20 calls per day. I've stopped answering when I see numbers come through and I just send people to the website.

Really, it has been just a phenomenal success. We knew it was going to be incredible, but I don't know that any of us could've anticipated that it would be this successful. It really just continues to increase in popularity. Thank you.

CARANO: Thank you.

WALKER: Okay, we're almost done. I know we all take great pride and success in this monumental achievement. I should also say that although this is not the purview of the Commission, we are also heavily engaged in Las Vegas with the Clark County

Schools, lesson plans, curriculum, working with all the teachers throughout this large school district. We also have a range of exhibitions that are on view and are coming online in the next two years. Also a lot of public programming. We're really engaging the Las Vegas Valley, the community in the arts at large and this 7 Magic Mountains Project is really kind of an icon that's gotten everybody's imagination excited about the future of the visual arts.

The Nevada Museum of Art here in Reno contributed nearly \$500,000 to this project over the last five years. We also raised an additional \$2.6M. Last year, we were grateful to receive a check in the amount of \$100,000 from the Nevada Commission on Tourism to help us with this project.

Unfortunately we still have about a \$350,000 deficit that we're trying to close right now. This is largely related to left-hand turn lanes and other infrastructure that was not in the original thinking. It's important to note that the Nevada Museum of Art, unlike many of the wonderful events that you sponsor throughout the year, this is a free program. There is no revenue to be gained by the Nevada Museum of Arts. This has been a labor of love and a very intense project that is taking a lot of our time in addition to money. We would greatly appreciate your considering another gift this year or donation in the amount of \$150,000. That would be tremendously helpful in helping us close this \$350,000 gap. For this potential total \$250,000 contribution from the Nevada Commission on Tourism, I'd like to offer up our new Sky Room, on the roof of the Nevada Museum of Art. I think most of you have seen it. We would like to offer this to you as a benefit to hold one of your wonderful meetings, whatever you want to do with it. It's a great way to show off Northern Nevada and it's ready to go. With that, I thank you very much.

CARANO: Thank you David. Do we have any questions from the Commission?

CUNNINGHAM: I have a comment.

CARANO: Okay, Jennifer.

CUNNINGHAM: David, I would just like to acknowledge and applaud you and your team for increasing awareness of the arts and culture in our State. It's something in Northern Nevada that we're trying to capitalize on but you've really made the State smaller and helped us to partner with Southern Nevada and the other territories, so thank you, great work.

WALKER: Thank you very much.

CARANO: Thank you. Ryan?

SHELTRA: A question for Amanda or perhaps David, you may be able to answer this. Tremendous amount of media coverage. Congratulations. That's absolutely fantastic. Have you put a dollar value to the exposure that you've brought to the State?

HORN: Working on it.

SHELTRA: That's something that we do a lot, right?

HORN: Right.

SHELTRA: That number is going to be very, very high. In my wildest dreams, David, when you came and first presented to us, I didn't see this. I didn't have the vision to see this kind of success. It is tremendous. I am sure Claudia will be bringing something forward to us, but I definitely would be supportive of additional funds to this project.

HORN: Thank you so much.

WALKER: Thank you Ryan.

HORN: I can say, as a snapshot from the media aggregated that I used, currently it's trending at a few hundred thousand dollars for the publicity value but I don't have an exact figure to give you which is why I'm hesitant to say at this juncture.

SHELTRA: If you ask our staff, that kind of coverage, this is millions.

HORN: That's why I said, it's not a perfect report yet.

WALKER: This is one area where we're not expertise in it and so, any assistance and counsel, we'd greatly appreciate.

CARANO: We may be able to offer up some assistance with that. Don't?

NEWMAN: I echo Ryan's comments. You know, the first time we saw the vision and some of the comments you hear from time to time is, anybody can go out in the desert and stack rocks and paint them like that. Again, it's the whole concept. In the presentation you showed the efforts that went into making something like this a reality. The visitation is important, the "Welcome to Las Vegas" sign I will defend and say, the visitation there is quite spectacular. The coverage that you show, the presentation that you gave us, you can't buy that. If we did have to put a price on

that, I would have to say the ask is very much worth the reward. It's risk and reward and we've been rewarded. Good job and we'll see where we can go budget wise once we run the numbers.

CARANO: Comments?

SANTOS: I was just going to ask, with the amount of folks that are enjoying it, is there anything thought of extending for more than two years?

WALKER: We have had a very good conversation with the BLM. You can imagine your early feelings about the project, the BLM wanted this to go away. I think it turned out to be a very positive story for the BLM. John Ruhs, who is the new State Director is a great guy. He's very open to extending the special permit lease on the project if that's something we'd like to do down the road. It could have a much longer life in the area.

SANTOS: Is that the consensus is from you folks, that you'd like to extend it?

WALKER: I think our sense and we're talking to a lot of folks in Las Vegas, this piece should stay somewhere in Las Vegas forever. I think it's an icon. It's part of popular culture. I think we would like to move it out of the desert, out of BLM land eventually and see it in the City of Las Vegas.

SANTOS: Maybe at a new football stadium?

WALKER: We'll know more tomorrow.

CARANO: John, any comments?

WAGNON: Just echoing what the other Commissioners have said about the kind of leap of faith that we took. It takes a lot of vision to see that original presentation and see how this is going to work, but I mean, incredibly impressive in the results. Obviously the artist has a lot to do with drawing that kind of exposure. Impressive coverage and numbers. Great investment on our part.

CARANO: Thank you. Anyone on the phone that would like to comment?

ARGER: Yes. This is Julia Arger. I also want to add my kudos and congratulations to you David and to Amanda and your whole team. I think it's a perfect example of how art and culture can enhance the tourism picture in our State and how the North and the South can collaborate and we all benefit. Thank you so much.

WALKER: Thank you Julia.

STOLDAL: Bob Stoldal, Las Vegas.

CARANO: Yes Bob.

STOLDAL: I know we're the Commission on Tourism but this piece of artwork is also important to the citizens. It says a lot about who we are and I know it brings in tourism, but it's really an important piece of art for all of us that live here.

CARANO: I agree. This is Cindy Carano. In Reno, we have been working on public art and getting the sculptures from Burning Man. This kind of looks like a little Burning Man. Maybe it might find its way up there.

The *Qantas Magazine* is amazing. We have a delegation here from Australia. To see the international interest in something like that, is where we would go. David, I have to say, we like those Californians, we're very grateful for them.

I saw that Abbi is interested in helping you quantify your returns because it's going to be much higher than you think, I believe. Any other questions, Claudia? No. Oh, one more question from Don Newman.

NEWMAN: Real quick. The ask or the deficit of \$350,000, at the end of the two years or if we extend that a little bit longer, is the reclamation in that budget?

WALKER: Yes, everything.

CARANO: Great. Well, congratulations and I am one of those that was a little skeptical, as I told you. I will go see it, I promise.

WALKER: Great, thank you very much.

HORN: Thank you.

CARANO: Okay. Thank you, Claudia.

VECCHIO: This is Claudia Vecchio for the record. It wasn't on the agenda today as an action item because I didn't know how you all would react to this and I'm thrilled you're excited about what this team has done. I think it's an incredible opportunity for us. We always knew it would have international appeal, so I'm thrilled that it has gone beyond our expectations on that one.

What we'll do now is we'll have the Museum folks put together an actual proposal that we can present at our December meeting. We'll have a teleconference in December, which is for the Grants Review, but this is sort of an appropriate addition to that. We'll have that for your action as an action item in December.

CARANO: Great. Thank you.

SANTOS: Can I ask a question?

CARANO: One more question from Herb Santos.

SANTOS: Thanks. If we're going to vote on that, can we maybe get those numbers as to what the value is of the media coverage that we did receive?

VECCHIO: Absolutely.

CARANO: Yes, Abbi is saying—slam dunk.

SANTOS: Thank you.

CARANO: They're texting. Great, thank you. Next item on the Agenda.

VECCHIO: Terrific. This is Claudia Vecchio again. We are thrilled, as you can tell, we have a tremendous audience with us today. Many of our incredible Nevada tourism partners are here for the Global Tourism Summit. Thank you all for being here and for supporting what we're doing.

We also, at this particular meeting, have the incredible opportunity to hear from our international representatives. Today we are a quieter room because our great colleague and friend, Larry Friedman is not with us today. A little less joy in the room today, but Larry is recovering from surgery and of course, his health comes first. We wish him all the very best. Filling in for Larry today, David Lusvardi. David will introduce the international representatives here today to provide a brief market overview and some of the activities that they're doing. David, take it away.

