

REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; June 9, 2011

Board of Directors Present:

Chairman Monte Mesa	Champ Calvo
Hope Cristobal	Bruce Kloppenburg
Hayato Yoshino	Carol Tayama
Oscar Miyashita	Rizk Saad
Nathan Taimanglo	Theresa Arriola
Judy Flores	

Board of Directors Present Telephonically:

Board of Directors Absent:

Vice-Chairman Mark Baldyga
Jennifer Crisostomo

GVB Management and Staff Present:

Joann Camacho	Gerry Perez	Pilar Laguana
Rose Cunliffe	Nadine Leon Guerrero	Debi Phillips
Gina Kono	June Sugawara	Felix Reyes
Regina Nedlic	Doris Ada	Laurette Perez
Charlene Hitosis	Jeffrey Mindo	Dee Hernandez

Guests: Arthur Clark, Governor's Office; Atty. Tom Fisher; Atty. David Dooley; Carlo Branch & Jeanenne Cordero, Office of Senator Barnes

❖ **Proceedings:**

Meeting called to order at 4:05 p.m. by Chairman Mesa.

Review of the previous Regular Board minutes dated May 12, 2011.

- o Motion made by Director Tayama, seconded by Director Cristobal, to approve the minutes of May 12, 2011.

Motion approved (subject to correction).

❖ **Chairman's Report:**

- Chairman Mesa reported that he had a meeting with CW Bordallo yesterday along with Roy Yamaguchi, a member of the board for the Corporation for Travel Program (CTP), which GM Camacho was able to set. He stated that the corporation is set up for potential funding support for the CTP marketing and ESTA program.
- Chairman Mesa stated that the legal response in regards to the board's fiduciary responsibility is included in the board packet. He suggested that all board members read the response, which outlines the board's obligation



- and fiduciary responsibility especially the funds that is being expended through the bond proceeds and also what funds the bureau is getting directly from the legislature after the allotments are distributed to the bureau.
- Chairman Mesa stated that it basically encourages board members to be prudent in how it administers the funds that have been entrusted. He stated that one of the things that the board really needs to look at is to make sure that the insurance policy does cover the officers and directors of the Bureau.
 - Chairman Mesa stated that if it is not covered in the insurance policy, then the need to revisit it and have it included at the upcoming renewal. He stated that if the expiration is still far off then the need to get coverage.
 - Chairman Mesa reported that also included in the board packet is a letter from Senator Pangelinan to the Attorney General. He stated that he doesn't understand why the senator wrote the letter to the AG in regards to the board's recommendation on the priority of the bond proceeds and how the expenditures would be allocated.
 - Chairman Mesa stated that it is just a recommendation to the Governor's office on the priority listing of the projects so that the funds from the proceeds are spent accordingly.
 - Director Cristobal stated that she had an opportunity to meet with Speaker Won Pat on Monday regarding cultural tourism. She stated that the Speaker inquired on the letter because she had a big question mark on it.
 - Director Cristobal stated that the Speaker informed her that she contacted the Governor's office directly to find out what is going on and is still waiting for a response.
 - Chairman Mesa stated that also included in the board packet is a letter from the TASA group requesting the board's support in their quest on seeking funding at the legislature.
 - Chairman Mesa stated that as a follow up on the current issue that is a critical nature to the Bureau's overall marketing strategy especially to the two potential markets, which is China and Russia, Mr. Arthur Clark, a policy advisor to the Governor is present to give an update on the results of the efforts that the Governor's office is pursuing regarding the Guam VWP.
 - Arthur Clark thanked GM Camacho for inviting him to the meeting. He stated that everybody is aware of the Governor's efforts relative to the military buildup issue but haven't had as much visibility on the visa waiver program as there should be.
 - A. Clark stated that the visa waiver program is one of the top issues on the Governor's list.
 - A. Clark reported that they met with Department of Commerce, State, Interior, Defense and Homeland Security during their last trip to Washington D.C. in May. He stated that in every single one of the meetings, the visa waiver program was the forefront of the discussions.
 - A. Clark stated that he provided GM Camacho copies of the Governor's letters to Secretary Napolitano. He stated that the trip in February to Washington DC they did not have the opportunity to meet with Homeland Security because their meetings were packed so tightly.
 - A. Clark stated that they had repeated discussions with them during conference calls. He stated that they did have the opportunity to meet with them in May.
 - A. Clark stated that the Visa Waiver Program has been in place for quite a while, which goes back to the 80's.
 - A. Clark stated that at the time the Guam Visa Waiver Program was put into place, there was a lot of Congressional Intent testimony relative to the isolated geographical isolation of Guam and the inherent protection that it provides relative to border protection issues.
 - A. Clark stated that as a result, Guam was able to get a visa waiver program independent from the US Visa Waiver Program. He stated that CNMI, as a commonwealth, had its own immigration system in place until the Consolidated Natural Resources Act was brought in and incorporated.
 - A. Clark stated that when it was brought in and incorporated the issue came up on what to do with the Guam Visa Waiver Program. He stated that it was decided that there would be a joint visa waiver program, a



uniformed program for both the commonwealth and the territory now called the Guam/CNMI Visa Waiver Program.

