



REGULAR BOARD MEETING (Rescheduled)  
GVB MAIN CONFERENCE ROOM, 2:00PM  
THURSDAY; December 15, 2011

**Board of Directors Present:**

Chairman Monte Mesa	Vice Chairman Mark Baldyga
Hope Cristobal	Hayato (Jack) Yoshino
Bruce Kloppenburg	Carol Tayama
Theresa C. Arriola	Judy Flores
N. Oscar Miyashita	Nathan Taimanglo

**Board of Directors Present Telephonically:**

**Board of Directors Absent:**

Eduardo (Champ) Calvo  
Rizk Saad  
Jennifer Crisostomo

**GVB Management and Staff Present:**

Joann Camacho	Nathan Denight	Felix Reyes
Mark Manglona	Jessica Peterson	Charlene Hitosis
Nadine Leon Guerrero	Debi Phillips	June Sugawara
Sonja Lujan-Sellers	Rose Cunliffe	Janel Perez

**Guests:**

❖ **Proceedings:**

Meeting called to order at 2:10 p.m. by Chairman Mesa.

Review of the previous Regular Board minutes dated November 10, 2011.

- o Motion made by Director Kloppenburg, seconded by Director Arriola, to approve the minutes of November 10, 2011.

Motion approved (subject to correction).

❖ **Chairman's Report:**

- *Economic Forecast, 2011-12 Guam-CNMI Edition distributed to all board members present – provided by Chairman Mesa.*
  - Chairman Mesa stated that Japan's triple disaster in March and the pending military build-up has created uncertainty for Guam's economy, however the bond that has paid tax refunds for thousands has stimulated Guam's economy.
  - Chairman Mesa stated that Senator Dennis Rodriguez introduced Resolution 154, which commends local businesses for instituting senior citizen program at their establishments.
  - Chairman Mesa stated that Senator Rodriguez encourages GVB & GHRA members to provide a Senior Citizen Discount Program as part of the "We Are Guam" campaign to show respect and honor to our island senior citizens.
  - Chairman Mesa stated that DGM Denight would update the board on GVB's strategic plan.
  - Chairman Mesa commented that the China Visa Waiver forum on November 29<sup>th</sup> was successful and very informative to all who support Guam's tourism industry.
  - Chairman Mesa commended GVB management and staff for all their hard work in preparing for the forum.



- Chairman Mesa reported that the visit of FIFA's President, Joseph Blatter turned out very well and as a result has given Guam international media exposure.
- Chairman Mesa added that FIFA has made the commitment to invest \$500,000 to further develop Guam Football Association's (GFA) soccer program.
- Chairman Mesa stated that this was Mr. Blatter's first visit to Guam and that he received a warm welcome and unique island experience.

