



GUAM VISITORS BUREAU

50th ANNIVERSARY · 1963 - 2013

**REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; August 23, 2012**

Board of Directors Present:

Chairman Monte Mesa
Hope A. Cristobal
Carissa Fortino
Rizk Saad
Jennifer Camacho
N. Oscar Miyashita

Vice Chairman Mark Baldyga
Bruce Kloppenburg
Judy Flores
Nathan Taimanglo
Theresa C. Arriola

Board of Directors Present Telephonically:

Board of Directors Absent:

Carol Tayama

Eduardo (Champ) Calvo

GVB Management and Staff Present:

Joann Camacho
Nadine Leon Guerrero
Felix Reyes
Brian Borja

Nathan Denight
Laurette Perez
Regina Nedlic
Kraig Camacho

Doris Ada
Pilar Laguana
June Sugawara
Dee Hernandez

Guests:

Regine Biscoe

❖ **Proceedings:**

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

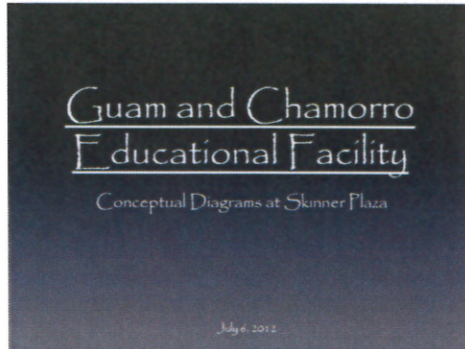
Review of the previous Regular Board minutes dated August 09, 2012.

- o **Motion made by Vice Chairman Baldyga, seconded by Director Fortino, to approve the minutes of August 09, 2012.**

Motion approved (subject to correction).

❖ **Chairman's Report:**

- Chairman Mesa reported that the initial debate of GVB's budget was held during the legislation session on Friday, August 3rd. Chairman Mesa stressed that lobbying is vital if "we want to get what we hope for in our FY2013 budget of \$16.2 million."
- Chairman Mesa reported that there are preliminary numbers that GM Camacho has received as it relates to GVB's budget and will be discussed during her report.
- Chairman Mesa presented a slide to update board on the preliminary scheme of the Guam Museum in Skinner's Plaza that the Governor has approved. He noted that there are still refinements that need to be done.



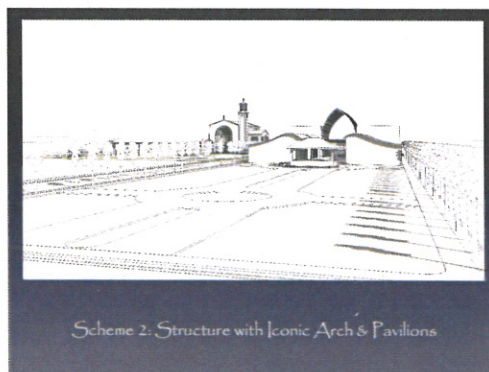
- Chairman Mesa pointed out that the building is only 27% of the green space with over 73% of the green landmass still available of the current Skinner's Plaza. He mentioned that this was a top concern for a lot of people.
- Chairman Mesa explained the scheme of the mezzanine and 3 level floor, which will house most of the important artifacts on the 2nd and 3rd level. This will address the concerns in the event of a flood. Artifacts will be will stored above 20 feet from the ground level.



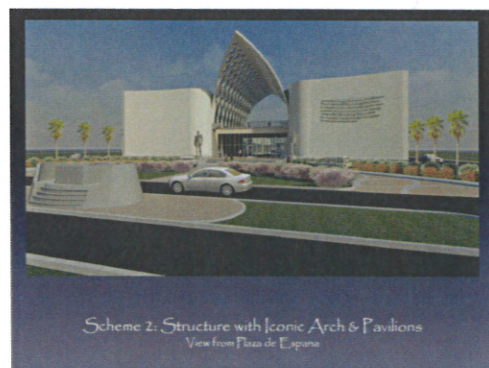
- Chairman Mesa showed the Plaza de Espana view with the iconic A-frame representing the Guam seal and the slingstone that has been voted for the Guam Museum.



- Chairman Mesa showed the slide of the Marine Corp Drive view. He added that a lot more trees will be added, most especially the flame trees into the green space.

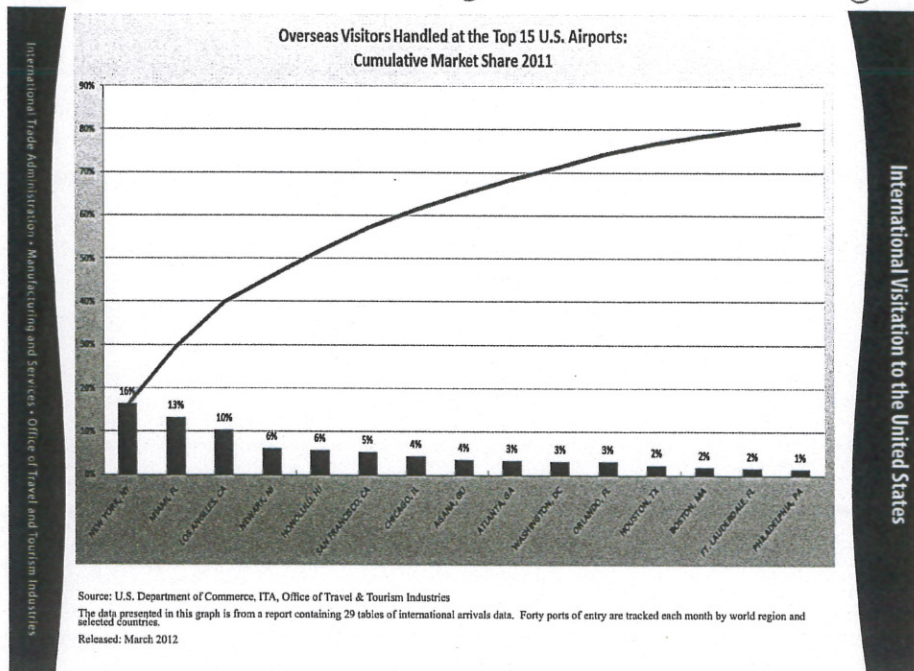


- Chairman Mesa showed the Santo Papa view and on the left, the statue of the Pope, pointing out how the front will represent an open book with the Inifresi etched on the right side by recommendation of the Education and Cultural Committee. He added that on the left will be the first recorded description of Hagatna by a French explorer.