- A. Clark stated that the major issues that came out in the context was by incorporating CNMI into the immigration naturalization act, basically the US immigration policies, it was going to have a severe impact on their economy because there was also a lot of economic benefits derived by the Chinese and Russian tourists that were visiting the CNMI.
- A. Clark stated that as a result when the visa waiver program was put together, it had a provision that automatically qualified countries that provided a significant economic benefit to the CNMI. He stated that it was a specific language written for the CNMI but since it is a dual program, they would qualify for the joint Guam/CNMI program, which a benefit Guam would enjoy.
- A. Clark stated that Homeland Security determined that both China and Russia qualified. He stated that they met the threshold as providing significant economic benefit to the CNMI.
- A. Clark stated that as a result they were automatically included in the program. He stated that is where it should have ended and there is testimony from the Chairman of the committee that authored the bill, Congressman Rahall, whom made it clear that is where it ended.
- A. Clark stated that where it got sidetrack was when DHS promulgated the interim final rules for the Guam Visa Waiver Program. He stated that they relied on a provision in the statute that allows them to consider other relevant factors.
- A. Clark stated that the other relevant factors were identified as electronic travel authorization (ESTA), procedures for reporting lost and stolen passports, repatriation of aliens, rates of refusal for non immigrants visitor visas, overstays, exit systems, and information exchange. He stated that basically they are immigration issues that need to be considered for purposes determining whether or not a country could stay on the list.
- A. Clark stated that what Homeland Security included in the interim rule is removing off the list any country that is on a separate list, which is the international religious freedom act. He stated that if there are oppressive countries that have religious oppression that were put on the other list, they would be automatically taken off the Guam Visa Waiver list, which included China because of China's policy relative to Tibet.
- A. Clark stated that they have expanded the intent of the other relevant factors. He stated that they took it beyond the intent, which was to look at basically immigration issues.
- A. Clark stated that now they expanded it to take China off the list.
- A. Clark stated that other issues that they rose without any kind of support is the repatriation issues. He stated essentially it is when a Chinese or Russian comes to Guam and is determined that he/she needs to be deported back to their country of origin for what ever reason, the question is whether their countries would take them back and would allow them to enter.
- A. Clark stated that at the last meeting they tried to get Homeland Security to be specific with them and give specific data, which they haven't done. He stated that they were very pointed with Homeland Security.
- A. Clark stated that they brought up the discussion of CNMI and that the parole authority has been in effect for over a year now. He stated that they inquired what are the issues there.
- A. Clark stated that their reply was that they have statistics and that they have repatriation concerns rising out of CNMI. He stated that they requested for the statistics, which they promised to give.
- A. Clark stated that it has been over a month and he still hasn't received the statistics. He stated that he has sent follow up letters.



June 9, 2011; 3



- A. Clark stated that what he heard is that it is as many as one or two issues over the year, which is not significant. He stated that the problem that they had when they went to Washington DC to meet the federal agencies is that they get the beltway shuffle.
- A. Clark stated that they met with the White House and they are very positive on the idea. He stated that they also met Department of State and they are probably the most positive of all the issues.
- A. Clark stated that Department of State is putting together all kinds of seminars and forums for interactions between US and Chinese Trade interests and governors. He stated that in July, the next Governors Association meeting in Salt Lake City they have a component, which is the US Governors Forum.
- A. Clark stated that the State Department is planning a trade mission with the US Governors to meet with the Chinese Western Province in November. He reiterated that Department of State is doing everything they can to do trade opportunities between the two countries.
- A. Clark stated that about two years ago President Obama came up with the additional export initiative. He stated that the President set up a threshold of doubling US exports to China.
- A. Clark stated that in that calculation US Tourism is a component. He stated that for example, if you bring tourism to Guam and they buy US products and spend their money it counts for improving the exports relative to China.
- A. Clark stated that the White House, State, Commerce and Defense, who the Governor has been working with closely relative to the buildup issue has a close relationship as result of the Undersecretary of the Navy. He stated that to date, they haven't expressed any concerns relative to the visa waiver program.
- A. Clark stated that the last meeting with the undersecretary, he was going to confirm if there was an official position from Department of Defense. He stated that the undersecretary was going to contact the intelligence division in the Department of Defense.
- A. Clark stated that the Governor has since sent a follow up letter to the undersecretary asking for the status, which he hasn't responded.
- A. Clark stated that with a recent meeting with John Whitt and Matt Herman from CW Bordallo's office, they confirmed from Department of Defense that they do not have any issues.
- A. Clark stated that the Governor has sent two letters, the first in February, which is a legal analysis of the law, the interim final rules on how it comes up legally deficient in its conclusion and why therefore they should change the eventual final rule to include China and Russia. He stated that the next letter was sent in anticipation of the meeting in May.
- A. Clark stated that he sent a letter in June talking about the drop of the numbers as a result of the triple disaster in Japan. He stated that he was explaining to GM Camacho about the arrival numbers and what those numbers looked like.
- A. Clark stated that what he did was model the letter after a release out of Hawaii where what they looked at the drop in projected visitors arrivals instead of a drop in actual arrivals. He stated that Guam is trending up the first quarter of 2011 and adopting those numbers as projections and then he generated his own projections and came up with an estimate that made Guam minus 25%.
- A. Clark stated that two weeks period following the tsunami, Guam experienced a 16% shortfall and in April a 22% shortfall. He stated that he also offered Hawaii's prediction of a 25% immediate shortfall up to 45% in the future years.
- A. Clark stated that they tried to convince DHS and other federal agencies that Guam has an economic downturn and is being exacerbated by Senators Webb, Lebon and McCain talking about let's slow things down



June 9, 2011; 4



and reduce the amount. He stated that GAO is now complaining about the lack of clarity in the numbers for the buildup.