### ❖ **General Manager's Report**

- *A copy of the General Manager's report was provided to all board members that were present.*
  - GM Camacho reported on the visitor arrivals:
    - November 2011: 97,572
    - FYTD2012 (Oct 1-Dec 14, 2011): 229,021
    - CYTD2011 (Jan 1-Dec 14, 2011): 1,095,482
    - MTD2011 (Dec 1-14, 2011): 41,173
  - GM Camacho reported on GVB's FY2012 Marketing Plan goals, specifically for the new Russian market the goal pax is 1,769.
  - GM Camacho stated that the JGTC meeting on December 2<sup>nd</sup> turned out very well. She stated that there were discussions and ideas presented for a longer stay market and focusing on destination development.
  - GM Camacho added that after the JGTC meeting the members were invited to the Annual Membership Appreciation Mixer at GVB.
  - GM Camacho reported that twenty-nine charter flights have been scheduled beginning December 25<sup>th</sup> and ending on January 6<sup>th</sup>.
  - GM Camacho stated that she was part of the Guam Delegation who attended 25<sup>th</sup> Taipei International Travel (ITF) from November 9-13, 2011. She added that Guam's booth received the award for the "Best Booth Operator".
  - GM Camacho stated that Gina Kono and Felix Reyes attended the National Tour Association (NTA) event on Las Vegas, NV from December 5-8, 2011. They met with NTA officials, tour operators, destination marketing organizations, as well as attended China Outbound/Inbound Symposiums.
  - GM Camacho stated that GVB presented Movies by the Beach at Ypao Beach Amphitheater with sponsors such as Hilton Guam Resort & Spa.
  - GM Camacho stated that gifts were handed out to moviegoers.
  - GM Camacho stated that GVB sponsored the 11<sup>th</sup> Asian Seniors Bowling Championship held at Century Lanes Bowling Center with over 300 bowlers from overseas.
  - GM Camacho stated that the visit of FIFA President that GVB helped sponsor maximized media exposure for Guam internationally, which stories could be viewed on FIFA.com and Asian Football Confederation (AFC) website.
  - GM Camacho thanked all guest speakers, panelists, sponsors, and attendees who made the Guam-CNMI Visa Waiver Forum a success. She added that we all need to continue to stick together and that this was not a one-person mission but everyone's mission.
  - GM Camacho stated that Congresswoman Bordallo was notified on November 23, 2011 that Secretary Janet Napolitano granted Parole Authority to Russian Tourists.
  - GM Camacho added that Parole Authority for Russian visitors to Guam would be conducted in a manner similar to how Parole Authority is executed in the CNMI.
  - GM Camacho stated that the U.S. Customs and Border Protection (CBP) is currently looking at workload and resource requirements to implement the Secretary's decision and that they expect it to be roughly 4-6 weeks before it formally implements the Secretary's decision.
  - GM Camacho added that CBP would be putting out guidance to the airlines soon.
  - GM Camacho reported additional updates from Congresswoman Bordallo's office regarding Russian Parole Authority:

- It would take time for the airlines to train staff and gate agents on what CBP needs them to be on the lookout for or be cognizant of for flights with Russian Nationals.
- Requirements for entry: Passport (machine readable); completed CBP Form I-736 and I-94 form; and return ticket.
- Parole is a case-by-case entry into the U.S.; cannot stay longer than 45 days when parole is issued.
- Same inadmissibility that applies for granting a visa or someone coming under VWP still applies to parole.
- Information on visitors is provided to CBP about 72 hours prior to flight. Additional information would come in from Advance Passenger Information System (APIS) and Secure Flight. Same process as in the CNMI.
- At this time ESTA does not apply to those entering under parole.
- Russian parolees could travel freely between Guam and CNMI. This would allow for seamless travel and should enhance regional tourism.
- There is no regulatory announcement that is required, however once CBP feels the airlines are ready and visitor industry have been prepped then CBP would issue a press release and announcement and the system would be in place.
- GM Camacho commented that Congresswoman Bordallo stated that a decision remains before Secretary Napolitano regarding the expansion of the Guam-CNMI Visa Waiver Program for Chinese Nationals, including possible parole as is in the CNMI.
- GM Camacho added that any additional economic or security information that helps to make our case would be accepted and factored into the Secretary's memo.
- GM Camacho reported that there are ten Chinese New Year charter flights scheduled with a total of 1,429 pax.
- GM Camacho stated that she met with Rocky Miner, CBP Port Director to discuss ESTA. She stated that the dedicated lane would continue and the need to work with the airlines and tour groups to promote aggressively.
- GM Camacho added that there has been a challenge with GIAA to update the electronic bulletin and the need to improve communication between the airlines, GIAA, CBP, and GCQ.
- Director Arriola inquired about GIAA's air conditioning units, because it's been hot.
- GM Camacho replied that the A/C unit in the arrival section of the airport was down, however she would follow up with GIAA.
- GM Camacho updated the board on Fly Guam:
  - Currently does not fly into or out of Guam nor there are current plans to resume flights in the near future.
  - One aircraft being utilized.
  - Daily flights between Palau and Taipei.
  - Saipan-Nagoya flights ended December 14<sup>th</sup> and possibly to resume on December 30<sup>th</sup>.
  - No plans decided for 2012.
- DGM Denight gave an update on the strategic plan. He stated that the PATA Task Force is tentatively set to meet on January 30, 2012.
- DGM Denight stated that GVB made a recommendation for alternate members, currently waiting to hear from PATA.
- DGM Denight stated that the USDA grant application was still being completed, which would help pay for costs associated with the strategic plan and outreach.
- GM Camacho reported on the Hotel Occupancy Tax Bond update. She added that the Project Committee has been meeting every two weeks and that the next meeting is scheduled for January 11, 2012 at the GEDA conference and is open to all GVB board members interested to attend.
  - Project Manager is RW Armstrong.
  - Steering Committee formed for both project groups (museum & other bond project); Request GVB representation to be in committee either staff or board member.
  - Project prioritization is still on going; final approved by the Governor.
  - RWA would be hiring consultant for public outreach.
- Vice Chairman Baldyga inquired if JGTA knew what was going on with the Guam Museum.
- Nadine Leon Guerrero replied that JGTA received a presentation by the Guam Museum Foundation Chair, Dave Tydingco.

