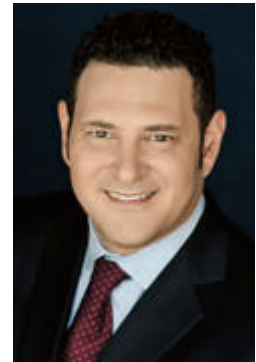


A Message from TIAC President and CEO David Goldstein on the Restructuring at the Canadian Tourism Commission

On Friday, July 16, the Canadian Tourism Commission announced a long-expected shift in direction for the organization in order to better serve Canada's tourism sector. This organization restructuring comes as a result of cuts to the core budget of the CTC, as well as the sunsetting of a number of project-based funding initiatives.



Among the changes that the CTC is undertaking through this process are:

- Ceasing to invest in direct-to-consumer advertising in the United States, and ceding the way to other Canadian destinations which are already invested in this area.
- Centralization of resources to ensure the affordability of CTC's international operations. This includes using the London office as the regional hub for the traditional markets of U.K., France, Germany and Australia, and supplementing in-market efforts with the assistance of General Sales Agents.
- Making use of resources at the CTC Vancouver Headquarters as the regional office for new and emerging tourism markets (Korea, China, India and Brazil), as well as for markets in transition (Japan and Mexico).

This focus shift is in line with the plan initially presented to TIAC's Board of Directors in May of 2010. It is disappointing for TIAC and for Canada's tourism sector that the CTC was compelled to make these difficult choices, but we fully support the Commission's restructuring as a rational business response to maximize impact within a diminished funding model.

TIAC believes that the CTC is making appropriate choices in where they are choosing to refocus their energies and redeploy their resources. That said, we must chart a long-term commitment to reinvestment in selling Canada as a destination around the world. The competitiveness challenges facing the sector are mounting.

According to the UNWTO, Canada dropped from 7th to 15th in terms of international tourist arrivals between 2002 and 2009. TIAC believes that Canada is losing competitive ground in the global tourism marketplace. If Canada is to compete in the global tourism market, and make the most of the opportunities in one of the fastest growing sectors in the world, we will need a strong marketing voice.

TIAC continues to support the Canadian Tourism Commission in their work as our national marketing organization, and we will continue to make the case to key decision-makers that increased, long-term and sustainable funding for the CTC is an essential part of any growth strategy for tourism.

Best regards,

A handwritten signature in blue ink, appearing to read 'D. Goldstein', with a horizontal line extending to the right.

David F. Goldstein
President and CEO
Tourism Industry Association of Canada
dgoldstein@tiac.travel