LUSVARDI: Thank you. Good afternoon Commissioners. I'm David Lusvardi with the Division of Tourism, Sales Manager for Latin America and Australia/New Zealand. Four of our markets have new representative companies. Those four company representatives will be speaking to you today. This is the order:

From Australia, we have Corey Marshall with Canuckiwi. From Brazil, Jason Schulke with Wolf Propaganda. From China, Alina Xiang with East West Marketing

Corporation. Fourth is India, Sheema Vohra with Sartha Global Marketing. They will be addressing you in that order, thank you.

MARSHALL:

Well, keyora Commissioners, and as David said, my name is Corey Marshall from Canuckiwi. [Speaking in native language] That's greetings and welcome from New Zealand.

Canuckiwi, so I'm a Canadian living in New Zealand promoting an amazing place in the USA to Australians. I'm really just a little bit confused. What's not confusing is I'm supported by an amazing team down under. It's myself as the Account Lead for TravelNevada. I have a media manager based in Sydney, Australia. A social media manager and expert based in Sydney as well. My wife Karen is our Trade Director.

What's also not confusing and what really made me proud the last few days was traveling with 29 other tour operators, five of which were from our part of the world on Fam Tours to this great State. Experiencing some of it for the first time myself, as I travel from Vegas up through Great Basin and then across to Tahoe and here to Reno.

Today, I'm just here to give you a market update on the Australian market. It's an important market and a strong one. Then share some of the successes we've had in the first nine months as your in-market firm. I share this with you and some of the Nevada suppliers that I know are interested in the LZ market as well.

Why don't we get started. Political landscape, it seems I turn on the television and that's all that's talked about here in the USA at the moment. Similarly in the Australia, we have a two-party system and it's been a pretty tumultuous last eight years with more than five changes of leadership. You're going to say, how does that happen? Well, in Australia, you can actually kick the person out if you don't like them in their term. That's happened on multiple occasions.

In New Zealand, it's a little bit different. We've had a very strong conservative government for the last eight years, in two terms. My point in this is just to bring to your attention that we have been politically unstable. You can see now, even if there was a vote today, it's very much split between the two-party system that we have.

However, even with this political uncertainty, we remain resilient in our economy. I think that's something to be said about Australians. Consumer confidence continues to bounce along at a near average level. House price expectations at 4.4% growth again in Australia this year. Our housing interest rates are 5.5%. We are in a very macroeconomic climate in Australia. It's a good time to be investing

and I'm going to talk a little bit more about what that means in terms of access and air support into this region.

Exchange rates, you're going to hear from a lot of people that there's been a big change in the strength of the US dollar and what impact that's had in Australia. For the most part, Aussies are resilient. The USA remains, as you're going to see, the top international destination for travel out of Australia which is great for us here in Nevada.

That being said, probably the biggest change in terms of cost to travel to the USA for land, product, because of that US dollar. However, what's helped us is air access. In the course of the last eight months, we've had pretty much every major airline launch new air services into the USA. No, not into Nevada, okay. However, Las Vegas still remains the fourth largest gateway for the Australian traveler. They're coming through LA, San Francisco, Dallas or Houston and on to Las Vegas.

To highlight those. American Airlines has launched a new daily service out of Auckland into LA. United Airlines has launched new service from Auckland to San Francisco. Virgin is launching new service next year from Melbourne to LA. Air New Zealand has launched new service from Auckland into Houston, Texas. Lots and lots of new aircraft.

What that means is price point. To give you an example, Flight Center has an annual expo every year. It's probably the largest consumer expo and as Nevada, we were there at that show. We saw airfare pricing, \$699 return, okay, from Australia to the USA. And a \$10 add-on to any additional city. That's some of the air pricing we're seeing. All of the sudden, even though there's an increase in land value because of all this capacity, we're in really good state in Australia.

Just a little about that Australian traveler. 9.1 million Australian residents will travel outside the country this year. Currently, 70% of Aussies aged 14+ are intending to take some kind of overseas trip in the next 12 months. Although we're small in relative population size compared to some of our other important markets, okay, we're only 28 million people. Average per capita, we're traveling a lot and staying a long time.

How are we able to do this? I know when I talk to many of our USA colleagues, they're shocked to find out that an Australian, when they start in their workforce get four weeks of annual leave. Even Australian University, they get four weeks. In a management position, you're five or six weeks. As you can see up on this slide, we have 123 million days of annual leave that's been accrued because we still do work. Okay. But, it does mean that we have lots and lots of ability to travel.

Travel motivations for Australians really fall into five categories. To have fun, visit new places, get off the beaten track, relax mentally and to really absorb themselves in the culture. They like to get beyond the gateways. That's why Nevada is a great fit. It's probably as well why we drive on the left hand side of the road while you guys drive on the right hand side. We like to get out there and experience and explore.

This is how the Australian traveler is searching for their information. It's a pretty interesting slide. You can see that travel agents are actually on a slight decline, although very, very important to the marketplace still with 27% of business still being booked through that channel. You can see where the online is becoming more and more important in the Australian market in working with our OTA partners.

Of course, for Australians, the lure of travel is especially meaningful and one can wonder as to the reasons why. As we said, the currency isn't particularly strong. With our remoteness and the desire for our travelers to look outwards for entertainment and knowledge, the result is that travel has become part of the collective psyche. It's a way of life. Traveling overseas is a contributing factor to most Australians cultural capital, their stories at home and their vis-a-vie amongst each other.

Again, just to define that important segment of travel trade partners, this slide shows you who the most important partners in Australia are. Flight Center continues to get only 10% of the marketplace, okay, in the OTA channel and I'm actually thrilled to have Yvette Castro with me today. She's traveled all the way here from Jersey, because she's Flight Center Global Product, but she is here to represent that group. As well as four other really important partners. We have Zoe MacFarlane from Jucy. Michaela Jones from American Express/Centurion. Tim Bowrey from Excite Holidays who was named Wholesaler of the Year this year in Australia, and Bridget Fogerty, a long time Nevada supporter. She was here in February for the Ski Fam and is back for this conference as well from House of Travel. So, thank you for your attendance. I know many Nevadans will be looking forward to meeting with you.

This is the trend in visitor arrivals to the USA from Australia. You can see we're up to 1.45 million visitors. That's expected to rise again this next year with all that new air increase. This slide again depicts that the USA continues to be the first international market, in terms of outbound travel from Australia and the third overall.

This is a survey by Visit USA and it again hits home on what the Aussies are looking for when they come to Nevada. As you can see, at the top of the list, they travel for vacation, to visit friends and relatives but then, all kinds of other experiences they're wanting to explore.

The biggest thing for us in these macroeconomic times is Nevada. What our approach is to obviously get them beyond the gateway of Vegas. Extend their stay when they're traveling to Vegas. But also ensure we're targeting a repeat visitor. With only 28 million people, we need to rely on people coming back to the USA and to Nevada and staying longer and having an additional experience. We're doing that through storytelling and through some of the approaches that I'll share with you in just a moment. For any of the suppliers in the room, if they want a copy of this deck, I'd be more than happy to share it with them. I know you have some of the slides as well.

As David mentioned, we were engaged January 1st to be your representative firm in the market. Here's some of our achievements and some of our strategies to date. That Wholesaler of the Year, Excite Holidays, we worked on a co-op integrated campaign that included digital print and online, as well as an agent incentive where a winner of their best agency spent some time in Nevada. Additionally, we were fortunate enough to have David Lusvardi and Bethany down for Visit USA, which is a major marketplace in February. Met with and networked with over 1,200 travel/trade professionals and 27 B2B meetings in an international media marketplace.

We continue to work on product development. That's probably my area of expertise. Building new itineraries with our wholesale partners and tour operators to explore more of Nevada. To get them on those self-drive vacations throughout the State. Both in the three-season, what I would call and also with our winter product at Tahoe.

Also co-op with Adventure World and House of Travel. Probably one of the coolest things we did this year was, we were approached by essentially America and Quiksilver, the surf brand, to do a national wide contesting campaign with them. In addition, we brought two CTA or call to action partners to that piece with Intrepid and Ski Max, so we had both the winter and the summer product covered. Generated a ton of media coverage out of that piece, but also a good consumer database for us to continue to solicit with Nevada product.

IPW. IPW you're aware if the major international marketplace and I'm pleased to say that our team met with 75% of the attending Australian buyers. We also supported United with their trivia events this year.

Speaking of United, we talked about them launching new service. Again, we were approached, with our partners to the State beside us in Utah, to run an incentive program to help them launch that new air service. What we did was, we created basically an educational portal for travel agents. What they could do is, jump online, do a couple of modules on United. There was then a module on Nevada and a module on Utah. Then they had to achieve a 93% score and five of the winners we selected will be traveling here in March, to become Nevada ambassadors.