- A. Clark stated the need to account for the socio-economic impact that the buildup is going to have on Guam and as a result not just the military buildup but also other agencies have to pony out a lot of money so that Guam could absorb it.
- A. Clark stated that one of the issues brought up to them is to give Guam the opportunity to increase the economic base, improve the condition which will help reduce the overall impact of the federal coffers relative to the military buildup as well as Guam's economy going forth.
- A. Clark stated that all the arguments were offered, which was presented to DHS when they went to Washington DC.
- A. Clark stated that they were there for five days and every single day they tried to set up an appointment. He stated that they were told that the level of people they wanted to meet were gone or traveling.
- A. Clark stated that they contacted Cecilia Munoz at the White House, who oversees insular affairs, to try and get an appointment for them with DHS. He stated that she was successful in setting it up.
- A. Clark stated that the letters they received from DHS so far is a thank you letter for your concerns and that it is very important and we will get back to you.
- A. Clark stated that when they met with DHS they got a micro view of the China visa issues. He stated that one issue that DHS brought up was the visa denial rate, which is a relevant factor that could be considered under the current program.
- A. Clark stated that what they pointed out to DHS was the percentage rate for both China and Russia last year for the total percentage of denials was under 16.9%. He stated that the significance of the 16.9% is when Guam had its own stand alone visa waiver program that was in the law, it was the threshold for a country to qualify for the Guam Visa Waiver Program, which is not a threshold in the current law.
- A. Clark stated that Guam has been working closely with CW Bordallo's office. He stated that CW Bordallo has been working closely with Congressman Aderholt, Chairman for the Subcommittee on Appropriations over DHS.
- A. Clark stated that CW Bordallo enlisted CM Aderholt to help champion the issue. He stated that CW Bordallo and CM Aderholt have meetings now with DoD and DHS' decision makers.
- A. Clark stated that Governor Calvo has another Washington DC visit this July for the Liberation Day activities. He stated that the House Natural Resources Subcommittee on Insular Affairs has a scheduled hearing during the time the Governor is in DC.
- A. Clark stated that CW Bordallo's office is arranging to try and have Governor Calvo provide testimony on the visa waiver program.
- A. Clark stated that in July the Governor would be attending the Governors' Forum in Salt Lake City, Utah, where US Governors would be meeting with Chinese Governors. He stated that they would try and work a relationship with the Chinese Governors in regards to the issues.
- A. Clark stated that in November the State Department is sponsoring a trip to China to meet with the Western Chinese Governors, which Governor Calvo is trying to attend.
- A. Clark stated that the public hasn't seen all the efforts that are happening into getting the visa waiver. He stated that there has been a lot of efforts and emphasis on the military buildup issues.
- A. Clark stated that the Governor has been working diligently on the visa waiver program, which would sustain Guam. He stated that it is clear that it has to be the work engine as far as Guam's economic future.



June 9, 2011; 5



- A. Clark stated that the Governor's office are doing legal analysis and calling in political chips to get movement out of Homeland Security.
- Director Miyashita stated that to his understanding, it is more proactive for Parole Authority. He inquired if it has moved directly to the visa waiver.
- A. Clark replied the parole authority was after China and Russia was denied being on the list, the Secretary of Homeland Security turned around and exercised her parole authority to make an exception in the case of the Guam-CNMI VWP just for the CNMI. He stated that parole authority only applies to the interim final rules, which is only temporary.
- A. Clark stated that the secretary could revoke it anytime. He stated that it expires as soon as the final rules are promulgated.
- A. Clark stated that parole authority issue has not been overlooked and had asked that in the interim for Guam to be included on the parole authority until the final rules are promulgated, which was recommended to the secretary.
- A. Clark stated that the Governor's office is making sure the doors are opened for China and Russia on the Final Rules.
- Director Calvo inquired if the Governor is requesting for a Parole Authority.
- A. Clark replied yes.
- Director Calvo inquired if the final rules are for Guam and the CNMI.
- A. Clark replied yes it is.
- Director Calvo stated that on the final rules they could treat Guam and CNMI differently.
- A. Clark stated that they have to promulgate the final rules that apply to both Guam and CNMI.
- A. Clark stated that the interim final rules apply to both but Secretary Napolitano stated that she's got an independent authority to make exceptions.
- Chairman Mesa thanked Arthur Clark for updating and explaining to the board the issues of the visa waiver program.
- A. Clark stated that there was a question about a letter writing campaign. He stated that the concern is controlling the message.
- A. Clark stated that it is a worthwhile idea to pursue but how to control the message so that there are no mixed messages. He stated the need to have more discussions on how to strategize on the message and not to jeopardize Guam's credibility.
- Chairman Mesa stated that the interim rule that the Secretary has the authority and discretion to do as she pleases has a timeline, which is November of this year.
- A. Clark stated that there is no timeline. He stated that her authority is only effective under the interim final rule.
- A. Clark stated that he doesn't know how soon they are going to promulgate the final rules but they have to know that Guam is really paying attention to the final rules.
- Chairman Mesa inquired if the current draft final rules are excluding China and Russia for Guam and the CNMI.
- A. Clark replied yes.
- Director Miyashita stated that it is very important to state that Guam has one voice, which is the Governor. He stated that they should work cooperatively with the Legislature as well as GVB and the business community.