- Chairman Mesa shared that this is the first approved draft from the Governor with another one coming out hopefully by the first week of September.
- Chairman Mesa addressed the 4 main concerns:

- Green space/parking:
 - 42 parking spaces on a parallel scheme to 142 parking spaces on a diagonal scheme.
 - Flooding:
 - Federal funded buildings in Hagatna need to comply with flood zone federal regulations and that it will be adjusted
 - Flood zone designation will be adhered to. Based on architects and engineers, the basic foundation will be up by 4ft above level, 40ft in height of the building to about 60 ft to the highest point of the arch.
 - Flooding will not be an issue with the engineering design.
 - School / Tour bus parking:
 - DPR is allocating bus parking in Chamorro Village / Paseo and the Hagatna pool parking, which is underutilized right now.
 - Strategy is to have tourists walk to and from Chamorro Village to allow them to patronize the local vendors in the village.
- Discussion ensued about bussing/parking/crosswalk concerns.
 - The State Historic Preservation Office and Guam Historical Preservation Trust, which controls all the historical buildings and their relevance in the context of history, had reviewed the Skinner's Plaza area and it does not fall into the Preservation trust inventory.
 - Looked at favorably because the museum will represent the modern era of Guam history.
- The Governor saw this plan and wants to refine it into becoming a true museum/tourism industry area.
- Chairman Mesa presented a slide showing how Guam is trending on a national level using data from The International Port of Entry 2011 (by the U.S. Department of Commerce, ITA, Office of Travel & Tourism Industries). He reported that Guam was #8 in 2011 and continues to be in 2012. He added that it is still consistent in this year's trend.



- Chairman Mesa reported that there is a lot of discussion at the airport level to not only seek FAA funds but funds collected from the ESTA program. He stressed the need to continue to look at that, to ensure that we gain our fair share of ESTA contributions as it progresses.

International Visitation to the United States

Top 15 Ports-of-Entry for Overseas¹ Visitors to the United States
2010 vs. 2011

Rank	PORTS ²	2010 Total Overseas	2011 Total Overseas	% Change 2011/2010	2011 Market Share	Cumulative Market Share
--	Grand Total	26,362,616	27,883,157	6%	100.0%	--
1	New York, NY	4,207,877	4,562,166	8%	16.4%	16.4%
2	Miami, FL	3,277,227	3,674,560	12%	13.2%	29.5%
3	Los Angeles, CA	2,593,090	2,907,304	12%	10.4%	40.0%
4	Newark, NJ	1,784,598	1,672,973	-6%	6.0%	46.0%
5	Honolulu, HI	1,455,430	1,605,192	10%	5.8%	51.7%
6	San Francisco, CA	1,364,996	1,471,264	8%	5.3%	57.0%
7	Chicago, IL	1,206,958	1,221,011	1%	4.4%	61.4%
8	Agana, GU	1,064,790	992,665	-7%	3.6%	64.9%
9	Atlanta, GA	952,665	931,089	-2%	3.3%	68.3%
10	Washington, DC	837,961	853,136	2%	3.1%	71.3%
11	Orlando, FL	836,963	851,535	2%	3.1%	74.4%
12	Houston, TX	599,710	627,448	5%	2.3%	76.6%
13	Boston, MA	496,701	510,889	3%	1.8%	78.5%
14	Detroit, MI	363,711	429,131	18%	1.5%	80.0%
15	Dallas, TX	350,075	403,400	15%	1.4%	81.5%

Source: U.S. Department of Commerce, ITA, Office of Travel & Tourism Industries

⁽¹⁾ "Overseas" excludes Canada and Mexico.

⁽²⁾ This is one column from a report containing 29 tables of international arrivals data. Forty ports of entry are tracked each month by world region and select countries.

Released: March 2012

International Trade Administration • Manufacturing and Services • Office of Travel and Tourism Industries

- Chairman Mesa wanted to emphasize for the marketing side, to take note of Australia, coming in as # 10 in foreign arrivals in to the U.S.
- Chairman Mesa stated that the markets, that are currently being marketed aside from Japan and Korea, Australia is above all others. He added that Guam's got the Visa waiver from Australia and stressed that working with the airlines is needed to cultivate this opportunity.

Top 10 Markets: 2011 International Visitation

Rank	Country	2011 Arrivals
1	 Canada (+7%) Canada improved its position as the leader in arrivals to the United States, due to a 7% increase from 2010, setting a second-straight record. Through December, visitor volume had increased for 26 consecutive months. The increase of 1.4 million visitors in 2011 was—by far—the largest of any visitor origin country. Canada accounted for a 34.0% share of 2011 visitor volume, a record high.	21.34 Million
2	 Mexico (+10%) Mexico visitor volume ticked up over 10% in 2011. However, visitor volume remains down \$56,000 from the 2007 record of 14.3 million. As usual from this market, country performance throughout the year produced no discernible pattern. Mexico accounted for a 21.2% share of 2011 visitor volume.	13.49 Million
3	 United Kingdom (-9%) United Kingdom visitor volume also was down slightly in 2011. The 2011 decline was small, but built on the large 15% drop in 2009 and the small decline in 2010. Following a solid recovery from the volcano-induced decline in April 2010, monthly performance pulled off the rest of the year. Visitation remains well below the 2007 record of 4.7 million. The U.K. accounted for a 6.2% share of 2011 visitor volume.	3.84 Million
4	 Japan (-4%) The March tsunami and its aftermath spoiled the optimism for the return of this key market created by 2010's 10% increase. Monthly performance improved throughout the year after May and was nearly positive the final three months of the year. Visitor volume remains well below the 2007 record of 5.4 million visitors. Japan accounted for a 5.2% share of 2011 visitor volume.	3.25 Million
5	 Germany (+6%) The 2011 performance continues the "up-and-down" trend seen over the past 11 years—visitation has declined five times and increased six times, including 2011. Monthly performance throughout 2011 reflected a similar lack of defining trend. The 2011 visitation level remains below the record 2.9 million set in 1998. Germany accounted for a 2.9% share of 2011 visitor volume.	1.82 Million
6	 Brazil (+26%) Brazil continued to march up the top-ten ladder by leap-frogging over France with significant growth in 2011, exceeding the previous quarterly streak in eight years and setting a record consecutive record. Top-10 has now posted double-digit growth in 7 of the past 8 years. The OTTI Travel Forecast calls for Brazil and Germany to vie for the 45 spot in 2013. Brazil accounted for a 2.4% share of 2011 visitor volume.	1.51 Million
7	 France (+12%) France slipped to the #7 spot despite a solid 12% gain in 2011 that set another volume record. Mirroring Germany, France's 2011 performance continues the "up-and-down" trend posted over the past 11 years—visitation has declined five times and increased six times, including 2011. France accounted for a 2.4% share of 2011 visitor volume.	1.50 Million
8	 South Korea (+3%) South Korea posted an increase of 3% in 2011 in yet a second consecutive record, but the performance was conservative following the dramatic 49% increase in 2010 and in relation to much higher expectations for 2011 and beyond following increases in the Visa Waiver Program in late 2010. South Korea accounted for a 1.3% share of 2011 visitor volume.	1.15 Million
9	 China (+36%) China's 36% increase in 2011 visitor volume catapulted the country into the top ten list by surpassing both Italy and Australia. The performance was the best among the top 10 origin markets. The OTTI Travel Forecast calls for China to continue to move up a spot in ranking in each of the next two years. China accounted for a 1.7% share of 2011 visitor volume.	1.09 Million
10	 Australia (+15%) Australia built on steady progress and added its seventh straight record year with a 15% growth from 2010, and the market surpassed the one million arrivals market for the first time. Despite this strong performance, China's 36% increase pulled the country down one position in ranking. Australia accounted for a 1.7% share of 2011 visitor volume.	1.04 Million