On our media front, since being engaged, I'm pleased to say that we've had total gross impressions of 80 million, in terms of the media exposure we've gained through our PR and media efforts in the market. With total USA earned media value of \$1.8M. We do have that number, I'm sure we can share that with you if you're interested in how that's worked up.

How did we do that? Well, one of probably our biggest things was we did a group media FAM with Las Vegas. Travel Nevada and Las Vegas for the first time and hosted for the major media partners from Australian, New Zealand on a seven-day itinerary. Additionally, Greg Granger came to the State and produced a 30-minute television program called Aus TV that aired on two major networks in Aus. I know you're interested in seeing that, so if you wanted to watch it tonight—I was going to show it but then my colleagues wouldn't have any extra time, so I can't show it here. If anyone wants a copy of it, we do have the movie file and it makes great late night watching if you want to see what an Aussie thinks of Tahoe. He went down through Tonopah. He spent some time in Death Valley, as he traveled through the Vegas, to extend that stay and the Red Rocks as well.

CARANO: Excuse me, is that something we can put on our website?

MARSHALL: I'd have to touch base with Greg to see if we can own the content or not, but we can look into that. He has provided us the movie hard file, but we just want to get his approval.

Some of our other media achievements. We had a 10-page spread in *Let's Travel Magazine*, *Travel Inc. Memo* and *Carry On*, from the Excite Campaign, both publicized media coverage. There's our Australian Bachelor. You know the show *The Bachelor*. He came up to Tahoe and spent some time as part of his honeymoon. Additionally we were featured in the *Daily Telegraph* and *Traveler.com.au*. Again, stories that, yes, are about extending that stay in Vegas and Downtown Vegas and also getting beyond Vegas into some of rural Nevada. More coverage in *Escape.com*, *Traveler.com.au* and *Australian Financial Review*.

Finally, you do see here, those 7 Magic Mountains and that's great to hear they're also featured in Qantas, but that's a double-page spread in Virgin Australia's in-flight magazine as well. You can see in the right hand side, our Governor's mission created some amazing coverage during that time.

Socially, where are we? We launched a new site for the Australian market dedicated to the Australian traveler called Nevada Down Under. As you can see, we were a little over 6,000 fans today, all Aussies and Kiwis. Total reach, you can see was 149,000 to date. I checked this morning actually before this presentation, we're now up to 7,500 fans and we're tracking by the end of the year to be at 10,000. Well and truly on our way to our KPI. We are targeting the 18-64 year old with interests in the Nevada region obviously. Slightly skewed to women, to be honest, because we know that they are making a lot of the travel decision.

Finally, probably the biggest test for us was being fortunate to host the Honorable Governor Brian Sandoval in the market on his trade mission. We were engaged to help put together two tourism focused receptions. We had such great support from our Nevada partners. Cirque de Soil actually sent an act down for us and we worked with Cirque to do that. We also were fortunate to have Tahoe and Caesar's with us as well, at these events. As you can see, the turnout was phenomenal. We had 130 guests in Melbourne. 170 guests in Sydney. These weren't just guests, these were the top airline executives and travel/trade management. It worked really well, leveraging his visit. We also coupled it with the Flight Center Expos in Brisbane and product development and training meetings as well. We leveraged his visit as best as we could from a tourism perspective and we're thrilled with the results. It was so successful that a production company in Australia actually put a bit of a movie trailer together. Check it out.

If any Nevada suppliers here or if you have any questions, I am available through the conference and we're thrilled to be here. My wife and I have the best job in the world promoting the great State of Nevada, across a really beautiful place we live in. If there are any questions, I can address them or can turn it over to my colleagues for the next market update.

CARANO: Thank you very much Corey. Do we have any questions from the Commissioners? Yes, from Herb Santos.

SANTOS: Herb Santos for the record. Looking at your slide on the Australian traveler, top destinations for Australians, I'm a competitive person so I want to know how do we become the number one? What is it about the folks—or, do you have any statistics as to why they pick, other than proximity New Zealand or Indonesia before they'd pick the United States to travel to?

MARSHALL: It's a good question. I think you almost answered it with your question; it is the proximity. I mean, when you look at the length of time that they stay and that's something that I didn't touch on, when they come to America, they're spending 22 days on average here. The Australian visitor is spending 22 days. They do have to carve out that time. Heading to those other destinations, it's closer and they can do it for a three or five day window. They're planning, potentially multiple trips to those places in a calendar year and it is all about proximity. As I was saying, cost wise, we're competitive in terms of our competitive set, it's just proximity. Although we don't talk about that at all, we are a 12.5 hour flight from LA and probably 16 hours to get here.

SANTOS: So how do we market ourselves to get around that proximity issue or can we?

MARSHALL: Through some of the stuff we're doing. Working with airlines on tactical promotions, incentivizing agents to consider the USA first because they are such an important thing, featuring ourselves with the OTAs, you saw the importance of the online travel agent and making sure we're present over and above those other New Zealand and Indonesia who are just ahead of us. Internationally, we are tracking extremely well. Getting a lot of market shares from Europe this year, is also going to—if I'm back next year and presenting to you, you're going to see an increase from our market, again to the USA. Is it going to get to close to New Zealand or Indonesia, probably not.

SANTOS: All right, thank you.

CARANO: Thank you. Anyone else here? Don.

NEWMAN: Just a comment. Corey, for less than a year, the results are fantastic. I think as we saw with the 7 Magic Mountains, the ability to generate this much exposure is a theme, hopefully as we go forward today, we're going to see, it makes me as a Commissioner proud to see the exposure that the State is getting with all of our partners. I think on the ROI side, you can't pay for a lot of this stuff, so good job in less than a year. We hope you do report to us next year. Thank you.

MARSHALL: Thank you.

CARANO: Thank you. Anyone on the phone would like to comment? Okay. Seeing none, thank you very much Corey. It's exciting because we have the Marketplace for Sales and Media, that's tomorrow morning. You'll have a great opportunity to meet with those folks. Thank you very much.

SCHULKE:

Good afternoon Commissioners, how is everybody doing today? Good? My name is Jason Schulke with Wolf Propaganda. Propaganda in Brazil is advertising. Sometimes in the U.S., you hear propaganda and you get kind of a second look, right. It's not the first time we've run into that. Absolutely a pleasure to stand before you today, as well as to finish up the Fam Trip. I went on the Ghost Town Fam and talking with many people, it's probably a trip I would not have planned myself. Maybe because I didn't know as much about the ghost towns or other draws, things that are more appealing, but it was really exciting to start in Las Vegas and work our way North to Tahoe and Reno like we are here and understand more about that destination.

We started our representation in January as well as Corey. My accent is so well because I've worked on it for 39 years as an American citizen now living in Brazil.

To some of the challenges we have. Obviously Las Vegas is such a massive draw, but what we're seeing with the Brazilian is they're spending maybe three or four days in Las Vegas, as part of maybe a two, or three or four week trip and getting out to California and working up. A lot of our messaging, which we're going to get into here shortly is Vegas Plus, you know, what else can we do after the Vegas, stay in Vegas, explore everything about them or the California Plus. You'll see with some of the actions we've been able to pull some of that California traveler [to Nevada] because California is a big draw. They are LA and San Francisco travelers, getting them over here, as they're moving their way to Yosemite, get them into Lake Tahoe because it just a fantastic destination, whether it's summer or winter.

We'll try to cover some things here today without taking up too much time. Clearly we won't be able to touch on absolutely everything that has happened, but we've tried to pick out some of the highlights. We'll start out by talking about Brazil. What is Brazil, how does Brazil work. I don't know if you've seen anything in the last six or eight months about Brazil in the media. Yeah? We've got mosquitos and rioting. Being down there four years has been an absolute adventure, which I think one day I might write a book about.

My wife and I own the company. She started the company 20 years ago as an advertising firm and worked at the biggest destinations. We built Universal Orlando Resort, as well as, Walt Disney World Resort was a client of ours for seven years. We did their advertising, their PR and their trade. And other clients as well, from the NBA to the Orlando Magic, prior to working with Visit Orlando. As of this year, one of our big focuses as we mentioned has been the State of Nevada, TravelNevada, an amazing destination.

A little bit about Brazil. It's a massive destination. We have over 200 million people. In San Paulo alone, we have 22 million people, we don't get lonely. You see probably half of those people every day as you go to work. It's just a massive place. As far as Brazil, it is the largest population of Central and Latin America. As well as, we start to get into some of the economics as well, even with the difficult times. As we said, 205 million people. 50 million consumers. There's a great opportunity for growth, even with some of the downturn that we've seen, which is due to massive corruption, poor exchange rates. We are seeing a rebound right now, which we're very happy about. It was very difficult. We did impeach our President and we have a new President sitting in the term. We're already seeing that consumer confidence rebounding. The exchange rate is becoming slightly more favorable. It got as bad as 4.3 to the dollar. That's where we really saw the Brazil traveler slow down. Teetering back and forth on the 9th or 10th largest global economy and we're really being optimistic in seeing that full rebound. We're hoping to see that closer to 2018-2019.