- Chairman Mesa inquired with the work of the Governor's office and what they are doing, what can GVB do now with the information that is provided today, is it something that could be done as the marketing arm to let the industry know and understand.
- A. Clark stated that GVB has been very supportive.
- Chairman Mesa stated putting out information based on the work that the Governor's office has been doing.
- A. Clark stated that he would submit an official update letter to GVB. He stated that it could be disseminated to the members, which he would appreciate.
- GM Camacho stated that CW Bordallo informed her that she met with DoD yesterday but she didn't elaborate on what the discussions were.
- GM Camacho stated that she would get more information from CW Bordallo.
- GM Camacho stated that she would be going to China next week. She stated that the first meeting would be with the US Embassy to continue to push what Guam wants.
- GM Camacho stated that she would also be meeting with CNTA, Chinese National Tourism Administration.

❖ **General Manager's Report**

- Copies of General Manager Joann Camacho's report were distributed to all Board members present during the meeting.
- Chairman Mesa stated that he and Director Yoshino also attended the meeting with Roy Yamaguchi and CW Bordallo. He stated that the more positive movement and response from Mr. Yamaguchi is that Guam could make a case in setting up potential consideration for the committee to address how monies that are being raised could be channeled through a pilot program.
- Chairman Mesa stated that Mr. Yamaguchi was more interested in statistics of where Guam is in terms of international stage of attracting international visitors. He stated that Guam is ranked number 8 in the entire nation as an international port.
- Chairman Mesa stated that CTP's concern was the return on investment on any program that they put out. He stated that it is for the national campaign but as far as Asia is concerned, Guam is a major international port of entry and could significantly help contribute to the fund if given the opportunity.
- Director Calvo inquired if CTP's office is based out of San Francisco or Washington DC.
- GM Camacho replied Washington DC.
- Chairman Mesa replied that they hold meetings all over the country and also outside of the country.
- Chairman Mesa stated that the other recommendation is to put together a white paper and arming him to make a case for Guam or at least for the territories to again leverage the fundraising and matching funds that would come out of the marketing funds.
- Chairman Mesa stated that they are establishing the parameters but nothing yet has been solidified. He stated that it is at the ground level to try and shape the policy.
- Chairman Mesa inquired with regards to the charter flights being sold, are they having any problems with room reservations, which is a concern.
- Director Yoshino replied that he hasn't heard of any problems.
- P. Laguana stated that with her meetings with KGTC, they had expressed their concern of PIC's change of ownership because they traditionally have a strong presence in that particular hotel property.
- P. Laguana stated that KGTC is waiting on word from the new management of PIC on what their marketing philosophy would be.



- Director Yoshino stated that there is no change at PIC.
- Director Miyashita stated that in regards to Korea, earlier there was an increase of 20% for the month of June, yet his understanding is that June, July and August are moderate increases.
- P. Laguana stated that when she met with Jin Air's President, Mr. Kim, he was very thankful with the Bureau's Board of Directors for all the support that was rendered in assisting Jin Air in the last year. She stated that he was extremely happy with the airline's performance for the last year, which averaged about 90% load factor.
- P. Laguana stated that Mr. Kim mentioned that if the trend continues, they are considering adding another aircraft to the market, which is very positive.
- GM Camacho stated that between Korea and Taiwan, they have been helping with the Japan drop.
- Director Arriola inquired how are the arrivals from Sendai.
- N. Leon Guerrero replied that the Sendai flights are not flying yet.
- Director Arriola inquired if there was any response yet with regards to Senator Pangelinan's letter.
- Chairman Mesa replied nothing yet.
- Director Arriola recommended that the Bureau don't respond until the AG has an opinion.
- Chairman Mesa stated that it is two different issues; one basically is the Bureau's recommendation is being challenged from what the law entails and the other is what the fiduciary responsibility is as a board member not just for the bond money but what is done at the board level.
- Chairman Mesa stated that the Governor still has the final say so; the board is only making a recommendation.
- Director Saad stated that the public law does not list the priority in order. He stated that there was a listing but it didn't say priority 1 or 2.
- Chairman Mesa stated that it was indicated by letters.
- GM Camacho stated that it is a matter of interpretation. She stated that priority one is the Guam Museum and priority two is the projects below it.
- GM Camacho stated that at the end of the day, it is the Governor's say on what gets prioritized.
- Director Calvo stated that the question is does the board have any responsibility on the management of the bond. He stated that the board does have a fiduciary responsibility and the question is if the board has the responsibility to manage the funds.
- Tom Fisher stated that the board is not in the loop of the responsibility of the funds.
- Director Calvo stated that the board then is only the advisory board.
- Director Kloppenburg stated that just because the board is not in the chain, there is still a need to continue to fight for its position to keep it close to the projects that was prioritized. He stated the need to fight for the Bureau's position.
- GM Camacho recommended that she and Director Cristobal be a part of the Governor's committee as they move along and will report back to the board on the progress.

❖ **Report of the Treasurer:**

○ **Cash Position Report:**

- Cash report as of Jun 3, 2011.
- Total cash in banks report (as of 6/3/11) \$4,839,127.60
- Total allotment received to date: \$8,349,254.00

- Chairman Mesa reported that Director Cristobal prepared a written report as a response from the last board meeting on the explanation of the variances, which is outlined.



June 9, 2011; 8



- Chairman Mesa stated that the report is being refined and making progress in all the financial information and the variances being explained.
- Chairman Mesa stated that the staff and management are working on producing the financial documents and variance indication to make it easier for board members to understand the financial process of the Bureau.

❖ **Report of the Board Committees:**

A. The Strategic Advisory Council:

- Nothing to report.