- N. Leon Guerrero added that JGTA has been in contact with Ken Baki (RWA) regarding bussing issues.
- Director Cristobal stated that the Steering Committee has been formed and identified.
- Director Cristobal stated that there should be GVB representation either staff or board to be part of the committee for the Guam Museum.
- Director Kloppenburg replied that it should be both GVB staff and board member.
- Chairman Mesa inquired who was chairing the committee.
- Director Cristobal replied that she wasn't sure.
- Director Cristobal stated that an RFP for the Designer has been finalized and would be released possibly sometime next week.
- Director Cristobal stated that the location of the Guam Museum has been set to be built at Fort Apugan.
- Director Cristobal stated that the museum is the largest project of the HOT Bond and that RWA has recommended to the Governor's office to hire a museum Director.
- Director Cristobal added that the museum should be completed in 2014.
- Vice Chairman Baldyga inquired if they would tap into the Tourist Attraction Fund (TAF) if shortfall in Operations should arise.
- Director Cristobal replied that this is a government facility and TAF is used for many other projects.
- GM Camacho added that GVB is working on a USDA loan to help stretch out funds.
- GM Camacho stated that with the ARRA grant there were 520 energy-efficiency lighting fixtures that were replaced in Tumon and there are plans for 1400 additional streetlights to be installed and that GPA has a bid in progress.
- GM Camacho stated that GVB has requested for Carlos Camacho Road and Sheraton to be included.
- GM Camacho added that there is a ten-year warranty that covers light bulbs and ballasts.
- GM Camacho stated that GPA would be working on a 16,000 street light project for energy efficiency.
- Chairman Mesa commended the committee that worked on the Tumon lighting project.
- GM Camacho stated the areas of concern by the JGTC members: Street Lights, Warning Signs, Security Cameras, Bus Stops.
- GM Camacho stated that there would be staff meetings to address those concerns.
- *Brand USA Video played for board members.*
- Chairman Mesa stated that Brand USA, formerly the Corporation of Travel Promotion was created to encourage travel to the U.S.

❖ **Report of the Treasurer:**

○ **Cash Position Report:**

- Cash report as of December 12, 2011.
- Total cash in banks report (as of 12/12/11) \$6,835,141.35
- Total allotment received to date: \$3,430,736.04

- Director Cristobal stated that the audit is still ongoing.
- Director Miyashita inquired when the draft audit would be expected.
- Rose Cunliffe replied that it's scheduled for February, but would work with the auditor to have it completed earlier than that.
- Director Miyashita suggested before the audit is finalized if the auditors could meet with the board members.
- R. Cunliffe agreed.
- Director Kloppenburg inquired about Japan Foreign Exchange gain or loss.

❖ **Report of the Board Committees:**

A. **The Strategic Advisory Council:**

- Nothing to report.

**B. Administration/Government Relations:**

➤ *Information on the HOT Bond was reported and discussed under the GM's report.*

**C. Executive Committee:**

- **Motion made by Vice Chairman Baldyga, seconded by Director Kloppenburg, to ratify approval for up to \$5,000 from the Membership Account for the Annual Membership Appreciation Mixer scheduled for December 2, 2011.**  
Motion approved.

Expenses:

Catering (Light pupus including beer and wine) @ \$5,500 (**\$2,200** from Membership, \$3,300 from JGTC account)

Service Charge @ **\$230**

Canopy, chairs, décor @ **\$1,000**

Entertainment @ **\$350**

Incidentals (In case of last minute food increase) @ **\$1,220**

**Background:** The annual Membership Appreciation Mixer is scheduled for December 2, 2011. This event is in conjunction with the JGTC meeting.