As far as GDP, you can see, Brazil is at the top, \$1.8T and others that would follow. Some more information, if you have any questions at any time, feel free to ask and I'll answer to the best of my ability.

Carrying on, you can see some of our GDP growth, inflation, unemployment is a serious problem. In Brazil, you have a very big split in classes, which we'll get into a little bit, but you're talking about somewhere around 40% to maybe even 50% poverty. Right, I mean, sad to see, but on that other side, there's massive wealth with your A and B Classes, that's what we really target. Carrying on, actually these dates are wrong on the bottom. It says 2014, that should be 2015.

Looking at expenditures in international travel, you can see, this is for the first quarter 2016, \$300B. Carrying down, you can see we had that real big boom in 2014 with \$25B. Over to the right, you can see some of the actual travel numbers. Again, that big boom, 2014, 2.2 million visitors to the USA. Unfortunately this slide is not updated with where we finalized at 2016, or where we're at most current 2016.

These travel numbers are so much like Australia. Even more so I believe, the US is the top destination for the Brazilian. The love the USA. Their movies, their music, their clothes, I mean, I think sometimes they love the USA more than some of us, us Americans, right. It's their number one choice to travel internationally, hands down. We do have some challenges with Orlando. The parks are a big draw. But when you talk about Nevada or really Las Vegas, very strong, competing with New York, Nevada with Las Vegas is in that Top 3. A big split with Orlando. We're in a fortunate position where for so many years, we built so much of that Orlando

product. For 20 years, that's all we did. Now we're working over on this other side. We have so many of those strategies. We wrote the game book, right. We're able to bring a lot of those strategies in which we'll jump into.

Talking about the Brazilian, they are a traveling people. Some of the things that I've been so impacted by—again, it sounds a lot like Australian. The Brazilian, by law, has 41 days of vacation. That's your gas station attendant, and as you work your way up—and nothing bad about being a gas station attendant. I worked in the automotive industry for a long time. 41 days of vacation. As you work your way up into any kind of management or senior level positions, it's manic that they will have two months, three months.

The way that the Brazilians' schedule kind of works is, we're the other side. So when you're enjoying summer, we have winter and vice versa. Again, trying to get my head around the first couple of years being down there, the Brazilian will start—like, December 19th, they'll start their Christmas break. It's also their summer break where the children are let out for half of December and all of January and sometimes into February as well. In the US, like January, you need to get organized, it's the beginning of the year. Where in Brazil, in January, everything shuts down. People just don't work. As well in December, they get a 13th salary. You will get a double salary in December and then you'll have the next month to a month and a half off.

The Brazilians travel. All year they talk about where they're going to travel internationally. It's easier to travel internationally in Brazil than it is domestically. Sometimes more cost effective as well. Hotels are very expensive. The infrastructure in Brazil as well, though it's beautiful, I'm sure you've heard of infrastructure problems with the World Cup and Olympics and things like this. Outside of your Rio/San Paulo/Belo Horizonte, a few of these destinations, beautiful places to visit, but again, the infrastructure is not there to really support anything you'd want to do like eat or sleep. We've found all this out the hard way.

We've traveled in Brazil. We found the only way to travel is on Air BNB because even the hoteliers, won't work with the sellers of travel. It's just a very different place.

The Brazilians love to travel. Number one destination is the USA. We've been working very hard to increase awareness about Nevada and intent to travel which we'll see a little bit more. Definitely a traveling people.

A little about the Brazilian, we talked about classes. You see a massive middle class. Almost 60% and I think that's a little generous to be honest with you. In 2014 when

we saw that big boom where it was double digit increase to many destinations had a lot to do with the exchange rate, but it also had to do with that financing options became easier for the Brazilian that the middle class never had before. Those are still there, but again, the exchange rate is kind of playing in that a bit.

You can't see on the slide well, but it's very isolated as Brazil is a massive country, as is the USA. Really your business is going to be primarily in that San Paolo, Rio de Janeiro or Belo Horizonte. 22 million people in San Paolo alone, 3.4 million in Rio de Janeiro and 1.2 in Belo Horizonte.

As you go North in Brazil, it's Amazonian. These people, many of them don't have televisions, haven't seen things like this, so we don't target that area quite as much just yet for travel.

Some of the things we're seeing? The internet, we've had a big shake-up in Brazil. Traditionally has been an offline purchase. Brazilians like to have things catered for them. They're not fans of renting homes because they want that room service. They want someone to take care of them. Also, they like the comfort of somebody kind of reassuring that trip, where they're going, what they should do. What's happened is the internet came from nowhere. Despagar, which we have Decolar.com, came in with a force and really changed that market. It shook the industry, prior to the economical problems we have.

The operators were at a point where they were not prepared for the OTAs, which you know, being from the USA, I would use the internet and I'd order milk if I could from the internet, right? The OTAs came out of nowhere, really Decolar and Hotel Urbano and shook many of these companies to the core. I mean, taking 25%, 30% of market share like that.

The big operators, if they survived that, they had to go into a recovery period to try to become more internet savvy. Then the economy went down where we saw many operators reporting 50-60%, 80% decrease. It was, I don't want to say it was good, but there were many times of need for change in Brazil in advancements with these operators. The ones that survived a lot of these parts have evolved and become better sellers of travel, reaching consumers and providing better service.

We also did see as the internet moved in, as important as it is, we saw a big backlash where people were very disappointed with the internet. Talking about the internet in Brazil, we're the first of many things. We're the first in internet fraud, so the internet is not a trusted source for purchasing many things. For many Brazilians, it's still really new. The point that I'm getting at is offline is still very important.

We're seeing somewhere around 70%, 65% offline. We'll talk a little bit more about that shortly.

Quickly talking about corporate travel. We are seeing a big increase, a significant increase in corporate travel internationally. It's a bit more complex. We've got visas and things like this but again, when you talk about infrastructure facilities to be able to host corporate travel, incentive is really what it is. The USA is much more accommodating. We're seeing a big movement and so that's another area that we focus on strongly, especially with having Reno and Las Vegas, I mean, right, corporate opportunities everywhere.

Getting back in, who are the main players? Travel agencies really still do lead the ship with over 11,000 travel agencies. And as you imagine, some of our strategies are touching these 11,000 travel agencies. Making sure that Nevada is top of mind and that they're educated about the destination. Again, if somebody is coming into a travel agency, the agency is the lower part of the funnel. I mean, they've been impacted by medias or whatever. The Brazilian is making their travel decision a year before they're traveling. A year to eight months. So they know January, we're going wherever. Then they're going to research for eight months about that destination. Not all the time, but they see a TV show, they're going to go to YouTube and look about that destination. They've been getting education themselves.

When they walk into the travel agency, we need to make sure that the travel agency is educated about that destination. A strategy in how we can get more. Again, somebody is coming into a travel agency saying, we're interested in a San Francisco and LA, whatever the case may be. You say, great, I think that's a fantastic idea. But, when you're in San Francisco, keep going. Let's get over to Napa and you have to go to beautiful Lake Tahoe, or whatever the case may be. Or, if they're saying, we want to go to Las Vegas and we're going to leave Las Vegas, do three, four days, whatever the case may be and work our way to LA. We make sure that travel agent is educated enough to say, you know, go here, do this.

OTAs, just touching on them quickly. We did talk about them already but Decolar, we saw a massive investment from Expedia. I think it was about \$260M. As well as Hotel Urbano. Priceline Group invested, they recently have sold that. CVC we need to talk about if you don't know about them. They're the big guys. If you get into an elevator, you go on a train, anywhere you go, you're going to see CVC logos, right. Over 1,000 retail locations. They recently purchased Submarino Viagens which is like probably one of the largest online sellers of really anything. Electronics, cooking supplies and travel. CVC, as they were 100% offline, they needed to compete with the Decolars and the Hotel Urbanos, so hence that investment.

Again, kind of what we're talking about is you're seeing the strong survive and evolve and become better. MMT Gap, as you know, they were here a few years ago, they were purchased by Fly Tours which is a massive company. A lot of good and positive things happening. As we talked about corporate travel is very important.

To our operators, again, we talked quickly about CVC but just to give you an idea. A counter for 4 million passengers and US \$1.5B in sales. Again, 1,000 retail locations. They're just aggressive. They're pushing and they're getting bigger. We work very, very closely with CVC, as well as many others. We won't go through the list.