B. Administration/Government Relations:

- Chairman Mesa stated that Director Cristobal pointed out based on the legislative letter that Senator Pangelinan wrote, the Speaker was also concerned on the recommendation but she will discuss it directly with the Governor in terms of the recommendation.
- Chairman Mesa stated that the board's recommendation is garnering the attention that it needs.

C. Executive Committee:

- Motion made by Director Flores, seconded by Director Arriola, to ratify approval travel for the GVB marketing manager and marketing officer to attend the upcoming 2011 International Travel Expo (ITE) & MICE from June 11-12, 2011, in Hong Kong. (Estimated cost of travel is \$2,500.00 from the FY11 China Budget Acct. CI-TTC078).
Motion approved.

Expenses:

Airfare (\$100.00 daily taxes x 2 GU-HK-GU)	200.00
Per Diem (\$479 x 2 days x 2 pax)	1,916.00
Unanticipated Travel Expenses (ie. Excess baggage)	384.00
TOTAL:	\$2,500.00

Background: With Guam having two airlines with direct flights to Hong Kong, GVB will participate at the International Travel Expo (ITE) & MICE taking place in the Hong Kong Convention and Exhibition Centre.

Due to budget limitations, GVB head office has not been able to attend ITE for the past few years. This years' opportunity to participate will allow for time to conduct courtesy visits with agents, which is vital in keeping close ties with the travel trade in Hong Kong.

ITE & MICE gains wide recognition as an effective platform for international travel trade to cover the fast growing Asian markets. As the only travel show in Hong Kong, last year, the show saw almost 69,000 visitors. ITE & MICE integrates leisure and MICE travel. Exhibitors have access to the travel trade, corporations, the event industry, trade and public media, and also quality public visitors who select traveling in FIT. Also, a unique arrangement of holding leisure and MICE travel concurrently for synergy since 2005 resulted in the number of corporate visitors grew by times.

After attending ITE, GVB will fly to Beijing to participate in the International Forum on Chinese Outbound



June 9, 2011; 9



Tourism (IFCOT) on June 14-16.

Issue: Time sensitive and board approval required for all travel.

- o Motion made by Director Flores, seconded by Director Taimanglo, to ratify approval of travel for Senator Tina Muna-Barnes, GVB KMC Chairman, GVB General Manager, and Marketing Manager to attend the 24th Korea World Travel Fair and the Korea Guam Travel Council (KGTC) Meeting in Korea from June 1-5, 2011. (Estimated cost: \$7,040.00 from the FY2010 Korea KOTFA 2010 Acct# TTC024).

Motion approved.

Airfare:	\$500.00 x 4 pax	\$2,000.00
Perdiem:		
Sen. Tina Muna-Barnes	\$350 + 30% x 3 days x 1 pax	\$1,365.00
KMC Chairman	\$350.00 + 25% x 3 days x 1 pax	\$1,312.50
GVB General Manager	\$350.00 + 25% x 3 days x 1 pax	\$1,312.50
Marketing Manager	\$350.00 x 3 days x 1 pax	\$1,050.00

TOTAL: \$7,040.00

Background: KOTFA is Korea Largest Overseas Travel Fair held each year at the COEX exhibition Hall from June 2-5, 2011. GVB has secured a booth space and will feature cultural representations of Guam using visual images, cultural song and dance performances along with Miss Guam appearance at our booth. In addition, the senior members of the Korea Guam Tourism Council of Guam will host a senior membership meeting in which GVB Board/management delegation will meet with the KGTC members in Korea. During KOTFA, GVB will have the opportunity to market Guam to over 80,000 travel industry professionals, buyers and specialist including an abundance of travel consumers who attend this year marks the 24th travel fair. Cultural performances on the KOTFA main stage will take place and GVB booth will be executed periodically to allow for maximum exposure and reach through out the event. Media interviews and opportunities will also be executed to enhance exposure for Guam during the event.

Issue: Time sensitive and board approval required for all travel.

- o Motion made by Director Flores, seconded by Director Taimanglo, to ratify approval of travel for Ms. Masano Takeuchi, GVB Tokyo Japan Marketing and Sales representative, to travel to Guam to assist in the execution of the 365 Monitor Campaign from June 10-13 & June 17-20, 2011. Travel dates from June 9-20, 2011. (Estimated cost \$1,062.50; account #ADV001).

Motion approved.

Breakdown is as follows:

Airfare	\$400.00
Guam Per Diem (\$62.50 x 9 days)	\$562.50



June 9, 2011; 10



Contingency (Airport Transfer Cost in Japan)	\$100.00
	\$1,062.50

Background: As part of the 365-day monitor campaign, ADK Japan will be sending 190 travel monitors to come to Guam to experience and partake in a number of activities in order to provide their feedback as part of the promotion. Ms. Takeuchi, GVB Tokyo Marketing and Sales representative will assist and ensure the success of the promotion through the execution of all scheduled activities. It is critical that the monitors have a memorable experience, with that said, Ms. Takeuchi is being tapped to ensure the monitors needs are met in order to help meet the expectations and objectives of the campaign.

Issue: Time sensitive and board approval required for all travel.

- o Motion made by Director Flores, seconded by Director Miyashita, to ratify approval of up to \$6,000 to defray cost of cultural performers' participation at the International Forum on Chinese Outbound in Beijing, China from June 14 – 17, 2011 (Acct. No. CPO-002).
Motion approved.

Issue: Time sensitive and board approval required.