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For more information, please contact: (202) 482-0140 or email: ottitrade.gov

- Chairman Mesa presented the spending slide and again pointed out that Australia comes in at #9 with \$5 billion spent. He noted that with the Australian dollar almost the same as the U.S. dollar, there is an opportunity that Guam needs to capitalize.

Top 10 Markets: 2011 International Visitor Spending

Rank	Country	2011 Spending
1	 Canada (+15%) Canadian visitors spent their winter visit that year in 2011, spending a record-breaking \$24.9 billion, an 18% increase from 2010. As a result, one-fifth of the total U.S. travel and tourism receipts were from Canada. Canada's 2011 spending was up from \$21.9 billion in 2010, an increase of 14%. Canada accounted for 20% of all U.S. travel and tourism receipts in 2011.	\$24.9 Billion
2	 Japan (+25%) Japanese visitor spending in the United States increased 25% in 2011, following an increase of nearly 11% in 2010. Despite these strong increases, Japan's 2011 spending was still below the 2007 record of \$24.9 billion. Japan's 2011 spending was up from \$19.9 billion in 2010, an increase of 25%. Japan accounted for 15% of all U.S. travel and tourism receipts in 2011.	\$19.9 Billion
3	 United Kingdom (+6%) U.K. visitor spending in the United States increased 6% in 2011, following a small decline of 1% the previous year. The U.K. spent \$1.8 billion in 2011, an increase from \$1.7 billion in 2010. The U.K. accounted for 1% of all U.S. travel and tourism receipts in 2011.	\$1.8 Billion
4	 Mexico (+8%) Visitors from Mexico spent \$6.2 billion in the United States in 2011, an increase of 8% from \$5.7 billion in 2010. Mexico's 2011 spending was up from \$5.7 billion in 2010, an increase of 8%. Mexico accounted for 5% of all U.S. travel and tourism receipts in 2011.	\$6.2 Billion
5	 Brazil (+36%) Brazil's 2011 spending was up from \$1.5 billion in 2010, an increase of 36%. Brazil's 2011 spending was up from \$1.5 billion in 2010, an increase of 36%. Brazil accounted for 1% of all U.S. travel and tourism receipts in 2011.	\$1.5 Billion
6	 China (+47%) Visitors from China spent a record-breaking \$7.7 billion in the United States in 2011, an increase of 47% from \$5.2 billion in 2010. China's 2011 spending was up from \$5.2 billion in 2010, an increase of 47%. China accounted for 6% of all U.S. travel and tourism receipts in 2011.	\$7.7 Billion
7	 Germany (+12%) German visitor spending in the United States increased 12% in 2011, following an increase of 1% in 2010. The increase in spending was not, however, enough to maintain their position in the rankings, dropping from 6th to 7th in terms of total spending in the United States. Travel and tourism receipts accounted for 20% of all U.S. travel and tourism receipts in 2011.	\$6.3 Billion
8	 France (+18%) U.S. travel and tourism receipts from France in 2011 were up from \$1.2 billion in 2010, an increase of 18%. France's 2011 spending was up from \$1.2 billion in 2010, an increase of 18%. France accounted for 1% of all U.S. travel and tourism receipts in 2011.	\$1.2 Billion
9	 Australia (+12%) Visitors from Australia spent a record-breaking \$5.0 billion in the United States in 2011, an increase of 12% from \$4.5 billion in 2010. Australia's 2011 spending was up from \$4.5 billion in 2010, an increase of 12%. Australia accounted for 4% of all U.S. travel and tourism receipts in 2011.	\$5.0 Billion
10	 India (+19%) Visitors from India spent a record-breaking \$4.4 billion in the United States in 2011, an increase of 19% from \$3.7 billion in 2010. India's 2011 spending was up from \$3.7 billion in 2010, an increase of 19%. India accounted for 3% of all U.S. travel and tourism receipts in 2011.	\$4.4 Billion

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For additional data international travel data, please visit: <http://www.ustr.gov>

- GVB's Pilar Laguana pointed out that GVB has recognized that Australia is a good market for us and that the Board of Directors had approved an office in Sydney, Australia two times. Both times Continental pulled out of the market without notifying the bureau. She stressed that what is needed is not just working with the airport and willful carriers but finding committed partners that will stay long enough to develop the market. She added that a lot had been invested and those investments had to be diluted.
- Ms. Laguana reported that the only service we have is through Cairns, which is very unattractive for travel agents to promote us. She added that they do what they can, but travelers from Sydney and other major cities are forced to spend an extra night in Cairns. She advised that what is also needed is better air accessibility in bigger cities like Brisbane and Sydney.
- Chairman Mesa stated that it was an important lesson to learn and with today's open skies and working with the airport, low cost carriers from both U.S. and Australia are an option.
- Chairman Mesa stated that there are people opening these discussions and it is important for Guam to have continual collaboration with the airport with attending the Routes Asia Conference. He noted that he's given the Board reports to review to show the strategy of the airlines.
- Director Miyashita wanted to clarify that the airport is pursuing a direct flight from Sydney to Guam and / or looking at low cost carriers or subsidiaries of Australian carriers.
- Chairman Mesa answered yes because Sydney is the heart of where the majority of the critical mass travelers will leave from. He added for comparative purposes that the markets of Hong Kong and Taiwan are a lot smaller than the markets out of Australia and the spending power with Australia is twice what is being derived from Hong Kong and Taiwan.
- Director Miyashita agreed and stated that it has a lot to do with the strength of Australia's currency.