Consolidators. We work very closely with consolidators. If you're not familiar, consolidators historically, again, very important, purchase and broker airline tickets. They provide credit to travel agencies and other companies. You're seeing the consolidators now as the tour operators, but you're seeing the consolidators now starting to expand their portfolio where it's not just airline, they're getting hotels and car rentals and trying to become a little bit more diverse.

Jumping back to tour operators, another exciting thing we're seeing in evolution, as we've seen in many markets is the tour operators are slowly starting to go consumer, which good and bad. I think it's some good but we could debate that for a long time.

Just kind of what's happening in general. Airline market, you can see in 2015, 4.5 billion. 2014, you can see 5.8 billion in international airline tickets. You see a little decrease. This year, we're probably going to see a similar to 2015. What's happened with the airlines, which is great, because the economy went down and the challenging times, the airlines got very desperate where in the beginning I think they might have been a little greedy. To fly to the USA, a simple flight to Miami, back in 2014, 2013 was probably about \$1,800 economy. We saw recently those flights go as low as \$300. A desperate situation for the airlines, but it's helped keep that travel going. We're not seeing those big increases yet. Like we said, big decreases, sales down by 25% but flights as well, prices are down by 20%. Airline really drives the travel decision, being able to have decent or affordable travel. Again, talking about San Paolo, I mean, that's where you have to be. Everything happens there. 60% to 70% just in San Paolo alone. We saturate that market very heavily.

We have a full team. We have one person that spends 35 hours per week, Neto Fernandez, he was just in town doing an emersion about Las Vegas and all of Nevada. He spends 35 hours a week just doing trainings. I mean, he'll be at the CVC

retail locations, he'll be at the tour operators and we believe that's so important. Kind of excited on a side note. Neto Fernandez is a celebrity in his little world of tourism and the travel agents because he's done so long. When he announced that he was taking over training for TravelNevada in Brazil, on his personal Facebook account he had over 750 likes. I can't get that on our social media account for Brazil. It's really exciting the things that are happening.

Just carrying on here quickly. Challenges in Brazil, wow, where do we start. Economy has been a challenging one for us. Brazilian people are a lot like the Aussies, they're resilient. It's amazing as you talk to them their sense of optimism when you know, you might see some things in the country that would not give you a sense of optimism. They're very optimistic people. Economy is one.

The government is another, but you have to remember, Brazil is a very young country. 20 something years old as a democracy and just trying to find themselves still. One of the reasons I love living in Brazil is not the traffic, it's I believe, there's a lot of future opportunities as the country has massive economy and so many opportunities haven't been developed yet.

Again, challenges, we do have some competing destinations, no question. Internationally, if we talk about the USA versus other destinations, we do run into that some. Europe is a big draw. You have to remember that the Brazilian is not Spanish. They're from Portugal so they speak Portuguese. They do love Portugal and they do love European countries, they'll go there for a month. Usually starting in Spain or Portugal and working their way, all the way up to England or what it might have. The USA is number one.

There's no question, you know, as we look at the Brazilian, we have different markets that we need to target. It's a big family market, there's no question. Primarily, which you know, a lot like Aussies, we focus anywhere between the ages 26-49. We also focus on that woman as we all know the woman is the decision maker in most households.

There's a younger group of Brazilian. Talking with some of the Tahoe people, what they see as well. There's a younger person that's single or a couple, very affluent and very well traveled. As we look at competing destinations, if you look at it, Orlando, they don't even say Florida anymore, they say Orlando, is a big draw. The benefit now is so many of the Brazilians have been to Orlando five times, six times. What we're seeing now with the Brazilian is they're saying, we need to see something different. They're going out into many places that before, they have not traveled. This is how some of how our marketing goes.

We focus on the skiing as well, because that's a separate marketing message than family. New York is a competing destination. We're seeing the Brazilians really becoming more interested in other destinations. Through our content marketing channels and advertising, we really try to get out a good quality. We can talk about that shortly.

As we talk about a marketing strategy, we really try to work as a 360. Obviously touching with the trade, which we talked about as your lower funnel. If product is not loaded correctly, content is not populated right, the agents aren't educated, the operators don't have proper contracts, all these different things, then it's not going to work. We focus very heavily on that. Advertising, we do as well. Education, along with trade, is huge. I think one of our key assets that we work is social media. This year we launched the Travel Nevada Brazil. We've had some good results with that which we'll talk about.

Last but not least is PR, an angle that we really try to work very well. We just finished filming a TV show through Nevada. We started in Vegas and finished in Reno. They literally left like two days ago so I don't have any numbers on that but the social media following was great. We've got more that we're going to be doing there.

Talking about trade quickly. We talked about working years of relationships. Again, training, things like this. We participate in as many trade shows as we possibly can, World Travel Market. Visit USA we did this year, which was fantastic. David Lusvardi and Larry Friedman were down for World Travel Market. We had a great opportunity to tag a sales mission on the end of that, which David was able to meet all the most important sellers of travel in Brazil, which was a new market for him and establish those one-on-one relationships. Visit USA was fantastic. San Paolo, Campinas, Rio de Janeiro, touched over 1,800 travel agents in this effort.

Sales calls, you can see that we are very active. As of August, 93 sales calls with the most important operators in travel. Talking about training, numbers of personnel trained up to August, you can see is 1,996. Education seminars, again, very big and important. Two winter fam, or two fam trips we did this year which were 100% self-funded. We brought 12 travel agents, the most important travel agents and media for the winter fam, full self-supported.

Just finished a Brand USA fam with five of the most important operators of travel. 100% self-supported. I can't give enough credit to the support from the Reno-Tahoe people as well on that one. That was amazing. This was just some photos from the winter fam we did. It was a Brand USA fam.

We have a very active e-newsletter distribution. 18,000 agents in our database, pushing constant contact and getting great results from this. Collateral distribution. Obviously with our trainings, public relations being present and really trying to get that content out there to have the reporters pick up the coverage. I can't see that final number on the bottom. Unfortunately, I don't know if you have it in front of you, but I want to say it's somewhere around 200,000. Primarily really from the press releases that we've been able to pick up.

We had a media event, which Bethany helped us organize. We've got a short video at the end and some photos of this and we have some return numbers. This is actually an action from the winter fam alone. On the right, you can see this is the most important travel magazine. They participated in the winter fam. They did a six page cover on that event and they're going to do another one on winter. They couldn't do a winter cover because we were heading into summer, so it really didn't make sense for them to talk about that. We actually are getting another six pages out of that. Media ad-value about \$145,000 in some other medias that we picked up.

We talked about social media. We push very heavily on social media in relevant Portuguese languages. That's TravelNevada Brasil, with an S, if anybody wants to take the time to look at that. With our advertising strategies, we really focus on digital as much as possible because it has the best trackability, accountability and really controlling and targeting your markets that we think are the most important.

Some of our KPIs, the goals that were set, you can see trade shows to missions. Most all of those we well exceeded, as well as our spontaneous media. You can see on the right our goals for the current season that we're in.

Just to close real quick, I have a short video. This is from the media event we did. 35 media participated. The numbers are continuing to come in on that event. This is taking you to San Paolo. We actually did s'mores out on the balcony, which they don't even know what s'mores are, so it was really cool. I'll just start with that.

SPEAKER: They know now.

SCHULKE: They know them now. It's funny, the chef came out and he didn't even know how to make them. He said he had to pull YouTube on how to make s'mores. It was funny. It was really neat, the dinner and everything that went along with it, it was so detailed, making it as close to American themed as possible with desserts like apple pie. This restaurant did a fantastic job.

Really, more than anything, thank you all for your time and we look forward to the rest of the conference and getting to know each and every one of you, hopefully personally. If you have any questions, feel free to ask.

- CARANO: Thank you very much Jason. From the Commission, yes Mr. Santos.
- SANTOS: Thank you. On your airline and market slide, I don't want to assume anything. The numbers you have there, those are air tickets to the United States?
- SCHULTE: You're correct, yes. I believe, I'd have to look at the slide, there's a couple of airlines, I'm sorry.
- SANTOS: Yes, it says, we estimate the sales of international air tickets in Brazil in 2015 reached \$4.54 million. That's—
- SCHULTE: I believe dollars.
- SANTOS: Right. That's not international from Brazil to the United States?
- SCHULTE: International in general, I'm sorry, yes. As a whole, not just the United States.
- SANTOS: Not just the United States.
- SCHULTE: Yes, I'm sorry.
- SANTOS: So, is the money broken down, how much came to the United States and then broken down further how much came to Nevada?
- SCHULTE: I can get those exact numbers but you're going to be looking at the USA holding pretty close to 38%, if not more of that international market. The rest would be different European countries and things like that. Probably 38% of that, I would say is US.
- SANTOS: All right. Then you made a comment that United States is number one, I just want to make sure, does that refer to that, that when you look where international travel is, the number one destination for Brazilians is the United States?
- SCHULTE: International, absolutely.
- SANTOS: Okay, thank you.

