

## WHY IT IS CRITICALLY IMPORTANT FOR YOU TO USE ACCOMMODATIONS AT OUR CONFERENCE HOTEL

No question about it: when attending an AAA conference everyone has the right to take accommodations at the hotel of his or her choice. But there are important reasons favoring your use of the “official” conference hotel. Please seriously consider the content of this message before making your 2010 arrangements.

In order to assure adequate guest room and meeting room space in the hotel of our choice, AAA enters into formal contract with the hotel about three years prior to the conference. Estimates must be made at that time regarding the number of guest rooms and amount of meeting space needed, as well as approximate number of people who will attend food functions.

In turn, AAA is in a strong position to negotiate prices and concessions with the hotel. In view of AAA’s long and successful conference history, we have obtained extremely attractive room rates for attendees. Also, we have never paid normal rental fees of \$10,000 to \$15,000 or more for meeting space at our annual conferences. And finally, our hotels have typically hosted the opening reception at no cost to attendees who take accommodations at the hotel.

The total value of these “savings” for meeting room space and the opening reception is at least \$70 to \$80 per conference attendee. Stated another way, our conference registration fee would need to be increased by about \$70 to \$80 per attendee if these concessions were not made by the hotel.

But in order to enjoy these concessions, AAA must commit in its hotel contract to use 80% to 85% of the guest rooms “blocked” for its use, and to generate agreed levels of food expenditure. Two serious consequences of failing to meet our contractual obligations are: (1) AAA would be required to pay to the hotel a very substantial penalty approximating the value of the hotel’s concessions; and (2) the hotel would automatically report to its national trade association AAA’s failure to meet its contractual obligation, thereby weakening our bargaining power when negotiating future hotel contracts.

Please remember: If AAA conferees elect not to take accommodations at the official hotel, it will be necessary for AAA to reduce its “room block” guarantee in future hotel contracts. In turn this will mean that: (1) AAA’s bargaining power with the hotels will be reduced, (2) attendees will increasingly find that guest rooms are unavailable at the host hotel, and (3) conference registration fees would need to increase substantially to cover the cost of the lost hotel concessions.

Here is what you can do to help maintain our cost and benefits structure and to assure availability of accommodations at our official hotel:

- (1) Reserve your room at the official hotel well before the announced cut-off date, and in the manner described in the conference information material. It is easy to cancel if your travel plans change.
- (2) Remember that a slightly lower room rate elsewhere may be a false economy in the long run, as well as an unnecessary inconvenience during the conference.
- (3) In making your hotel reservation, always be sure to identify yourself as an AAA attendee. This will assure you are getting the deeply discounted conference rate, and AAA receiving credit for your stay.

Many thanks for your understanding and cooperation.