D. Japan Marketing:

- Director Kloppenburg reported that they had a committee meeting a few days ago. He stated that they went through the proposed 2012 budget and proposed marketing plan.
- Director Kloppenburg stated that it is the first step but needs to be massaged. He stated that there is still a lot more work to be done on it but overall the committee has agreed to go in a particular direction.
- Director Kloppenburg reported that the budget is status quo but some monies were moved around with different projects.
- Chairman Mesa reported that Vice-Chairman Baldyga shared with him on his recent trip to Japan and the discussions that he had with the travel agents as well as the airlines which is positive and is being initiated now for the summer campaign period is a longer stay, which is 7 days packages that they are selling.
- Chairman Mesa stated that it is very good indication.
- Director Kloppenburg stated that it is a 5 to 7 days stay with JTB coming out with the program. He stated that realistically with JTB, the estimates that he is getting is around 500 a month for that campaign period, which is a great start.
- Director Kloppenburg stated that a lot of it has to do with the disaster that occurred in Japan because their long stay out of Japan is a little bit more attractive to the consumer. He stated that their timing is right and the need for Vice-Chairman Baldyga to work and get the other agents to buy in to the program.

E. Korea Marketing:

- Director Miyashita apologizes for not attending KOTFA.
- Chairman Mesa stated that one relevant thing that Director Miyashita needs to follow up along with Director Yoshino and GHRA is to make sure that the room reservations are balanced out because it is a peak period as well for the Japanese market and the additional charter flights from the Taiwan market. He stated the need to make sure that the rooms are available to accommodate the projections.



June 9, 2011; 11



- Director Yoshino stated that every year it is a competition among the countries. He stated that it is nothing new for this year.
- Chairman Mesa stated that he wanted assurances that all those charter flights are not turned off because there are not enough rooms.
- Director Miyashita stated that there were charter flights last year so it is nothing new.
- Director Kloppenburg stated that there is always been a peak period of overlapping and people were turned away, which is part of doing business. He stated that everyone wants to travel at a particular point, which is a good problem to have.

F. Existing Markets:

- P. Laguana reported that the staff just returned from the Scuba Dive Show held in Long Beach, California. She stated that the show was done with some of the tourism bureaus in Micronesia.
- P. Laguana stated that it is a good regional show that was just accomplished.
- P. Laguana thanked everyone from the board that supported the Maila Ta Fan Boka especially Director Tayama.
- P. Laguana stated that she would give an overall report at the next board meeting. She stated that it was the first time that the Bureau brought in a global social media fam tour to Guam.
- P. Laguana stated that usually it is the newspaper, magazines and television media but being more aggressive with social media, she would be requesting the board for support. She stated that the consumers are more empowered because of the social media.

G. New Market Development:

- Director Kloppenburg reported that the committee had their budget meeting for China and Hong Kong. He stated that they are requesting for an increase in the China budget in excess of \$200,000.
- Director Kloppenburg announced that there are a lot of charters scheduled for a four-month period starting September 30th to January 28th. He stated that there are 31 charters out of Shanghai and 2 from Shenyang.
- Director Kloppenburg stated that when P. Laguana comes back from IFCOT, she would be issuing a press release that GVB would be launching the Quality Service Certification (QSC) program with China. He stated that if an organization wants to do business with China, they have to be a member of QSC.
- Director Kloppenburg stated that GVB is taking the lead on the program.
- Chairman Mesa stated that it is a result of the last conference that was done by the Bureau.
- Director Calvo inquired if it was hard for Chinese visitors to come to Guam; does the process take a while.
- Director Kloppenburg replied that it takes four months to get an appointment.
- Director Kloppenburg stated that the reason why the charter process is a little bit easier is because they could do it by groups. He stated that if the groups do it, it expedites the process faster but is still a little bit of a long wait.
- Director Kloppenburg stated that it takes 3 – 4 months to get an appointment to apply.
- Director Calvo inquired that once you get an appointment, is there an interview.
- Director Kloppenburg replied yes, for each visitor.
- Chairman Mesa stated that it is face to face with the US immigration.
- GM Camacho stated that it is one of the issues that she would be working on during her meeting next week with the US Embassy.
- Director Kloppenburg stated that is why parole authority is very important.





- P. Laguana stated that she met with the key agent who signed and guaranteed the charter from Shanghai with Continental yesterday. She stated that there are companies that taking a huge risks to sell the charters.
- P. Laguana stated that there is a great approval rate for the visa. She stated that it is very favorable from Beijing and Shanghai.
- P. Laguana stated that the problem is applying for the visa appointments. She stated that there is a bottleneck even with the group leisure travel policy.
- Director Calvo inquired what is the profile for a typical visitor.
- P. Laguana replied that it is a mixture. She stated that they all have jobs; they have to prove that they have solid assets in China such as properties.
- Director Calvo inquired what do they want to do when they get to Guam.
- P. Laguana replied shop. She stated that they are not sunbathers; they want to go to the high-end stores and do tours.
- Director Calvo inquired what is the typical stay.
- P. Laguana replied 3 to 4 days.
- Director Saad inquired if the charter operators in China need to put up a bond.
- P. Laguana replied that they take a huge risk.
- P. Laguana stated that the agent that signed the contract came to the Bureau yesterday to work with G. Kono and herself to assist in selling the charters as soon as possible because in order to give the names to the visa office, they have to block the seats and have so many days to turn in the customers' names.
- P. Laguana stated that if you don't turn in the names, you lose your appointment slots so they have to go back and apply. She stated that there is a huge pent up demand to travel to the US.
- P. Laguana stated that the logistical provisions provided by the US visa offices in China are not adequate enough to handle the demand. She stated that it is an issue that has been brought up to the Department of Commerce that if you want to provide export through tourism, you have to balance it out by providing the necessary support tools to the US Commercial service visa offices in China.
- P. Laguana stated that she is working hard to help the travel agents because if they don't sell the seats they still need to pay for the aircraft.