CARANO: Great, thank you. Commissioners? Anyone on the phone that would like to comment? Okay, well thank you very much Jason.

SCHULTE: Thank you all very much, thank you.

VECCHIO: Tremendous. Our partners from China.

XIANG: Chair and the Commissioners, it's a great honor to be here to introduce something about China and what they have done in the past three months. We started to represent TravelNevada in China July 1st, so they only work for TravelNevada three months.

First of all, I would like to talk about the China Outbound Travel. In 2015, the number of overseas tourists from China is 117 million and the total they spend is \$215B US dollars. That's a huge number, of course. According to the report from China Tourism Economy, nearly 70% is FIT, so the total number is 80 million people travel as FIT. There's a real difference in the past several years. We used to have more groups, but more FITs play a really important role in the market.

All of this huge number, from the people who hold Chinese passports, you can see that we only have 65 million people to have a passport. This is only 5% of the population. That means that we have 95% of people don't have a passport and they never travel outside of China. You can see the potential in the future how many Chinese visitors you will see.

For the China market, the Top 10 Overseas Market is—of course, most of them are from Asia. You can see Thailand is number one and then Korea, Japan, Vietnam, United States then Singapore, Russia, Australia, Indonesia and Malaysia. Right now, Australia and United States are the only two countries with long haul. We still—United States is a very popular destination in the China market.

We just had our national holiday last week. We call it the Golden Week because we used to have only one day off for the national holiday. The Chinese government created one week for us to encourage people the travel in the best season in China. October is not cool, not hot and a really good season for people to travel. In the past Golden Week, we have 589 million people on the road to travel. Nearly half of the population, in only one week. 6 million people traveled out of China.

Through the most updated report about the Golden Week from CTrip, there—because I mentioned that FITs is the majority. Essentially the number one OTA in China, so the report from CTrip shows that 64% of people order the packages, or hotels and air tickets through the app. Only 36% of people make reservations

through the PC. You can see that ladies are the majority, 59% and 41% are male. Even when we want to help people to travel to our State, I think we should work more with females to try to attract them. Because, usually in the family, ladies are the people who make decisions in China. Of course, for ladies, they care more about the shopping. For guys, they want to see something, have local experiences. Guys prefer to try some local food. For ladies, they care about hotels; if the area is safe or the room is clean, something about that.

Through the CTrip, the characters for the Golden Week, you can see the majority who are traveling post-80s. The people, like my age, people really enjoy traveling. Of course, female is the most of people. Lots of people try the local experience. For example, like my family just had a trip to Japan. We tried a lot of the local things, like we joined some [inaudible] and we tried to wear traditional clothes, to have an experience like that. The cruises are increasing in China really quickly. For senior people or families, they prefer to take a cruise.

90% of travelers share their travel experience on social media. What they bought overseas mainly are skin care products and souvenirs. That's why Japan and Korea is so popular because for ladies, they can buy lots of things from there.

Then we can talk about China travel to the United States. In 2015 the number of Chinese travelers to the United States was 2.56 million. Since November of 2014, the 10 year visa policy started, we have 50% increase for visa applications. Now we have 15 gateway cities to have fly service between China and the United States. In 2020, we can expect to receive 5 million Chinese visitors to come to the United States.

Major Products in the Market. Of course the regular group package is still very popular in the market. A lot of like, senior people or the people from some small town, they have a problem in language and maybe this is their first time to travel outside of China, so they pray for group travel. The most popular packages for United States is: East Coast, West Coast, Hawaii – in 14 days, that's crazy! People messed up from one city to another city. The upgrade packages are like California and Las Vegas or Chicago is close to East Coast, Florida, something like that.

Students are really, really a big part of the market share, especially for the summer vacation. You can see that in first tier cities like Beijing, Shanghai, Guangzhou, mostly families choose to send their kids out of China. Especially to the countries who speak English like United States, UK and Australia. They have kids have like summer camp or winter camp or home-stay program or some other cultural exchange program to help them learn English, to try to get some information on how to apply for the university there. So, this is a really popular program in China.

FIT. I would like to highlight the self-driving. Self-driving is very popular in China and it's really easy. We just need to use our Chinese travel license and go to a car rental company. For some companies, you don't even need to translate the driving license, we can do anything like you do to rent a car. So, lots of young people, even senior people, try to decide to drive in the United States. The most popular routes like Route 66 or Highway 1, or travel from the middle to the west are things that are very popular right now.

Of course, amusement parks are popular with the kids and the beach. For young generation, they don't want to travel in 14-days to maybe 10 cities. They try to have a very relaxed vacation. The beach now is very popular. That's why Indonesia is in the Top 10 because of Bali. The only island make the whole country in the Top 10. Skiing, and now the marathon. Outdoor activities are really popular to the young generation. We just had a Chicago Marathon, there are over 700 Chinese runners to run the Chicago Marathon and they brought over 4,000 family and friends to this event. It does make things more festive for people choose the beach or some outdoor activities.

The new trends in the China market is a national park tour. When tour operators try to upgrade their packages, the first thing they did was to add national parks. We have lots of [inaudible] nature in China but we have too many people. So this is really hard to enjoy, the environment of the parks. When Chinese travel to the United States, they really want to see Yellowstone National Park, Grand Canyon, Yosemite; those are the top three national parks that Chinese kind of recognize.

The major gateway cities in the United States, we have: Los Angeles, San Francisco, New York City, Seattle, Chicago, Detroit, Dallas, Houston, San Jose, Las Vegas soon and Washington D.C., Hawaii, Boston. We will have non-stop service from Beijing to Las Vegas December 2nd with Hainan Airlines. This is a very important thing for Las Vegas and of course, the whole state.

The major carriers: Air China, China Eastern, China Southern, Hainan, Sichuan, Xiamen, American, Delta and United. You can see some names that maybe you are not familiar with like Sichuan Airlines and Xiamen Air. These companies are more local but now they have lots of new airplanes. For example, Xiamen Air, they just launched the non-stop service to Toronto and Seattle and very soon to New York City and Los Angeles. Why Xiamen Air is so eager to do so, because President [inaudible] used to work in the Fujian Province. His responsibilities were to be in charge of Xiamen Air and when he went to Seattle last year, he went to buy some airplanes. He said, I used to work in Xiamen Air and I hope Xiamen Air could have service to United States, so they did this. So, lots of political reasons.

Digital China. Of course, digital is important everywhere, but considering our engagement on the internet and the phone, you will see it's the most important thing to do some digital marketing in China. We have 1.31 billion mobile users which means, everyone has a phone in China. You maybe think, of course, everyone has a phone in the United States, but consider the population and the economy means that most people in Tier 1 cities have one, two or three phones. We have 980 million internet users and 620 million mobile internet users.

For digital marketing, I think in China we shoot for three things. Social media, of course. The major social media channels WeChat and video and live streaming. Live streaming is a very interesting topic. I'm learning that because I never used it before. This is a challenge for me. My nights are spent with lots of time on that. I didn't get it right now, but I tried to understand how it works and how it helps us to do digital marketing.

First, I think no matter if we do social media or video or live streaming, we need to find some people to help us to tell the story. We call it a KOLs, means Key Opinion Leaders, which means bloggers or influencers in China, to help us to tell the story. You can see that lots of KOLs have huge fan bases. For example, like this lady, Wen Yi, she's a gourmet and has followers of over 4 million. This is much higher than maybe some media circulation. I can give you an example of how she works on Weibo. Whatever she recommends or sells, people really buy it. During the last Chinese New Year, she created gift bags. Only one red envelope and one notebook, which was sold with a price over 200 RMB which nearly is \$30 US dollars. That's really expensive in China, you know. In China, people would buy a notebook and maybe only 10 RMB. This is over 200 RMB but she sold 60,000 gift bags in two weeks. That's crazy.

These KOLs are influential in a way to have them to tell stories, maybe on Weibo or WeChat. First of all, I would like to talk about the Weibo. I think most of you have heard something about Weibo. Weibo now has 236 million monthly active users. Some people said maybe Weibo is dead, but no, actually Weibo is now alive again. During the 2016 Olympics, Chinese female volleyball team [inaudible] we had over 5 million discussions on Weibo. Weibo is more like a broadcast platform to help people to discuss some societal topics. This is a very good platform to release our information.

WeChat. Now in China, everyone—even for the international market, everyone is talking about WeChat. If they don't have a WeChat, that means we lost the people. WeChat, they have 806 million monthly active users. How do we describe the activity—that means you have to chat with your WeChat over 20 times a day. You

spend lots of time on that. For us, we even use WeChat as a working tool. We have WeChat on the PC, which means when we work, we can type something on WeChat. We can create a group chat to communicate our work mates. We can share files on that. WeChat can do a lot of things. I will show you later.