COUNTRY OF RESIDENCE	NUMBER OF ARRIVALS (MAY-12)	% CHANGE	RANK
CANADA	1,813,078	-2.8	1
MEXICO	1,051,030	-2.9	2
UNITED KINGDOM	334,512	-3	3
JAPAN	245,772	18.5	4
GERMANY	186,688	14.5	5
FRANCE	128,864	4.2	6
BRAZIL	128,370	15	7
CHINA(EXCL HK)	110,148	26.3	8
AUSTRALIA	101,235	0.6	9
KOREA, SOUTH	97,309	1.2	10
INDIA	96,353	9.6	11
ITALY	59,319	-6.9	12
NETHERLANDS	55,915	1.2	13
ARGENTINA	52,901	11.1	14
SPAIN	43,801	-6.5	15
SWITZERLAND	40,262	10.8	16

COLUMBIA	39,216	13.6	17
VENEZUELA	38,630	14.5	18
SWEDEN	35,057	-1.6	19
IRELAND	25,210	-4	20
TOTAL TOP 20 FOR MONTH	4,683,970	0.7	

- Chairman Mesa reported that the current tracking of arrivals from different countries show that Australia is ranked #9 in 2012 as of May 30th. He noted it's important to collaborate this point with a potential carrier on a regular basis.
- Chairman Mesa shared a letter from the last visit of the Dept. of Defense's commitment to ensure their efforts (See attachment).
- Chairman Mesa gave a brief summary stating that these are the 4 pillars of the framework that we should be working towards and this is the 1st letter written to the Governor to hold DOD accountable and to be a voice of one with the leaders of the island.
- Chairman Mesa reported the collaboration with GEDA in developing a business opportunity to promote their EB5 program with Vietnam and also seeking investments outside of Vietnam into a U.S. destination- capitalizing on Guam and their relationships with a lot of their refugees who have since gone back and developed businesses. He added that not only are they working to bring in business but also visitors of Vietnam and media to get some publicity. He noted that it should be finalized sometime in September and he will share all the information about the delegates coming in from Singapore for potential business and tourism development.
- Director Mesa also mentioned the article regarding the EB5 program, and the adjustments of the entry investment amount of a minimum of \$500,000. He explained that this has changed because of the recent unemployment rate that was published by Dept. of Labor and it has fallen into the threshold of a million dollars.
- Director Camacho mentioned she saw the Guam Hot Bond website with GEDA, commending GEDA on transparency to allow the public to keep up with the HOT bond projects.
- Chairman Mesa responded that it's their 1st attempt but not all the projects were online.
- GM Camacho mentioned that she invited Ken Baki of RW Armstrong to do a presentation to the board on our 1st meeting in September.

❖ **General Manager's Report**

- GM Camacho reported that the research team, with additional staff and contractors, have been working diligently and numbers are up to speed.

- GM Camacho reported that July showed numbers were up 13.6% with no major shifts from the different countries.

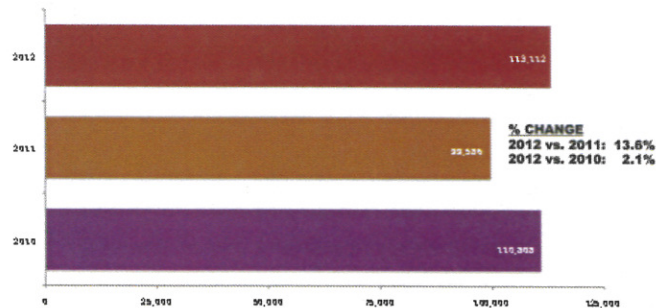
Preliminary July 2012 Visitor Arrivals
Total: 113,112 (13.6%)

% Market Mix	Origin	Pax	% to LY
68.3%	Japan	77,289	21.6%
15.5%	Korea	17,554	4.3%
5.0%	US/Hawaii	5,696	12.3%
4.9%	Taiwan	5,567	-28.1%
0.6%	China	656	56.2%
0.4%	Russia	429	972.5%

Source: Guam Customs Forms. Compiled by the Guam Visitors Bureau

- GM Camacho reported that Guam is almost up to the same number of Russian tourists visiting Guam as Saipan.

July Visitor Arrivals, 2010 - 2012



Source: Civilian Air Arrivals Only. Guam Customs Forms. Compiled by the Guam Visitors Bureau

- GM Camacho reported that Japan numbers show 113,000 visitors arrived last month and its important to show the 2 year trend for another month just to see the comparatives between now and last year from the tsunami.

FYTD2012 Arrivals October 2011 - July 2012 Total: 1,026,973 (10.9%)				MTD2012 Arrivals August 1 - 6 Total: 25,993 (19.2%)			
% Market Mix	Origin	Pax	% to LY	% Market Mix	Origin	Pax	% to LY
71.1%	Japan	730,427	10.6%	69.6%	Japan	18,085	21.0%
13.1%	Korea	134,270	15.2%	17.7%	Korea	4,597	15.9%
5.2%	US/Hawaii	53,522	7.6%	2.6%	US/Hawaii	682	-28.1%
4.1%	Taiwan	41,695	29.6%	4.0%	Taiwan	1,033	21.8%
0.7%	China	7,380	44.7%	1.7%	China	452	666.1%
0.2%	Russia	2,254	359.1%	0.2%	Russia	62	1140.0%

Source: Civilian Air Arrivals Only. Guam Customs Forms. Compiled by the Guam Visitors Bureau

Source: Civilian Air Arrivals Only. Guam Customs Forms. Compiled by the Guam Visitors Bureau

- DGM Denight updated us on 5 year strategic plan update.

GVB's (5) Year Strategic Plan Update



- Management has reviewed and identified the changes to the current strategic plan that are desired.
- A review of those changes and a written description of the initiatives set to date is almost completed along with a contextual description of current industrial and organizational conditions that support managements suggested strategic initiatives.
- That report will be circulated to management next week and the following week presented to the board strategic planning steering committee for input.
- Upon review of that input a final draft will be circulated to selected stakeholders in the community prior to final presentation to the board for adoption.

