

NEWS

Association Update

By Ben Shlesinger

The Congressional Budget Office (CBO) reported on June 9 that S. 1023, the Travel Promotion Act, will reduce the U.S. federal budget deficit by \$425 million over the next ten years. This is a piece of legislation that the U.S. Travel Association has been advocating for since last year. It was unanimously approved by the Senate Committee on Commerce, Science and Transportation on May 20, 2009 and is set to receive a vote before the full Senate at any time.

"This bill will reduce the deficit and increase jobs," said Roger Dow, president and CEO of U.S. Travel. "The Travel Promotion Act will generate \$4 billion in new stimulus each year; 40,000 new U.S. jobs in the first year; and \$425 million in deficit reduction over ten years - at no cost to U.S. taxpayers. This is the type of stimulus Americans are looking for."

The CBO report on S. 1023 states: "In total, CBO estimates that enacting S. 1023 would reduce budget deficits by \$425 million over the 2010-2019 period."

The bill would establish a public-private partnership to promote international travel to the United States and communicate U.S. security and entry policies. The program would be paid for by private sector contributions and a \$10 fee on foreign travelers who do not pay \$131 for a U.S. visa.

Nearly every developed nation in the world spends millions of dollars to attract visitors and strengthen their economy, whereas the United States spends nothing. Overseas visitors spend an average of \$4,500 per person, per trip in the United States. Oxford Economics estimates that a well-executed promotion program would attract 1.6 million new international visitors, generate \$4 billion in new economic stimulus and \$321 million in new federal tax revenue each year. U.S. Travel estimates that this program would create nearly 40,000 new American jobs in the first year.

The largest gathering of professional travel writers and photographers in 2009 will take place in Guadalajara, Mexico on October 8-13 when the Society of American Travel Writers (SATW) holds its annual convention there. An estimated 400 travel journalists, editors, bloggers, photographers and public relations representatives from the United States and Canada are expected to attend. Meetings will be held in the Presidente Intercontinental and Camino Real Guadalajara Expo.

"It's no secret that Mexico's tourism industry has faced some challenges in recent months," said SATW president Bea Broda. "We are

very proud to bring some of the best travel writers and photographers in North America to Guadalajara, so that they can experience this beautiful and cultural city and create stories and photos to remind world travelers that Mexico is a wonderful and exciting destination," she said.

SATW delegates will have a chance to explore the "City of Roses" and the surrounding area of Jalisco Province, with pre and post trips venturing to the coastal resorts of Puerto Vallarta and Manzanillo, to the world heritage mining towns of San Miguel de Allende and Guanajuato, to the bohemian lakeside village of Ajijic on the beautiful shores of Lake Chapala, to colonial Mexican resorts such as Hacienda El Carmen, and to the museum city of Zacatecas.

In Guadalajara, SATW delegates will learn about the city that has given the world tequila, mariachis and charros - the traditional cowboys of Mexico. There are architectural walking tours, culinary tours, mural tours and adventure tours in the nearby mountains. The travel media members will ride traditional "cañandria" (horse drawn carriages) through the colorful plazas of Guadalajara's 16th Century historic district and visit art galleries, markets and artisan workshops. And of course, no visit to Guadalajara would be complete without visiting the blue agave fields that provide the source of tequila.

Professional development sessions at the convention will cover everything from social media to pitching travel book ideas, from tips on selling travel writing to suggestions on how to pitch stories, from creating travel Web sites to digital darkroom photography.

The National Restaurant Association released the following statement on June 10 from President and CEO Dawn Sweeney about a bipartisan Senate agreement on a national nutrition information standard:

"Today, Senators Tom Harkin (D-Iowa), Tom Carper (D-Del.) and Lisa Murkowski (R-Alaska) announced an industry and consumer-backed agreement on a uniform national standard for chain restaurants that would provide consumers across the United States with a wide range of nutrition information at the point of purchase.

"We thank the Senators for their bipartisan leadership and for recognizing the importance of legislation that meets the needs of both the restaurant industry and our customers. We look forward to working with Congress to enact this legislation, which provides calorific information on the menu and additional information, such as sodium and carbohydrates, in other accessible formats.

"We know the importance of providing consumers with the information they want and need in a consistent format no matter where they are across the country. This legislation would replace varying state and local ordinances with a national standard that empowers consumers to make choices that are best for themselves and their families.

"The National Restaurant Association has led an industry-wide coalition that worked proactively with key stakeholders to provide a uniform approach that gives consumers one more way to live a healthy and active life."

More than ever, association and not-for-profit leaders seeking professional management are considering association management companies (AMCs) that have earned industry accreditation, a recent survey shows. Data collected in 2008 by AMC Institute indicates that nearly twice as many association leaders prefer an accredited AMC to a non-accredited AMC. That preference is four times what it was in 2005.