WeChat is more like combining Twitter, Facebook, SnapChat, Apple Pay, everything, but it's really personal. For example, I don't care if I follow anybody on Weibo. That means, I don't care if I follow anybody on Facebook. I just see something very short and I don't care about that. But on WeChat, we only want to follow some people like friends, family or some people that have a relationship with your work. Any things you post as a public account, should be fun and fast. For content, it's really, really important for WeChat. Usually for one post, we spend at least six hours on one post on WeChat because first of all, we have to brainstorm on the topic or theme. We have to have everything related to a current hot topic in China. We cannot say very old-fashioned things. Then we have to collect lots of information together and translate it. We cannot just translate things into Chinese, we have to rewrite in a language to help young people to like it and forward it. The content should be very creative, inspiring and with high quality.

I will show you how WeChat works. This is my husband's WeChat account. I'll show you how it works. We can text message, of course and that's my kids' picture. I can take a picture or short video and send it using WeChat. It's very easy. You don't need to open your camera, you can just film everything through WeChat. Then we make a video call or voice call. That's a really important thing. I transfer one RMB to him.

These are red envelopes I did every year during the Chinese New Year to my team. It's a tradition in China to give people red envelopes during the Chinese New Year and this is a money transfer. They can transfer money to anybody we want. Only want to transfer one RMB at once. Don't want to do too much.

You can send a location. It's really easy to tell your friend where you are. You can share some posts you like, a file or report or PowerPoint or Excel, everything, you can share on WeChat. You can send some people the content and information so people can follow your friends directly.

Then I will show you how the public accounts and the moments work. This is a public account. For public accounts, we are allowed to post one or two posts a week. Every article is really, really long. This is an example about the food in a restaurant in Texas, where it collects a lot of information about the very special restaurant. There's a picture with a description with address, website, everything. This is one long article. That's why we have to work on it six hours.

Then I will show you the Moments. The Moments is a place for people to share something. You can share pictures, video, content, location, everything. This is a picture of the restaurant and this is the article. It's an interview for OTA.

This is a very short video. This is my son's school. The teachers post something like that to share with the family to see how your kid is doing in school. That's how WeChat works in our daily life.

Another important thing about WeChat is WeChat Pay. Now in China, less and less people are paying in cash or credit card. We use WeChat and AliPay, very often. In Beijing and Shanghai, very big cities, you can use WeChat Pay in every store or even in very, very small store. If you just buy some fruit, you can pay with WeChat Pay. That's very convenient. Even friends when they have dinner together, they don't need to pay separately. One person pays on WeChat and then she can send a payment request so everyone can pay her via WeChat. You can see on WeChat Pay we can do money transfer, mobile [inaudible] or even some charity. For the third-parties we can order food, order a taxi or some hairstyle or people to come to your home or office to give you massage or nails, everything. That's why in China people are lazier and lazier. We don't want to work out of a home, we just want to stay there to order everything.

What can we do with WeChat for destinations or the tourism companies? First, beyond all the public account functions, we also can do the online training programs. For example, we used to do some destination training programs on PC but now people spend less and less time on that. If we do something with WeChat, the industry people can do the training maybe on the bus or the subway. Whenever they check WeChat, they may spend several minutes on the training. That's more convenient for people to learn destination information.

For restaurants, even for me, I've traveled to the United States many times, it is still very, very difficult getting to sit down in a restaurant to understand what they offer. I can read the words, of course, but I don't really understand what food it is. Whenever I order something, I just expect a surprise because it's really hard to understand. In China, we have everything in a picture. It's really helping you to understand what you order. We have a system on WeChat so you can translate everything in Chinese and explain what the dish is and there's a picture. People can see it, then order it and then pay with WeChat.

For hotels. Caesar's Entertainment just launched their WeChat Booking with WeChat. This is the first United States company to do so. It's really a big deal in China. People don't need to go to an OTA anymore, they just check the Caesar's

WeChat account and then book the rooms directly. For our hotel partners, if they can—if they don't have the booking system, that's fine, but at least I think they can have a WeChat account. When Chinese check in, they can just scan the QR code and then follow your account. All your hotel's information can come out to show maybe where the restaurant is, where the gym is and lots of things about your hotel. I think that's really helpful for people staying at your hotel to feel welcome.

We started to represent TravelNevada on July 1st. Our team members are Laura Li, Account Leader and then Chloe Wang, Trade Representative and Jess Wu, PR and Social Media Representative. Both Chloe and Jess are here, so if any partner would like to talk to them, they can just find them.

A very quick review about the first quarter. We conducted 15 sales calls and the most important thing; we talked to Hainan Airlines and tour operators to try to develop some packages with non-stop service from Beijing to Las Vegas. We also brought Hainan Airlines representatives and some tour operators here, to try to figure out how they work together. We conducted 15 media calls, which brought us \$1.428M in media coverage value in the first quarter. We just got our social media accounts ready in September; we have 53 posts on Weibo, with nearly 3,000 new followers and 7 posts on WeChat with nearly 1,000 new followers. Of course, we will work hard to push more in the future.

This is an example, the clippings of the LVCVA Sales Mission we attended in July. We started the first cooperation with the top OTA in China, Tuniu. We also brought Tuniu here and we will have an online promotion with them very soon.

That's all from China, thank you.

VECCHIO:

We're thrilled with the partnership with East West Marketing. Although they're new to us, they have been working with Nevada since the beginning. Daniel Chen who is the President of the company went on one of the first sales missions that we did with NCOT, way back when. They bring a fresh, new perspective with kind of age old eyes, which is a really nice combination for us.

I have a couple of copies of their quarterly reports since I know they had to go through that very quickly. I will bring this up to you all and you can look it. They're doing a great job and we really appreciate them.

Sheema, we're going to have to run through your presentation so quickly. Sheema, are you here?

VOHRA:

Yes.

VECCHIO: Sorry about that. We have no time left. We need to be out of here by 2:25. We may need to forgo some of the rest of this. This is incredibly important and these folks came a long way, so we definitely want to hear from them. You hear from us all the time. Sheema, take it away.

VOHRA: Thank you very much. What an honor to be here. We are the tiger that's really waiting to roar. I'm going to try my best and technology hates me so I have my colleague here to help.

I'm Sheema Vohra, the Managing Director for Sartha Global Marketing. We are a very unique company in India. We provide services in-house for both public relations, consumer marketing, digital and trade representation. We're very privileged to be representing several very prestigious US accounts, including LVCVA and Brand USA. And, I have another secret to tell you. I belong here. I'm so happy to be home, I'm from UNLV. Thank you very much Nevada for always welcoming me home.

CARANO: Go Rebels!

VOHRA: Yes, Running Rebels with Tarkanian. I was of that era. Okay, just a little joke and I promise it's going to be a second. I taught the Running Rebels English, so that was fun.

Really a quick market overview. I'm not going to get into a lot of these details. I think all of this, all of you know. I'm going to really try and pinpoint a few things which might be very interesting.

The fastest growing economy, which I think is very exciting for us and a very stable government at this point. It's never been a better time for the alliance between India and the United States. I think our Prime Minister has been here more often than he has been to any other country and so has President Obama been back twice. I think it's a great time to be getting into any kind of alliances.

Our population is 1.2 billion people. Let me talk about the youth market. We are a very young nation. We have 50% of our population under the age of 25, 65% under the age of 35. It's a very young nation. Let me go back a little and explain this to you in context. We have 700 million under the age of 35 but these are from all economic classes. They're not our only audience. From this 700, we're really targeting about 20 million. That's important to understand because as we get forward in the presentation, when we talk about digital and what the influence of

the digital marketing has been, I think this should make you understand that a little better.

We have a growing middle class increasing their disposable income and also with an attitude change. Our fathers always wanted to save money, our kids want to spend money. They've grown up in an era where India is really doing well. They don't know what unemployment means. They just want to spend the money and spend it now. Of course, English, I think that's a very important thing in our favor. English is the business language and very viably spoken.

Here again in the India outbound market, by 2020, they predict that we'll have 50 million people traveling. The beauty is that all segments are seeing growth. Whether that's special interest, groups. FIT I think is the growth for every market in the world today. And, MICE which I think is a very big advantage for Nevada, given that we have Las Vegas right there, which is the most preferred MICE destination in India.

The Indian travelers are changing a lot. They are very well informed. They're sophisticated and educated. They're looking for new activities; out of the ordinary experiences, living like a local. I think all of these are great words for us in Nevada. We get it all here.