**Issue:** Time sensitive and board approval required to proceed with event.

**Discussion:**

- *Due to the confusion of the initial breakdown of cost on this motion the board received verbal explanation.*
- Vice Chairman Baldyga stated that the breakdown of costs does not add up to be \$5,000.
- Director Kloppenburg agreed.
- Vice Chairman Baldyga recommended for the motion to be corrected to reflect \$2,200 from Membership Account.
- Chairman Mesa stated that the motion needed to be clarified.
- Director Kloppenburg asked Doris Ada to explain the motion.
- D. Ada stated that every year JGTC contributes, which comes out of the TIR Account. She added that this year their contribution was \$3,300.
- D. Ada stated that Membership's contribution was \$5,000 and explained the breakdown of the expenses:

Services:	Membership Account	JGTC Account
Total cost for Catering \$5,500	2,200.00	3,300.00
Service Charge	230.00	
Canopy, chairs, décor	1,000.00	
Entertainment	350.00	
Incidentals (In case of last minute food increase)	1,220.00	
<b>Total:</b>	<b>\$5,000.00</b>	<b>\$3,300.00</b>

*\*Total cost for the Annual Appreciation Mixer: \$8,300*

**D. Japan Marketing:**

- Vice Chairman Baldyga stated that the BS TV project is proceeding and that follow up meetings are being held to ensure that Guam is portrayed as stated within GVB's Branding Initiatives.
- Vice Chairman Baldyga stated that the Destination Management focus at the JGTC meeting subsequent to JGTA and JMC meetings that there were requests for destination management improvements.
- Vice Chairman added that there would be staff meetings to further address issues such as safety and security issues to include security camera, warning signage and bus stops.

**E. Korea Marketing:**

- Director Miyashita reported market share gain and stated that there are continuing efforts to increase market share.
- Director Miyashita reported that Guam visitors by category reflect marked increase in FIT bookings; honeymoon remains high for Jan. – June 2011. He added that they expect this number to show a dramatic decline when numbers reflect reports that compare months between 2010 and 2011, as the report does not reflect a full year.
- Director Miyashita stated that there is an ongoing price war between KAL and Asiana on the Korea-Honolulu route and has shown an impact in honeymoon arrivals to Guam as the airfare to Hawaii is about flat to Guam.
- Director Miyashita reported that media value for the GMIF/KKRR bloggers continue to show results with around \$1.2 million in media value.
- Director Miyashita stated that they are receiving teams for sports camp on Guam: Jeju UTD FC (45 pax); I&J Junior Soccer (36 pax); Seoul FC (61 pax) coming in January 2012; and Samsung Lions Baseball Team Minor League (28 pax) coming in February 2012.
- Director Miyashita reported new additional charters from HANATOUR in July 2012.
- Director Miyashita stated that Henry Lee of TLF/GVB Korea has been working diligently to secure air route out of Busan, which has been challenging. He added that discussions are still ongoing with LCCs such as Jeju Air and Eastar Air, but also with Asiana.
- Director Miyashita stated that KAL is looking at increasing regular flights instead of charter flights from Incheon to seven days per week to create demand and to satisfy demand.
- Chairman Mesa wanted to make note that as we increase Incheon and develop Russia capacity using KAL and Jin Air that this does not skew Korea's actual arrival numbers.
- GM Camacho informed the board that the Bureau would partner up with GIAA to attend road shows together that are planned for different countries/committees.
- GM Camacho added that the reason to travel together is to have one conversation at one time for Guam. She stated that GIAA has agreed and would test in Korea and Japan.

**F. Existing Markets:**

- Director Yoshino reported that he was part of the Guam Delegation to Taipei and received positive feedback from Eva and China Airlines. He added that Eva Airlines would be adding additional charter flights from Taipei in January 2012.
- Director Yoshino suggested that the market GVB should pursue is weddings.
- Director Yoshino stated that this year there were 1,000 weddings, which has been very good for Guam and should promote.
- Director Yoshino stated that Taiwan is a good filler for the off-season and the need to promote group markets from Taiwan.