H. Destination Management:

- Director Saad reported that a committee meeting was held on June 2nd. He stated that they worked on the budget and is requesting for an increase.
- Director Saad stated that the reason for the increase is because they want to make sure the all the beaches are cleaner, streets are cleaner and landscapes are better, etc.
- Director Saad stated that there is going to be a lot of effort to get sponsorship and social groups. He stated that he would work with the Rotarians, schools and universities to get labor and help beautify Tumon and the beaches.
- Director Saad stated that the frequency of trash pickup would be increased. He stated that they also added more tree trimmings along the beaches.
- Director Saad reported that 54 awards were presented at the Excellence in Tourism Awards held in Hyatt. He stated that Tak Takana from DFS received the Latte award.
- Director Saad stated that GM Camacho has an idea for the next EIT awards, which is to combine it with GHRA and to make sure that the people are recognized properly.



June 9, 2011; 13



I. Membership Development:

- Director Kloppenburg stated that he has noticed in the newspaper that a lot of companies have been signing up for the Hafa Adai Pledge. He is requesting for an analysis of those companies to check if they are members of GVB.
- Director Kloppenburg stated that if they are not that is should be a requirement of the pledge to be a member of GVB.
- Chairman Mesa stated that it is a good point.
- Director Kloppenburg stated that if an organization or individual is going to be involved with any of the programs then they should be members of GVB.
- Director Kloppenburg announced that June 24th is the next membership meeting. He stated that the guest speaker is Admiral Busong.
- Director Kloppenburg stated that D. Ada, G. Kono and himself met with the admiral last week to go over what his presentation should focus on, which is how the military and tourism could co-exist and prosper together.
- Director Kloppenburg stated with emphasis on giving their position on the China Visa Waiver. He stated that he is not sure if he would give a position.
- Director Calvo stated that they have no position. He stated that what he heard from Arthur Clark is that unofficially they have no problem with it but they can't come out and express it anywhere.
- Director Kloppenburg stated that he was educating the admiral on what it means to Guam, which got his attention.
- Director Calvo inquired if Director Kloppenburg discussed with the admiral about having a standing dialogue with the military and GVB in regards to what is happening with the military and the industry so that there is no conflict.
- Director Kloppenburg replied that the issue was not brought up but he saw the email in regards to developing the armed forces component to the Bureau. He stated that the admiral would be in favor of doing something like that.
- Director Kloppenburg stated that the admiral understands the importance of tourism to Guam and he feels that the military presence could enhance that and is not detrimental. He stated the need to work with him more.
- Director Kloppenburg stated that the admiral has roots on Guam and was very involved with the community when he was stationed on Guam before. He stated that since then, the admiral has been a member of the Fishermen's Coop.
- Director Calvo inquired how long would the admiral be around.
- Director Kloppenburg replied about a year more.
- Director Kloppenburg reported that he had asked from Tak Takano of DFS for a raffle prize for the membership meeting. He stated that Tak donated a \$2,000 Omega watch.
- Director Kloppenburg stated that the proceeds of the raffle would be donated to the tsunami relief. He stated that he requested for Mr. Yoneyama-san from Japan Club to be present at the meeting.
- Director Kloppenburg stated that the committee has never done a raffle before. He stated that the goal is to raise a couple of thousand dollars.

J. Research:

- Director Taimanglo reported that the committee met last Thursday. He stated that they discussed the budget and that they are ready to present it the board at the next meeting.



June 9, 2011; 14



- Director Taimanglo stated that there is an increase in the budget in response to collecting data to explore other markets.
- Director Taimanglo stated that they are trying to eliminate certain markets and find other research opportunities, which cost less.

K. Cultural Heritage & Community Outreach:

- Director Arriola reported that the committee met twice in May to address the budget. She stated that the committee approved it last week.
- Director Arriola stated that the budget is ready for board review.
- Chairman Mesa stated that management should prepare the whole budget to be presented to the board.
- Director Arriola stated she is the appointee for the FESTPAC committee, which meets every Tuesday and Thursday.
- Director Arriola reported that she has been appointed chairwoman for the statutory committee, which was created to prepare Guam for the 2016 hosting.
- Director Arriola requested for consideration to have board policy for FESTPAC that GMIF concessions from this year to 2016 be designated to the FESTPAC committee for their raising efforts. She stated that the only reason she thought of GMIF is because GMIF is a micro version of FESTPAC.
- Director Arriola stated that it is one of the ways for FESTPAC to raise money. She stated that as the board appointee for FESTPAC, she is requesting for consideration.
- Director Arriola stated that through the efforts of Speaker Won Pat, Manny Pacquiao would be coming to Guam in August. She stated that she doesn't know the details of the event but the proceeds would go to FESTPAC.
- Director Arriola stated she is waiting for the Governor to respond to a letter from the FESTPAC committee for him sanctioning the dates that have been reviewed, which is the last week of June and first week of July 2016.
- Director Arriola stated that Ypao Park has been designated as the main village for FESTPAC with JFK and other surrounding schools as the housing.
- Director Calvo inquired if the classrooms would be used for living quarters.
- Director Arriola replied yes. She stated that it is 150 participants' x 29 island nations.
- Director Arriola stated that as the hosting country, Guam is responsible for the housing. She stated that it is the cultural version of SPG.
- Director Arriola stated that the difference between SPG and FESTPAC is that SPG uses all the sports arenas of the island. She stated that FESTPAC is concentrated in one area.
- Director Arriola stated that the letter was submitted to the Governor about a month ago. She stated that if anyone could assist in getting the Governor to sanction the dates and venue, it would be greatly appreciated.
- Director Arriola stated that they are ready to post it on the website but they can't move forward until the Governor sanctions the dates and venue. She stated that she already has the support of the Legislature.
- Director Arriola stated that at the next meeting of FESTPAC, they would be discussing the structure at which time she would be requesting for support from the staff for the marketing efforts.
- Director Arriola said that Guam would be sending a delegation to the 2012 FESTPAC at the Solomon Islands.
- Director Arriola stated that 2012 FESTPAC is linked to 2016. She stated that the presentation that Guam gives next year is very critical to the 2016 hosting.