- DGM Denight reported that Management has completed a series of planning sessions and has put together a report.
- DGM Denight reported that the report will be circulated to Management next week for review and hopefully, will be able to present to the Board in the next 2-4 weeks.
- *Discussion ensued about (5) year strategic plan's tentative dates and expectations from the Board.*

Japan Marketing News



- UA Charters from Haneda
 - Sept 15, 18 and 21 (B14/E141 = 155x3=465 seats)
 - Being sold by JTB and HIS
- New bookings still happening for Aug and Sep
- Fuel Surcharge
 - FSC will be reduced in Oct

	Current	Oct 1 Rate
Guam (RT)	¥14,000	¥13,000
Hawaii (RT)	¥30,000	¥27,000

Japan Marketing News




- Voluntourism for GKRR
 - R&C Tours putting together package for volunteers to assist with the race
 - First time this type of package is being offered for GKRR
 - Goal is 30 pax

- Director Miyashita asked for clarification regarding the United Airlines chartering out of Haneda and is this something possibly sustainable or a one time deal?
- Chairman Mesa clarified that this is just a special summer charter just for this particular application but it as an opportunity for United or Delta to proceed.

- Chairman Mesa asked Vice Chairman Baldyga if he had any updates regarding this charter.
- Vice Chairman Baldyga didn't have any updates.
- GM Camacho explained that it's difficult to format the Japan report the same way as the Korea and Taiwan format because of the number of cities and number of flights to get this type of projection. She explained that the reports are always given afterwards.
- GVB's Nadine Leon Guerrero explained that they report it by percentages and not by actual numbers.

Korea Market
3 month Forecast



Month	Forecast Pax	Last Year	%Change	Seat Forecast 12	Seat Data 11	%Change Seats
August	21,969	17,733	21.2%	23,958	22,812	5.0%
September	16,589	10,809	52.7%	20,982	14,280	46.9%
October	17,000	10,696	58.9%	26,895	14,260	88%

Flights

August
 - K.E. Flight : Incheon 7 per week = 10,499 (877:500, 8747:400)
 - JJA AP : Incheon 7 per week = 5,580 (873:500)
 - K.E. Extra Flight : Daily = 6,992 (873:500, 8737:500, Actual 770-500)
 - Busan 161-162, 9, 9, 12, 16, 16, 22 = 966 (873:500)

September
 - K.E. Flight : Incheon 7 per week = 10,280 (877:500)
 - JJA AP : Incheon 7 per week = 5,450 (873:500)
 - JJA AP : (927-) Incheon 7 per week = 720 - JJA AP : Incheon 7 per week = 5,560 (873:500)
 - K.E. Extra Flight : Daily = 6,992 (873:500, 8737:500)

October
 - K.E. Flight : Incheon 7 per week = 10,602 (877:500)
 - JJA AP : Incheon 7 per week = 5,580 (873:500)
 - JJA AP : Incheon 7 per week = 720 - JJA AP : Incheon 7 per week = 5,560 (873:500)
 - K.E. Extra Flight : Daily = 6,992 (873:500, 8737:500)
 - Busan 161-162 = 128 (873:500)

Total 21,969 Total 20,982 Total 26,895

- Director Miyashita asked to go back to the October slide and wanted to clarify the formula that was presented on the slide in regards to the total numbers projected. He explained the additional seating capacity with Korean Air and the extra flights from Busan. He stressed that if we can sustain the level with the forecast numbers, we are looking at 225,000 arrivals from Korea which will be the highest. It is possible that after the Jeju Air and Korean air flights in November we can see an increase in seating capacity.

Korea Market
Korea Outbound Travelers
Guam Market Share



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010													
K.Guam	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	12,148,140
Guam Intl	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	12,148,140
Travel Share	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
2011													
K.Guam	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	12,148,140
Guam Intl	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	12,148,140
Travel Share	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
2012													
K.Guam	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	12,148,140
Guam Intl	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	1,012,345	12,148,140
Travel Share	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%

• Blue K outbound projection

- Director Miyashita emphasized that we haven't seen 1.6%- 1.7% increase from Korea because it's been relatively small past years. He added that this is an encouraging number that we are looking at and an achievement. Compared from 2010, the market shares are gradually increasing.

Korea Market

3 month Activities/Programs

- Lotte Hotel Jeju promotion
- Jeju Air Inaugural flight promotion
- Jeju Air Inaugural Flight : September 27
Daily, 10:20 am departure
Charter flights Oct. 28 4/wk. Wed, Thur, Sat, Sun.
- BITF 2012 : September 7 ~ 10
- KE Schedule service from Busan : October 28
2 times a week, Thur & Sun, 9:30 pm departure
- Co-ops both airlines Busan
- Ko'ko' Road Race Korean Runners Target: 100
- GMIF with Shop Guam Festival : October 4 ~ 7



12

- Director Miyashita reported that GVB's Mark Manglona along with Jess and Ruby and a dance group is attending the Lotte Jeju Summer Dance Festival right now.
- GM Camacho reported that we have an online promotion with KenCorp in Korea.

Taiwan Market

3 month Forecast

Month	Forecast Pax	% Change	Last Year	Seat Forecast 12	Seat Date 11	% Change Seats
August	4,791	8.88%	4,751	5,991	6,346	-4.11%
September	3,829	3.91%	3,751	5,526	4,455	24.01%
October	4,677	2.43%	4,075	5,526	5,013	10.23%

Flight / Seat breakdown

August

- CI Flight : Taipei 2x per week = 2,745
- CI charter flight *3 = 465
- EVA Air : Taipei 2x per week = 2,781
- EVA Air charter flight cancelled

Total 5,991

September

- CI Flight : Taipei 2x per week = 2,745
- EVA Air : Taipei 2x per week = 2,781
- EVA Air charter flight cancelled

Total 5,526

October

- CI Flight : Taipei 2x per week = 2,745
- EVA Air : Taipei 2x per week = 2,781
- EVA Air charter flight cancelled

Total 5,526

*The model of Eva Air's charter flights is A320, which has 252 seats/flight.
*CI has changed its charter flight from A320 to 737-800 (155 seats /flight).