Major drivers, I mean, entertainment, nightlife, obviously with our young population. Also, given the fact that we don't have a lot of that back home. We have a lot of restrictions on the kind of entertainment and nightlife in our own country. Theme parks, family attractions, beaches and water sports are picking up. Shopping is, I think there's no other place in the world than the United States that offers the value for shopping. Of course, adventure and outdoor activities.

In these segments, I'm going to just talk about three of them which I think might be interesting. Honeymooners; all honeymoons are paid for by parents. So, very, very high yield. They want to do anything different, what they can come and brag about. Those bragging rights become very important.

The VFR, it's a changing profile. Indians don't like to be alone. We're not loners. We hate to be traveling, eating alone, going out alone. We like to be in places with friends and family, but we're not living with them anymore. A lot of them now are living on their own so they're really tourist. Then of course the student traveler, which is about schools that travel out. The business and leisure traveler is what we call pleasure. Again, a very big advantage for Nevada because all people coming on business, whether it's to our gateways of Las Vegas, Los Angeles, San Francisco, all can be doing an extension into Nevada.

Lift into the West Coast. Just to give you some idea, I'm going to go back and talk about two of these. One being the first direct flight to San Francisco by Air Indian. It's running at a premium. I think it's a big advantage for us. Because anyone that comes into the United States will not just be doing one destination. They're going to travel all around.

Of course, the gulf carriers. They're our national carriers, honestly. Qatar, Etihad, Emirates, 50% of their lift and more is from India. Of that 50%, almost 85-90% is to the United States. It just tells you, we have some good news. I see Raphael here, but I think it might happen. I think Qatar will be coming to Las Vegas, they told me just before I left. It's probably going to be some time next year, I don't know when, but I think that will be good news for us.

Just to give you another snapshot. Fairly similar when you look at airlift in the US. The reason I put these two slides here is, we Indians are a little strange in the way we buy our tickets. If I get a better deal to New York, I'll probably buy that and then take a Jet Blue into San Francisco, Los Angeles, Las Vegas, that's just the way we think. I think entirely, the whole airlift to the US, also benefits Nevada.

Our key travel periods. Our normal summer holiday is from April to July, depending on where you're located. We get approximately about a month, month and a half. Currently we're in a Dusshera, Diwali celebrations. Diwali is our new year, which is at the end of the month. Normally, this used to be like Thanksgiving, people would not travel. Now they're all traveling. Of course, the December, Christmas, New Year holidays.

Just look at the growth there. You're looking at 17%. We've crossed the million mark. We were very excited. Recently we had our road show in India. We had the US Ambassador come to our VIP dinner in Delhi. He said that the Embassy and the Consulates in India have already crossed the million mark, by September. So, I mean, that's really fantastic.

We get a 10-year visa and we've always been getting that and it's fairly easy. I have this very interesting math that we did in office. In the next two or three years, you'll have 5 million people who are ready to hop on a flight and come to the US. They have their visa. They can come in here. It's a good deal from Etihad, let's just go there. I think that's all very good news for us here too.

Money spent, we're high spenders. We're at an 18% growth. Just look at the difference between '14 and '15.

Millennials, I think are very interesting for us. Obviously adventures, sports, experiential holidays, connect and share. I think these are fairly common about millennials all over the world. There was a film made in Bollywood called [in native language] which means, you only live once. It has done wonders for [inaudible]. The reason I put the video in here is, I hope it helps to change the stereotyping about how Indian travelers are. I hope this will provide some change.

This is really the new traveler. They're really hungry for new stuff. That's what they want to do, they want to be free. I think this is what something that United States owns and every state and every city in this country owns is that sense of freedom that you get when you come to the states. What better than what we have here. I just put this down here for our diversity.

The unique sites, I've just come back from the outdoor. We've been so excited to see what we've seen around here. Unique experiences, the little pleasures, you know and the outdoors. I think that says so much about our state.

Just a snapshot, I'm not going to get into this detail, but we all know social media is everywhere and India is no different. The growing mobile market is the fastest growing smart phone market and everything is now in mobile. You know, gone are the days when you did anything else, everything is on mobile.

As a matter of fact, I was on this FAM and I would like to point out, I have two of my colleagues here. We have Sunila from Vena World. She's probably number three today in terms of the numbers coming in from our tour operators, so thank you very much for being here Sunila. We have here Veneeta from Amazing Vacations. Sunila taught me so much on the strip when I was with her on smart phones and how to use my smart phone. She said I didn't deserve an Apple. Hopefully I've done a little better now.

Really Facebook, Twitter, LinkedIn are the three most popular and Instagram picking up very much. Again, keep in context, that's why we say in India, you cannot just be doing social media. If you go back to what I told you about where our target audience sits, we've got to do a combination of both. Traditional media is still working. Print, television, still rule. Again, a little bit of digital is important and it will continue to grow.

Just a little on our industry. We have wholesalers, retailers and you have your region tour operators. Of course, our active travel agents that are there. They prefer to work through DMCs or receptives. One of our biggest challenges is to continuous train the travel agency staff.

I'm going to start getting into what we've done in terms of activities. We've had the honor of representing Nevada since October 2015. Just some tactical co-ops that we did with Flight Shop.

This is one of the things we did with our major tour operator. He was with us here last year and he actually put it into his major brochure program.

Trade is really important. Trade outreach, we've had the honor of having the Lieutenant Governor in market. We hope to welcome him back with Governor Sandoval in November/December. It was a really good visit. It was during one of our major shows called SATTE. We got huge media, fantastic VIP, [inaudible] major captains of industry of the travel trade and airlines. Just to give you some other snapshots. This is the US Ambassador. He had come to the Las Vegas booth.

Our educational seminars. This is a very important part. We joined hands with Brand USA in doing the educational seminars. My colleague Varuni is right here, she's the one who really worked. Everyone here, please see that you meet her. Varuni is the Account Manager for Nevada. I think we trained almost over 550 agents to date across almost six cities in India.

Some of the in-store branding that we've done for Nevada. Our FAM trips, our objective is obviously to go a little beyond the gateways and we've had a lot of success. People have already started to put a lot of Nevada product into their programming and itineraries.

Brand USA Mission, which is a mission that happens for the US every year in September. We have active participation from Nevada. There you can see Larry. And Donna right there too.

We've done a Facebook page which has started to become fairly popular. We just launched it this year. This is our consumer page for the Indian consumer. We are just putting a lot more things which are India specific. How to get their visas, etc. We have also a travel trade page, which is used for the travel trade B2B.

Our PR activities, again, some FAM trips here. It gives you some of the fantastic media coverage that we've been able to obtain. Our team has done quite a phenomenal job there on a [inaudible] basis. I'm just going to run through this. There's one thing more I wanted to show you.

This kind of gives you a little bit here. There's one thing I want to put out here. We are working on a major project which we hope to involve Nevada. This is going to be with a major digital influence and the TV channel called MTV. That's going to

probably be about really experiencing the outdoors. We hope to partner with Nevada, our state next door California and Brand USA.

I hope we can meet all of you. I had to rush through this, but I hope you got a sense of where the market stands. If there's anything else I can help you with, any information, please feel free to see me, I'm here for the next few days. Thank you very much.

CARANO: Thank you Sheema. Amazing. Congratulations. Thank you, what a year.

Reports

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|---|--------|
| IV Reports, A. Vice Chair's Report | TABLED |
| IV Reports, B. Administration a-c | TABLED |
| IV Reports, C. Public Relations Update a-b | TABLED |
| IV Reports, D. Sales & Industry Partners Update | TABLED |
| IV Reports, E. Nevada Magazine Update | TABLED |
| IV Reports, F. Department Agency Updates | TABLED |

VECCHIO: We need to wrap up this meeting because we need to start with our other proceedings. Thank you again to everybody who has been here. We just need to do Commissioner comments and public comment and then we can adjourn.

Commissioner Comments

CARANO: Okay, great. Do we have any Commissioner comments? Seeing none. Okay, on the phone? Bob, did you have any comments?

STOLDAL: No, thank you.

Public Comment

CARANO: Okay, thank you. And, public comment? Seeing none. I apologize to all the other people on the Agenda. Nevada Magazine, we have a tremendous strategic plan update. We'll have to get those in the future. We have a great agenda for the rest of the afternoon. Everybody has their book. Is the Governor going to be here?

VECCHIO: He's here.

Adjournment

CARANO: The Governor is here. Thank you very much. Motion to adjourn?

SANTOS: So moved.

CARANO: Second?

NEWMAN: Second.

CARANO: And, all in favor say aye.

GROUP: Ayes around.

CARANO: Thank you very much.

The meeting adjourned at 2:22 p.m.

Respectfully submitted,
Dee Chekowitz-Dykes, Executive Assistant
Department of Tourism and Cultural Affairs
Nevada Commission on Tourism