**G. New Market Development:**

- **Motion to request for a supplemental budget from the 31<sup>st</sup> Guam Legislature \$425,000 for the Russia Market and \$75,000 for both Singapore and Malaysia Markets.**  
**Motion tabled.**

**Background:** Department of Homeland Security had recently granted Parole Authority for Russian visitors to enter Guam on a case-by-case basis without a visa for up to 45 days. Russian currency is very high. USD 1.00 is equivalent to 31.677 Russian Ruble, so doing business in Russia will be relatively expensive. Timeline for implementation of Parole Authority is still to be determined.

**Issue:** Board approval needed.

**Discussion regarding request for supplemental budget for the Russia Market, as well as Singapore and Malaysia:**

- Director Kloppenburg stated that everyone is aware of the news on Russia. He added that the committee wants to request a supplement budget from the Legislature to address Parole Authority with the Russian market.
- Director Kloppenburg requested for the board's opinion if the Bureau should move forward requesting a lump sum figure or develop a strategy plan first. He stated that it was not a good idea to go to the Legislature with a figure and no marketing plans.
- Director Kloppenburg recommended that the Bureau develop a plan and make sure the plan coincides with the particular figure before randomly requesting a figure.
- Director Kloppenburg suggested that the motion be tabled until the next board meeting.
- Director Kloppenburg recommended for the Bureau to submit an intent letter to the Legislature, specifically to Oversight Chair Senator Muña Barnes requesting a supplemental budget predicated upon the new Parole Authority.
- Chairman Mesa agreed and stated that a figure doesn't have given at this point, but to have the resources expended so management could move forward and create a marketing plan.
- Director Kloppenburg responded that the Bureau has been carving out funds out of the China market, which they have the latitude to do to start and develop a plan.
  
- *Board members proceeded with new discussions on this market.*
- Director Cristobal stated that in regards to Russian tourism there are concerns with human trafficking with the 45-day period that they are allowed to stay. She added that this has been reported at the U.S. Attorney Conference.
- Director Cristobal recommended that the Bureau reemphasize that Guam is a family destination.
- Director Kloppenburg responded that Saipan's Russian market is a family market and would take those issues into consideration.
- Director Kloppenburg stated that the policies and procedures for Parole Authority have been established and should know by the end of January what is required of us.
- Director Kloppenburg suggested for all to review the outline reported under GM Camacho's report.
- Director Kloppenburg stated that there would be meetings regarding China VWP to develop the next stage of our continuing efforts.
- GM Camacho stated that Governor Calvo would be heading to the next National Governor's Association (NGA) Conference in mid-February and thereafter meet with IGIA. She added that this would be an opportunity to continue to push the issue on the China VWP.
- Director Kloppenburg responded that there are plans in the works.
- Director Yoshino suggested that since Saipan is advanced 8-10 years on the Russian market that Guam should think about collaborating.
- Director Kloppenburg agreed.
- Director Kloppenburg stated that Russian visitors could travel between Guam and Saipan, which is a small window of marketing opportunity that Guam is the entryway to the Marianas.
- Director Kloppenburg added that Guam could learn a lot from Saipan.
- GM Camacho added that Guam has a good relationship with Saipan. She stated that Saipan received a grant from the Department of Commerce in the amount of \$1.27 million and of that \$700,000+ has been earmarked for tourism.
- GM Camacho stated that this would be the perfect time to collaborate and utilize our resources to maximize our potential and have a "One Marianas" approach to marketing Russia.
- Director Miyashita inquired how Guam could receive the grant.
- GM Camacho stated that she would work with GEDA, who is the grant arm. She stated that they weren't as aggressive and only received \$135,000 grant.
- GM Camacho added that she has spoken with Karl Pangelinan and would work with his office.

- Director Kloppenburg suggested to Director Miyashita to really work on developing a relationship with KAL for the Russian market. He stated that they're going to be our primary access route and need to coordinate with the Korean market see if there is something we could do with KAL.
- Chairman Mesa added to begin the dialogue with KAL.
- GM Camacho mentioned that after her meeting with Rocky Miner at GIAA, she stopped by KAL's office and spoke with Mr. Dong Hyu Shin, Regional Manager. She stated that he's aware and recommended to start the dialogue with him.
- Director Kloppenburg stated that our primary route to Saipan is through Asiana Airlines.
- GM Camacho informed the board that KAL would start direct flights to Palau.