June 9, 2011; 15



- Director Arriola stated that the main thing she needs is for GVB to show its support. She stated that \$100,000 has been put aside, which she sees as pre-marketing efforts to 2012 and 2016, which part of it would be the website management.
- Director Arriola reiterated the need for GMIF concessions are designated to the FESTPAC committee.
- Chairman Mesa inquired if the CHaCO committee is already handling it.
- Director Arriola replied yes, but it is best to get the board's support.
- Chairman Mesa inquired if the concessions are being bid.
- GM Camacho replied that the contract went out. She stated that the contract has provisions that GVB reserves the right to manage the concession.
- GM Camacho stated that there are other plans but Director Arriola's request would be discussed.

L. Sports & Events:

- N. Leon Guerrero stated that at the last meeting Director Crisostomo reported on the Toyohiragawa Marathon. She stated that the organizer is Nikkan Gendai Shimbun, which is a newspaper of Japan.
- N. Leon Guerrero reported that they are now organizing a relay race, which they are tying in to the local Ko'ko' Road Race. She stated that the winner would be coming to Guam to participate.
- N. Leon Guerrero stated that our sister city Kashiwa is considering putting a sister race with Guam. She stated that they also have a marathon.
- GM Camacho reported that the tennis cup was finalized, which GVB sponsored.
- GM Camacho reported that a group from Korea would be filming next week.

❖ **EXECUTIVE SESSION**

- Chairman Mesa called for executive session.

❖ **OLD BUSINESS:**

- GM Camacho thanked the board and staff that participated in the budget preparation meetings. She stated that it is her first time around and thanked the ones that showed up, especially Director Taimanglo, who attended every committee meeting.
- GM Camacho stated that everyone has to be mindful as the Bureau goes through the request with a lot of what it does. She stated that the dollar is weak in other countries and so there is a need to be sensitive to that and that Senator Barnes is also aware of it.

❖ **NEW BUSINESS:**

- Motion made by Director Taimanglo, seconded by Director Arriola, authorizing the General Manager as Chief Procurement Officer of the Bureau to begin negotiations with the highest ranked respondent for RFP 2011-007 Social Media Monitoring Platform and if successful, enter into a contract.
Motion approved.

Discussion:

- Director Arriola inquired how many responded to the request.
- GM Camacho replied two.
- Director Miyashita inquired on the motion, is it something that the board does on a regular basis.



June 9, 2011; 16



- Chairman Mesa replied that once it goes through the process and in order to enter into a discussion with the number one ranked respondent and finalize it if successful, it needs board approval.
- Director Miyashita inquired if it is really needed.
- Director Arriola stated that Director Miyashita thinks that it is an administrative decision.
- Director Calvo inquired if it has always been done.
- Chairman Mesa replied yes.
- GM Camacho stated that management goes through the process but need board approval to proceed.
- Director Arriola stated that it is the period where board could ask questions on the RFP.

Background: In accordance with 5GAC Ch.5 Guam Procurement Law, the Bureau issued RFP 2011-007 Social Media Monitoring Platform. The required service will include project management of the GVB social media program initiatives.

Issue: Board approval required to proceed with project.

- Motion made by Director Calvo, seconded by Director Kloppenburg, to clarify the position of Gerry Perez as an employee of the Bureau and the amendment to his existing agreement on essentially the same compensation terms, according to the proper practice and procedures to make the change, effectively have the same compensation and be a Special Advisor to the Board from March 24 to July 31, 2011.

Motion approved.

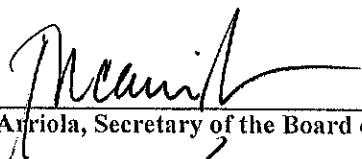
❖ **ANNOUNCEMENTS**

- No announcements.

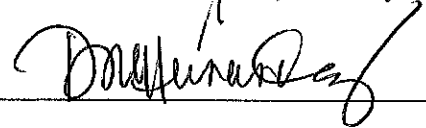
❖ **ADJOURNMENT:**

- Motion made by Director Calvo, seconded by Director Arriola, to adjourn the meeting. Meeting adjourned at 6:13 p.m.

Attested:



Ms. Theresa C. Arriola, Secretary of the Board of Directors



Board Minutes prepared by Dina Rose Hernandez, Executive Secretary