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“Empowered and Inspired to Make a Difference”

Good afternoon! It’s great to be here and see so many of you...

I am very honored to be introducing today’s keynote speaker, Dr. Condoleezza Rice. Not only has she proven herself to be a distinguished leader, in both the public and private sectors, but she truly is one of us, or one of those so many of us serve... she is a true road warrior.

Back in the green room, she told me that during the four years alone that she served as Secretary of State in the second George W. Bush administration, she flew more than one million miles, making more than 40 trips around the world to visit 85 countries. It’s staggering to think of the frequent flyer perks she could be enjoying today if only she had flown commercial!

And who knows, maybe she still will... she continues to keep up a similar pace these days as she travels to speak at events like this and to support the various philanthropic causes that inspire her.

As a fellow road warrior myself, we talked about the pleasures and the perils of travel...

And while it's not always easy or fun, I remain convinced there is no better way to connect with people... whether it's sharing perspectives with important customers or better understanding another culture and its history. Travel is the lifeblood that connects people, businesses and nations. We should all feel empowered and inspired by that.

Last year when I spoke at this event, we were still in the trough of the global economic crisis... and companies around the world had been making significant adjustments to their businesses as they faced unprecedented economic uncertainty. I know the economic downturn had a direct impact on many of you here today. One of the first levers many of your companies pulled was the travel budget. Some companies simply slashed their travel budgets and banned some types of travel altogether. Other companies tweaked their travel policies to lower the unit cost of each trip taken. Still others consolidated or renegotiated their supplier deals to maximize every dollar spent on travel. Of course, I'm pleased we were approached to provide technology and tools and to lend our expertise to help take costs out at a time when it was so critical.

Those of you who are corporate travel managers played an important role in helping your companies weather the storm. And no matter which approach you took, I know the importance of your role has been elevated in the eyes of your CFOs and CEOs. Through the individual efforts of many of you here today, I've seen a collective difference in the value placed on well managed travel programs around the world.

But our work is far from complete. The health and promotion of the travel industry is something I'm extremely passionate about and actively engaged in. And while the past year has increased our industry's profile, unfortunately there are many people who don't yet fully appreciate or understand the value our industry brings to the economy and to society every year. I think the latest figures put our global contribution at one in 12 jobs in 2010, and nearly 10 percent of GDP.

Some of these people sit in very influential positions, and many have the power to influence national or state policies that shape the future of our industry, for better or for worse. I can tell you there is no shortage of policies being debated in Washington D.C. right now that could impact the long-term health of our industry. From energy policy to airport security... we need to ensure policy makers are aware of the value our industry brings, and the harm that can be done when that's

not taken into consideration. I can tell you a lot of work is needed for that to happen.

One issue that has been the topic of much controversy and attention has been energy policy, something that matters not only here in Houston, but also in terms of the future stability of our nation and world. And for people like us in the travel industry, our fate is tied closely to the viability of airlines, which need stable and reasonable fuel prices to operate efficiently and profitably.

Yet, little has changed since the fuel crisis of 2008, when oil prices spiked to \$147 per barrel. So there's really very little that would prevent a similar situation from recurring. In the first quarter of this year, fuel prices were up 74 percent year-over-year, and there's recent speculation that we'll see \$100-a-barrel prices again soon. We need a comprehensive energy policy for a whole host of reasons, not the least of which is so airlines are not at the mercy of significant oil price volatility. Left unchecked, fuel price escalation will equate to more and more capacity coming out of the sky, and obviously less choice and convenience for corporations and their travelers.

Another closely related issue is environmental sustainability. Travel is often falsely labeled as one of the worst perpetrators of carbon emissions. In fact, the airline industry accounts for a mere two percent of the world's total emissions.

The U.S. commercial airlines, by deploying more fuel efficient aircraft, have taken the equivalent of 17 million cars off the road in each of the last 30 years. This is not a complacent industry.

But here too is an opportunity for Washington to accelerate the pace of emissions reductions by finally enacting the FAA Reauthorization Act, which would represent a giant leap forward toward making Next Generation Air Traffic Control a reality. When fully operational, Next Gen ATC is estimated to decrease airline fuel consumption in the U.S. by 16 percent through more efficient routing of aircraft. This is an enormous savings. But last month, Congress delayed consideration of FAA Reauthorization for the 15th time over a very narrow labor and slot dispute... narrow issues that are holding up a bill that would bring broad national benefits. You should make your voice heard because it could make a difference.

And that's the message I hope you take with you today.

Our industry has been through a great deal the past few years, and while the economic crisis helped to improve the visibility of travel programs within the corporate environment, we have a long way to go to improve the overall understanding and perception of our industry's value.

It's clear to me as I spend time in Washington D.C. that the travel industry lacks the cohesion, collaboration and strength that other industries like agriculture, energy, banking and pharmaceuticals all enjoy. These industries work together to influence policies that allow them to grow and prosper. They collaborate, they are unified and vocal, and they work hard to ensure policy makers truly understand the value they bring to both the economy and to society. As a result, their influence runs very deep.

If the folks in Washington don't hear from you, they will assume you don't know or don't care what they're doing, and will act accordingly. And for too long, we've taken a back seat when it comes to public policy matters, or perhaps left it in the hands of other more vocal parties who don't always have the broader interest of our industry in mind.