**H. Destination Management:**

- Nothing to report.

**I. Membership Development:**

- Director Kloppenburg thanked D. Ada for a great year.

**J. Research:**

- Director Taimanglo informed the board that March and April Exit Surveys for Japan and Korea are ongoing.

**K. Cultural Heritage & Community Outreach:**

- Director Arriola stated that her committee did not meet this month and would resume in January.
- Director Arriola added that CHaCO continues to remain active in the community.
- Director Arriola stated that there were eleven companies who signed up today for Hafa Adai Pledge.
- Director Arriola added that USO marked the 250<sup>th</sup> company to join HAP, plus bringing a total of 20,000 employees invested in this plan, which is a great milestone.
- Director Arriola stated to light the fire of interest in HAP; the name would be changed to HAP Plus.
- Chairman Mesa responded that he hears the Hafa Adai greetings as he visits commercial businesses.
- GM Camacho stated that the Bureau is pushing the Guam Buy Local Product.

**L. Sports & Events:**

- Nothing to report.

❖ **EXECUTIVE SESSION**

- Nothing to report.

❖ **OLD BUSINESS:**

- Director Kloppenburg inquired about the construction downstairs.
- GM Camacho replied by the end of January.
- GM Camacho added that the office is getting a facelift with energy-efficient lights and conference room chairs to be cleaned this weekend.
- GM Camacho stated for those board members who have not taken their picture to contact Janel Perez or Miranda Munoz.

❖ **NEW BUSINESS:**

- Director Cristobal stated that she had the opportunity to sit in at a presentation by Gina Kono to the Chinese Tour Agents. She recommended revising the information that the Bureau is presenting to tour agents.
- Director Cristobal suggested for the presentation to be more of a marketing approach rather than dry statistics about the island.
- Director Cristobal stated that she didn't think they were interested in knowing demographics, but may be



interested to know how Guam transacts from north to south from Japan to Australia, shipping from east to west, and adding a few geographical information.

- Director Cristobal suggested recruiting Director Flores to add historical information.
- Vice Chairman Baldyga inquired about funding for non-profit organizations.
- Director Cristobal replied that they're appropriated but GVB has not received the allocations.
- GM Camacho informed the board that the Bureau would be updating the Guam video. She anticipates that the video would be completed within the 1<sup>st</sup> quarter of 2012.
- Vice Chairman Baldyga inquired whom GVB is distributing the videos to.
- GM Camacho responded that this would be a tourism video for agents, such as a sales video.
- Director Kloppenburg inquired about collaterals.
- GM Camacho replied that the Bureau has the new guidebooks in stock and currently working on MICE guidebooks.
- DGM Denight added that the Bureau is working on one overall MICE brochure for all markets.
- GM Camacho mentioned that there is a guidebook for Weddings.
- Director Miyashita inquired about charters from China for the Chinese New Year.
- Chairman Mesa replied that there are ten charters scheduled for CNY.
- Director Kloppenburg commented that compared to last year there were about nine charters.

#### ❖ **ANNOUNCEMENTS**

- Vice Chairman Baldyga informed the board that his company signed a contract with United to do the in-flight video that would run for the next several years.
- Vice Chairman Baldyga stated that they would make sure the video includes clear instructions on the new immigration forms and culture.
- Vice Chairman Baldyga asked if anyone had any thoughts or suggestions.
- Vice Chairman Baldyga stated that this would be a 15-20 destination arrival video.
- Vice Chairman Baldyga stated that United is receptive to the idea of showing a video on the return segment back to Japan and possibly coming up with something to encourage repeat visitation. He asked if anyone was interested to take advantage of that, to let him know.
- Director Yoshino announced that in February Hilton Resort & Spa will be celebrating its 40<sup>th</sup> Anniversary and that they would try to promote a senior market.
- Chairman Mesa informed the board that the next BOD meeting on Thursday, January 12, 2012 would revert back to the regular time at 4:00 pm.

#### ❖ **ADJOURNMENT:**

- Motion made by Director Kloppenburg, seconded by Vice Chairman Baldyga, to adjourn the meeting. Meeting adjourned at 3:50 p.m.

Attested:



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



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Board Minutes prepared by Janel Perez, Executive Secretary