- GM Camacho reported that there are some China Air charters in August and that the EVA charter was cancelled.
- Director Miyashita asked why were the flights cancelled.
- Discussion ensued regarding hotel bookings and industry marketing issues

Beijing Mytour International Travel Service Saturday, Aug 18 - Wednesday, Aug 22, 2012



Chinese Tour Agency Wholesalers Delegation Visit to Guam. Pictured L-R - Brian Bojia, GVB MOT, Joyce Kheng, GVB China Rep, Yu Guo, Beijing Mytour, DDH Joann G. Camacho, GVB GM Jin Liu, Beijing Mytour Chairman of the Board, Piao Lanyuan, GVB Mkt. Dr. Xijun Wang, My Alliance President, Chaoyu Zhou, Beijing Mytour Operation Director.

- GM Camacho reported that the Beijing MyTour International Travel Service, one of the largest tour agent wholesalers from Beijing, China visited Guam and was very impressed. She added that they did their market FAM Tour here and assured GVB that they will push for charters even as we wait for the status of the Visa waiver.

She added that if all goes well, they may even negotiate some regular flights to move forward after the Chinese New Year. She shared that FAM Tours also focuses on tours for islands (e.g. Bali), which is right up our alley.

CHaCO News



Guam Chamorro Dance Academy

- Professor Nakayama of Teikyo University is a student of the GDCA
- Her group performed at the National Museum of Ethnology



- GM Camacho reported that in ChaCo news, Professor Nakayama of Teikyo University, has taken the lead and our Guam dance academy is paying off in Japan for the 3rd year. She noted that it is not as big as our Hula competitors, but its definitely making a mark.

AGAT GIFT 07-29-2012



GVB Adopts LBJ



- GM Camacho reported that GVB staff greeted the kids on their first day with 300 bags of supplies and also donated paint.

GMIF Press Conference



- Director Cristobal asked GM Camacho about status of the hotel ratings.
- Vice Chairman Baldyga responded that some of the hoteliers have a lot of concerns about the rating system- some of them are legitimate and some are defensive in a way. He added that he doesn't believe it will go anywhere if they're not going to be behind it. He shared that one of their suggestions is to mimic what Hong Kong has done and have hotels voluntarily jump in and join an approved hotel status (a criteria that hotels accept as the terms and conditions).
- Director Saad stated that GHRA president Mary Torre will come in and make a presentation to the Board and give their recommendations about the rating system. He added that himself, Vice Chairman Baldyga and other General Manager's have their concerns about the rating systems and there are some issues that will have to deal with the Japanese agents and their old rating system. He added that another concern of the hotel owners are the expenses to meet certain requirements, in which some requirements do not always make financial sense or doesn't always match Guam.
- Vice Chairman Baldyga cited Mobil's criteria of a 4 star hotel includes a cloakroom and it doesn't matter that it doesn't snow on Guam. He stated that there were legitimate points made and he suggested that we come up with our own rating system but another issue will be: who will manage it, set up and enforce it?
- Chairman Mesa reiterated GHRA's recommendations and ones that they could live with as an organization because there are a lot of complex and different dynamics.
- DGM Denight suggested that GVB look into a trip advisor by a consumer rating system that is popular in Japan.
- GM Camacho reported that the budget right now has passed with almost a 6% increase up to \$15,238,240. She explained that we proposed for \$16.2 million so we were a million dollars shy of what was originally proposed.
- *Discussion ensued regarding budget concerns and clarifications.*
- Director Arriola asked that with what was submitted, what was allowed with Destination Managements.
- GM Camacho asked Senator Muna Barnes's Chief of Staff, Regine Lee, if she could share what the exact breakdown was, in which Ms. Lee responded with \$1,525,000.
- GM Camacho asked her to clarify the pass throughs that they are approving with the budget.
- *Discussion ensued regarding clarification of budget pass throughs.*

- Director Saad stated that he would like to see what is detailed in allocations for Destination management.
- *Discussion ensued regarding Destination Management allocations and issues.*

❖ **Report of the Treasurer:**

○ **Cash Position Report:**

- Cash report as of August 20, 2012.
- Total cash in banks report (as of 08/20/12) \$12,097,280.25
- Total allotment received to date: \$13,711,559.63
- **Motion to accept cash position by Vice Chairman Baldyga, seconded by Director Kloppenburg.**

Motion approved.

Discussion:

- Director Cristobal said that there is a \$2 million dollar difference from last fiscal year.
- Director Miyashita explained the 3 items on the bottom regarding the encumbered P.O.'s (not yet incurred). He added that there are still huge obligations that are outstanding with the invoices that we haven't received.
- GM Camacho stated that JATA in September hasn't been invoiced.
- Director Cristobal stated that Director Kloppenburg brought to her attention the consensus to open another account, and asked if it's been done yet.
- Chairman Mesa answered that it had been moved into a savings account with the internal cash management.
- GM Camacho replied that Rose is waiting until we got actual cash for this month off the \$1.6 million to make the move.
- Director Miyashita pointed out the huge difference the accounting team has made with this particular financial report is a better format for comparative purposes. He stated that special projects was carved out versus past financial reports which the balance sheet combined special projects and operations. Now, Special Projects is on the audited financial statements. It's important to show a balance sheet for operations and Special Projects from this month on. He added that the concern that Vice Chairman Baldyga had expressed with the marketing of Special Projects is being addressed and the accounting team is in the process of creating a format where we can reconcile on a quarterly basis. He added that there is remarkable progress in the financial reporting which will allow more appropriate decisions to be made based upon the financials.

❖ **Report of the Board Committees:**

A. The Strategic Advisory Council:

- Nothing to report.

B. Administration/Government Relations:

- Director Cristobal reported that the RFP for the flooding has been sent out, but she is unsure of whether they have chosen a contractor yet. She stated that she does not receive the notices for the meetings anymore.
- Vice Chairman stated that they haven't chosen one yet and RFP's are due tomorrow.
- Chairman Mesa stated that as far as the administration and Director Cristobal's recommendation that GVB's PIO Tony Muna is attending the conference in Boston.

- Director Kloppenburg requested that we do follow up with Public Works and Maeda about finishing the road pavements since it's been two years.
- GVB's Doris Ada reported that the meeting with Carl Dominguez addressed the crosswalk over at DFS, and DPW will be applying the friction in approximately 2 weeks then the striping of the pedestrian crossing will be applied.
- Director Kloppenburg clarified that the location that needed the friction is between the Outrigger entrance and the Westin intersection.
- Ms. Ada explained that the reason why there was a delay was because they were basing their test on their friction from the Alageta project, which has since passed the inspection. She added that Mr. Dominguez is aware of the tile damage but it's been tough because of the different contractors working.
- Director Kloppenburg reported that the Governor is in Washington D.C. and is working with the lobbyist that DFS has hired. He will get the latest when they come back. He added that the China Visa waiver is a priority with the Governor.