It's not too late. Each of you can make a difference.

Right now for instance, there is a legislative and regulatory issue that is the focus of much attention in Washington D.C. As part of the FAA Reauthorization Act, Congress has pending a provision that would direct the Secretary of Transportation to require airlines to disclose unbundled fees, not only on their own websites, but also to travel agents through GDSs. In addition, the Department of Transportation

has a rulemaking pending that does not yet include such a disclosure requirement, but the DOT has asked for comments on whether it should take that step.

For decades, the “all-in price” air travel experience was reflected in the fares that airlines published. It was easy for travelers to consider different travel options because they could easily see the full and inclusive price of each option. And business and leisure travelers benefitted enormously from this pricing transparency.

Much like when we shop for anything in the grocery store... take paper towels for example... we can easily compare the options... two-ply, three-ply paper... and make an informed decision based on the unit cost of each option. It’s that simple.

But as we all know, airline pricing isn’t getting any simpler... and in fact has changed radically over the last two to three years. Airlines have “unbundled” their products and now charge additional fees for services once taken for granted as included in the ticket price... fees for bags checked or carried on... premium seats... seat assignments... blankets, pillows, meals, and on and on.

Now, I’m not here to criticize airlines for adding fees. Unbundling, after all, has allowed airlines to drive significant incremental revenues while offering a new set of choices to the traveling consumer... although I will say most choices offered

these days seem only to allow travelers to buy themselves out of an otherwise bad customer experience.

I am, however, here to say that we need transparency – we need full disclosure of information about airline add-on service fees for travelers and agencies prior to purchase. Transparency will safeguard the overriding interest of air travelers and ensure they're not confused or, worse, misled about the price to be paid for air travel.

Perhaps the silver lining for the savvy travel procurement manager is that all of this unbundling by airlines has exposed a whole plethora of services – unbundled services are just one on a longer list – that can and should be included in the larger negotiation with the airline.

At Sabre, we have been developing the tools needed for agencies and corporations to manage these new ancillary services. Along with a collection of TMCs, OTAs, GDSs and even a few airlines – we have called for industry technology standards, which we believe will benefit all constituents. With technology standards, airlines will be able to execute their unique merchandising strategies in a way that supports how their top customers – all of you – how you want to shop for and buy airlines' products.

We are ready and waiting with the technology to support travelers, corporations, agencies and airlines. We'll make it as frictionless as possible... as we don't intend to charge anything for these distribution services. But in order for this whole process to remain transparent, you need to be very clear with your suppliers about making these services available through your preferred channels, which in the vast majority of cases are the GDS and Travel Management Companies. And we need the Department of Transportation to advocate – and even mandate – that these ancillary fees be made available in all distribution channels.

The corporate buyers in this room are empowered to decide what you buy and how you buy it. Much like any other industry in the world, the buyer decides, not the seller.

I am encouraged by the momentum I've seen when our industry collaborates together and collectively flexes its political muscle to address issues that impact not only the industry and our individual businesses, but more importantly, our customers and traveling consumers.

But we can and must do more. We have an opportunity to make an even bigger difference than ever before. Every one of us can lend our voice to issues that are important to the well being of our industry. A salient example... regarding the DOT rulemaking I mentioned earlier, go to dotpetition.travelersfirst.org, where you

will find a quick and easy way to make your voice heard to secure full access to ancillary fees. If you missed that URL, just stop by the Sabre booth, and we'll have it up live.

I also encourage all of you to stay engaged with your colleagues across the travel industry... and utilize the NBTA to not only better understand and articulate the issues, but to ensure the industry expresses its views.

So if nothing else, the one message I hope I've left you with today is... you can make a difference. And I sincerely hope you will.

And now let me introduce you to someone who has truly made a difference on the world's stage in countless ways... Dr. Condoleezza Rice. Dr. Rice is a diplomat, a politician, a professor, an author and so much more. She is truly an amazingly multi-faceted and accomplished woman.

Today, Dr. Rice is a professor of business and political science at Stanford University and the Thomas and Barbara Stephenson Senior Fellow on Public Policy at the Hoover Institution.

Many of us know her best from the time she served as the 66th United States Secretary of State. And before serving as America's chief diplomat, she was national security advisor to former President George W. Bush during his first term in office.

But Dr. Rice didn't start out wanting to be a diplomat or a politician... she started college wanting to be a concert pianist! And to this day, she is a very accomplished pianist... she has performed before the Queen of England and with the likes of Yo-Yo Ma. And most recently, she performed with the Queen of Soul, Aretha Franklin.

But thankfully, at an early age she was also inspired to explore international relations, and the rest is – as they say – history.

As the daughter of an educator, Dr. Rice is passionate about the importance of education and of improving oneself through higher learning. As a professor herself, she has been recognized with two of the highest teaching honors.

Dr. Rice is also very involved in a number of humanitarian causes, most notably with The President's Emergency Plan for Aids Relief, and in creating and serving on the board of the Millennium Challenge Corporation. Both endeavors increase aid to developing countries and the world's poorest, most disadvantaged populations.

I understand she has a new book coming out in the fall, aptly titled, "Extraordinary, Ordinary People: A Memoir of Family".

I'm sure there's even more we'll learn about her in the coming minutes, so please join me in welcoming Dr. Condoleezza Rice...