In 2005, for every request for proposal (RFP) that indicated industry accreditation was not important, less than half indicated it was very important. In 2008, for every RFP that indicated industry accreditation was not important, nearly twice as many indicated it was very important.

The data was gathered from an analysis of RFPs for professional association management submitted to the AMC Institute over the last three years. Originally developed in 2002 and administered through an independent audit, the accreditation program evaluates whether an AMC is operating with the highest level of professionalism and responsibility and is consistently meeting or exceeding all industry requirements.

Among 500-plus AMCs worldwide, 50 have achieved AMC Institute Accreditation, demonstrating the commitment and the ability to deliver the highest level of professional management services to association and not-for-profit clients. The elite designation requires extensive documentation supported by an independent audit to verify policies, procedures and operations.

"As associations and not-for-profits become more knowledgeable about the AMC model, it makes sense that they are placing greater emphasis on accreditation," said Steve Drake, president of AMC Institute. "Organizations that partner with AMCs want to be assured they are working with an AMC that operates with the highest level of professionalism and responsibility, and consistently meets or ex-

ceeds all industry requirements."

Administered by AMC Institute, AMC Institute Accreditation is recognized and supported by ASAE & The Center for Association Leadership and is based on the ANSI Standard of Good Practices for the AMC Industry. ANSI requires that the standard be reviewed and updated regularly to remain an approved standard. Measurable performance practices include contracts and service delivery; employee recruitment, training and professional development; and financial management and internal controls, among others. AMCs must earn re-accreditation every four years, demonstrating to an independent outside auditor that they continue to meet the standard. Membership in AMC Institute is not a requirement for accreditation.

The National Science Teachers Association (NSTA) has selected Hargrove, Inc., a trade-show, events and custom exhibits company, as its general services contractor (GSC) to manage the association's annual National Conference on Science Education and three area conferences. The 2010 NSTA annual meeting will be held in Philadelphia, Pennsylvania and the conferences in Kansas City, Kan., Baltimore, Md. and Nashville, Tenn.

Hargrove will provide the 125,000 sq. ft. NSTA National Conference, which attracts 10,000 attendees and close to 375 exhibitors, a wide range of services including design, fabrication, exhibitor services, transportation, labor, installation and decor. Hargrove was selected as the GSC for a variety of factors including its creative ability to visually connect the scientific thinkers of the past with the future of scientific research in its approach to the graphic design.

"Hargrove's creativity and ability to provide a dramatic wow factor, will take our meetings to an entirely new level due to Hargrove's high-quality design, national capabilities and reputation for putting a service team into place for the long run. We look forward to a successful working relationship with Hargrove," commented Richard E. Smith, Managing Director, Advertising, Exhibits and Workshops for the National Science Teachers Association.

According to Tim McGill, CEO of Hargrove, "Given our integrated approach to the meetings industry Hargrove is able to offer clients a unique mix of services that will ultimately position them for growth. We are extremely proud to have been chosen as NSTA's General Services Contractor given the importance of the association in the scientific community."



The Professional Convention Management Association held its annual Leadership Conference in Austin, Texas June 7-9. Pictured from left to right at the meeting are Mark Tester, director of the Austin Convention Center; Deborah Sexton, president and CEO of PCMA; and Roy Benear, senior vice president of the Austin Convention and Visitors Bureau.

W San Diego

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convention hotel), the operations of the 258-room W Hotel have "declined materially."

In Sunstone's estimation "the hotel's operations have been permanently impaired," the company said. The hotel is currently forecasting 2009 EBITDA of between \$1.8 and \$2.2 million.

According to Sunstone, the hotel is encumbered by a \$65.0 million, fixed-rate CMBS mortgage that bears an interest rate of 6.14 percent. The scheduled 2009 debt service on the mortgage is about \$4 million, and the principal amount of the mortgage equates to more than 30 times the hotel's 2009 forecasted EBITDA, and more than \$250,000 in debt per room.

Over the last several months, the company tried to work with the hotel's CMBS special

servicer to amend the terms of the mortgage for a reduction in interest payments, but the servicer has declined the changes. Sunstone said.

The company indicated that in the future other factors may lead it to similar actions with other mortgaged hotels, but those will be limited. Sunstone said the average mortgage debt per room of its mortgaged hotels equates to about \$129,500 - around half that of the W San Diego.

"As a result of negative supply and demand fundamentals in the San Diego market, we believe the intrinsic value of the W San Diego is now meaningfully below the principal amount of its debt," said Ken Cruse, Sunstone's CFO. "While the company maintains more than adequate liquidity to support or repay this mortgage, we believe a conveyance of this hotel in settlement of the debt would be in the best interest of our stockholders," he said.

The W's manager did not respond to a request for comment on the situation.