C. Executive Committee:

- Vice Chairman reported that the bylaws will be discussed during the next meeting.

D. Japan Marketing:

- Vice Chairman Baldyga reported that JATA is coming up.
- Chairman Mesa asked if there has been a confirmation on the Governor attending the JATA.
- GM Camacho said there has been no confirmation but his position is funded to go.

E. Korea Marketing:

- Nothing to report.

F. Existing Markets:

- Nothing to report.

G. New Market Development:

- **Motion made by Director Kloppenburg, seconded by Vice Chairman Baldyga to approve travel for GVB Marketing Manager and Marketing Officer II to participate in Visit USA's 2012 Travel Road Show in Russia to Moscow and St. Petersburg scheduled for September 3 – 5, 2012. (Cost approximately \$12,000.00, Acct. No. CI-SMD023).**

Motion approved.

Breakdown:		
Airfare:	\$1,800.00 x 2 pax =	\$3,600.00
Per Diem: (St. Petersburg)	\$386/day x 2 days x 2 =	\$1,544.00 (Moscow)

	\$486/day x 2 days x 2 =	\$1,944.00
Visit USA Road Show	\$500 (Moscow) =	\$500.00
Fees	\$500 (St. Petersburg)=	\$500.00
Anticipated Expenses:	(Excess baggage, local Russian speaking ground logistical support, meeting expenses etc.)	\$3,912.00
TOTAL EXPENSE:		\$12,000.00

Background:

Visit USA Russia was founded in early 2010 as a not-for-profit organization whose prime objective is to bring together various tourism companies operating in Russian outbound travel to the USA, as well as to provide reliable information on USA travel destinations and products, MICE, work and travel as well as other educational programs.

Development of outbound travel services and a more favorable visa situation for Russians has increased the demand for travel to the USA. The leading Russian tour operators and US travel product suppliers joined their efforts in launching VISIT USA attracting consumers to the USA as a travel destination.

Visit USA Russia will be organizing a series of workshops from September 4-13, 2012 in seven Russian cities. GVB will be participating in the workshops in Moscow and St. Petersburg as these target cities have been identified as containing the most lucrative segment of potential visitors to Guam. Therefore, marketing efforts in these cities will generate positive buzz about Guam and promote our branding as a visa-free premier travel destination.

Discussion:

- Director Kloppenburg reported that the motion did not pass during the committee meeting because of lack of information. It is now being brought up because he has the information needed and it's time sensitive.
- Director Kloppenburg made a correction on total cost which at first he stated \$10,000 but made a correction to read \$12,000, which is the total on the breakdown list.
- Director Kloppenburg reported that GVB has been asked by Korean Air to support this because all of Russia for Korean Air is controlled out of Moscow. They've put together a familiarization tour, which is made up of some of the larger incentive tour agents out of Russia.
- GVB's Pilar Laguana reported that GVB has been waiting for Korean Air out of Moscow to give us a list of travel wholesalers. She explained "that in Far eastern Russia, we deal with retail travel agents, whereas in western Russia, it's driven by wholesalers. GVB could not alone, on it's own accord, attract a team of influential wholesalers to come here but Korean Airline can. A lot of movement that is seen in

regards to air service from Korea to Guam has to do with growing the Korean market but also growing the Russian market. The aircrafts from the far Eastern region of Russia with Korean Airlines are increasing starting September, after the APEC conference in Vladivostok, Russia with the opening of a new airport in Vladivostok. So the strategy on the west coast is to stimulate new packages from the Korean Airlines wholesalers. Korean Airline has been working with us and we only received confirmation several days ago, which is why it wasn't available at the committee level. They have confirmed participation for the wholesalers to come. Of those wholesalers, we have 4 incentive event wholesalers that are a part of that group. This is something that we have been working with Korean airlines since we met in March 2012. The Visit USA committee will be going into 6 cities to do road shows that will educate travel agents about U.S. destinations. Of the 6, we only want to do 2, which is St. Petersburg and Moscow cause we feel that those are the 2 largest cities with the greatest potential for Guam for the next 12 months. We also plan to better coordinate our FAM tour for the Korean Airlines visit. We were able to convince them to come in October when we have GMIF, which they agreed to do. The pieces have come together now to go and work with them and their agents. We want to provide destination presentations to the retailers that work with these wholesalers.' "

- Director Miyashita asked about the tradeshow in Moscow and if this is a different one.
- Ms. Laguana explained, "this is a different activity that's exclusive to US destinations. Russia has about 40 million outbound visitors a year. She explained that Southeast Asia is a very popular destination because Russians like to go to warm destinations. She added that in this part of the globe, they are looking at the Far East Asian countries like Thailand, which is slotted as the fastest growing South East Asia destination and where we are actually trying to draw tourists from. We have put a dent into their visitors market and have diverted some incoming travelers to Malaysia and brought them here. Malaysia is Korean Airlines 3rd preferred destination. The Korean Airlines office in Moscow has made a commitment to posture Guam as a top two new destination. Ms. Laguana stated that they are really pushing, driving and supporting Guam as a new refreshing destination for their passengers."
- Chairman Mesa confirmed that GVB is a member of the Visit USA destinations in which Ms. Laguana confirmed.
- Ms. Laguana explained, "in Moscow, we will be meeting with Korean Airlines and some of their partners to better organize what their expectations for the FAM tour is. Especially with the incentive event planner, we want to make sure that they have an individual preferred type of request that we can understand. When they come in October, they will be grouped by one itinerary, and it'll be in good business, to know who are partners are."

H. Destination Management:

- Director Saad reported that there was a meeting last week chaired by Senator Tina Muna Barnes and the police department. He stated that GVB and GPD are really pushing to get 7 new officers for Tumon. We have been unable to do so, not because of lack of equipment, which they have, but lack of personnel.
- Chairman Mesa asked if they explored the reservists.

- Director Saad replied yes, but the reservists need to be paid a \$200 stipend every month and that the money is not available. He assured the Board that Senator Muna Barnes gave her support that she will help with this issue and is really depending on her to push the Police Chief to get those 7 bodies down there.
- Director Saad expressed that the offices are very frustrated because they are not getting the support that they need. CAPE has been given volunteers but some of them have not been active for 2 years.
- Chairman Mesa clarified that one solution will only cost \$200 for one reservist officer per month, which comes up to \$1400 a month.
- Director Saad verified that it's not the only issue as they need to hire fulltime plus the reserves. There are 7 officers available but they have been assigned to highway, and other precincts. He added that he wasn't too clear but the number that was shown was about \$50,000.
- Chairman Mesa stressed that it is needed to get officers down there especially with the upcoming months.
- Director Kloppenburg reiterated what was shared by GM Camacho that the police department does not have a plan for the infrastructure requirements to be in place for us to help.
- Director Saad also stressed that GVB has done their end with getting the equipment needed.
- GM Camacho stated that she will be meeting with Senator Muna Barnes next week. She stressed that right now it's really holding them accountable. She added that she spoke with the Chief and shared with him "that we are just waiting on them to move their bodies in there." She shared that it is very frustrating but a solution is coming closer than we've ever been before.
- Director Taimanglo stated that CAPE is funded through disabled parking tickets and there is money in the bank.
- Director Saad explained that there is but CAPE is under a different commander and he's got different plans.
(Discussion ensued about GPD personnel issues)
- GM Camacho shared that she voiced her concerns with the Governor who agreed with her and has given his support.
- Chairman Mesa stated that in regards to the CAPE and other police reservists, he has spoken with several who have shared that they are available but have not been put to use and they are just waiting, so it's important that we explore this.
- Director Saad recommended having the Lt. Governor meet with the Chief of Police and push this issue for us.
- Director Saad reported that the cleaning of the covert and the basin is still on hold. The price and scope of work has already been negotiated. He added that Mr. Dominguez has been extremely busy and has been unable to get the MOU to GM Camacho to allow us to proceed.
- GM Camacho reported that it's just getting the memorandum of \$290,000 in order. She assured it will be done soon and it's just about extending the original MOU from last year. In all fairness to Carl, he has been out sick.
- Director Arriola clarified whether it is a lack of a letter that is holding up this issue and someone from DPW just needing to write it.
- Director Saad confirmed that it is.
- Director Saad reminded GM Camacho the money needs to move by September.

- Director Cristobal stated her concern about a crosswalk from the slingshot to Burger King that is not illuminated and a hedge that obscures the visibility. She stressed that it poses a dangerous threat to visitors.
- Vice Chairman Baldyga assured the Board that he would look into it and have the slingshots company trim it if needed.
- GM Camacho reported that the RFP for Tumon is up for bid and it has been pointed out that a lot of trees need to be trimmed. She added that it's not the current contractor's job but is working on including it in the new RFP.
- Director Cristobal stated that there should be a limit on the signs and banners that are posted outside of establishments.
- *Discussion ensued regarding sign obstructions/ laws /enforcement in Tumon.*

I. Membership Management:

- Director Kloppenburg reported that a Quarterly Membership meeting is slated for September 14 at the Hilton. The tentative guest speaker is Ken Baki from R.W. Armstrong and that it will be confirmed soon.
- Director Kloppenburg reported that the election is scheduled for January 8, 2013. He stressed that it is important for the memberships are paid by October 10, 2012, which is 90 days prior to the election. He added that letters will be going out Monday to the existing memberships and if members are not current and paid by October 10, they will be ineligible to vote and/or run for office.

J. Research:

- **Nothing to report**

K. Cultural Heritage & Community Outreach:

- **Nothing to report**

L. Sports & Events:

- Director Camacho reported that the Governor's Sports and Fitness Awards is scheduled for September 29. She added that GVB has always supported this and nominations are being accepted from people in the sports community to herself or Pat Wolfe. There are several places to pick up nomination forms.
- She explained that there are about 10 different categories from coaches, fitness instructors and players from kids to adults. She will distribute it to the members.
- Chairman Mesa asked if the committee has gotten anything from the Table tennis competition coming up this.
- GVB's Kraig Camacho reported that the Rigalu Foundation expressed interest. They originally had an International fishing event scheduled for April that they cancelled. So they forwarded their support to Mr. James Ji for the International Table Tennis Tournament, which is scheduled for October. To date, the Rigalu Foundation still has not submitted a grant request.
- Chairman Mesa advised Director Camacho to stay updated with that and it will be included in the new monies for FY2013

❖ **EXECUTIVE SESSION:**

- **No Executive Session.**

❖ **OLD BUSINESS:**

- Chairman Mesa reported that an attachment was included in the packets for the joint board meeting agenda with the CNMI in October. If there are any suggestions that will be tied in, Management and staff need to prepare a presentation for each side with recommendations for a joint marketing campaign strategy.
- Director Arriola asked if she could add The FestPac 2016 because it won't be pushing just Guam as a host but Micronesia as a region.
- Director Arriola noted that CNMI lacked a delegate for the FESTPAC2012. She stated it is important for CNMI to have a GMIF delegate because the committee is looking at having Saipan, Rota and Tinian be a satellite host for FestPac since we share the same culture.
- Vice Chairman Baldyga suggested, that since the Boards don't really know what each other's business is, putting together a very short historical graph to bring them up to speed on different market segments. This will allow them to understand our position before we start into Russia and Japan and our relative positions.
- Director Kloppenburg cautioned to be sensitive to some issues that may be proprietary to Guam, which is our mission. The Board needs to be cognizant to the fact that we have surpassed their numbers this month from Russia and they've noticed that. We need to go in mindful of the fact that we want to be good neighbors but Guam is first for us.
- Vice Chairman Baldyga reported that the Visitor's Information Center, that the Board had approved, is in its early schematic design and will be done in 4 months and will start construction after the first of the year. He added that a nice space has been donated and been set aside for GVB and a café. He added that he will meet with the GM and DGM to do a walkthrough for their input of the design.

❖ **NEW BUSINESS:**

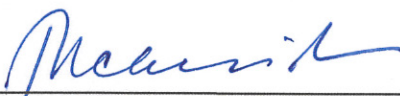
- Nothing to report

❖ **ANNOUNCEMENTS**

- GM Camacho announced the position of the new Executive Secretary Meriza Peredo.

❖ **ADJOURNMENT:**

- **Motion made by Chairman Saad, seconded by Chairman Mesa to adjourn the meeting. Meeting adjourned at 5:15p.m.**



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



Board Minutes prepared by Meriza Peredo, Executive Secretary