



# GUAM VISITORS BUREAU

50<sup>th</sup> ANNIVERSARY • 1963 - 2013

REGULAR BOARD MEETING  
GVB MAIN CONFERENCE ROOM, 3:30PM  
THURSDAY; June 13, 2013  
Guam Visitors Bureau Main Conference Room

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## Board of Directors Present:

V. Chairman Bruce Kloppenburg	Therese Arriola
Jennifer Camacho	Judith Guthertz
Robert Hofmann	N. Oscar Miyashita
Milton Morinaga	Annmarie Muna
Norio Nakajima	Nathan Taimanglo

## Board of Directors Present Telephonically:

## Board of Directors Absent:

Chairman Mark Baldyga  
Eduardo "Champ" Calvo  
Bartley Jackson

## GVB Management and Staff Present:

Rose Cunliffe	Doris Ada	Kraig Camacho
Nadine Leon Guerrero	Antonio Muna	Mark Manglona
Elaine Pangelinan	Meriza Peredo	Laurette Perez
June Sugawara	Haven Torres	

## Guests:

❖ Proceeding

Meeting called to order at 3:43 p.m. by Vice Chairman Bruce Kloppenburg.

- Review of the previous Regular Board minutes dated May 23, 2013.

Exhibit A

Motion made by Director Guthertz, seconded by Director Taimanglo, to approve the minutes of May 23, 2013.

Motion approved (subject to correction).

❖ Chairman's Report:

❖ General Manager's Report

Exhibit B

PRELIMINARY Visitor Arrivals  
May 2013  
Total: 86,124 (-4.1%)

% Market Mix	Origin	Pax	% to LY
61.7%	Japan	53,308	-4.2%
21.5%	Korea	18,513	53.4%
5.2%	US/Hawaii	4,470	-24.0%
4.0%	Taiwan	3,443	7.7%
0.8%	China	679	49.9%
0.5%	Russia	437	55.0%

PRELIMINARY FYTD Visitor Arrivals  
October 2012 - May 2013  
Total: 884,172 (8.0%)

% Market Mix	Origin	Pax	% to LY
60.2%	Japan	611,858	3.9%
16.7%	Korea	147,317	45.0%
4.3%	US/Hawaii	37,963	-10.6%
3.1%	Taiwan	27,775	-13.5%
0.8%	China	7,029	115%
0.5%	Russia	4,636	219.5%

PRELIMINARY CYTD Visitor Arrivals  
January 2013 - May 2013  
Total: 552,981 (5.2%)

% Market Mix	Origin	Pax	% to LY
69.2%	Japan	382,857	0.3%
16.6%	Korea	92,035	43.8%
4.4%	US/Hawaii	24,185	-8.9%
3.2%	Taiwan	17,600	-17.2%
0.9%	China	5,067	19.5%
0.6%	Russia	3,283	172.0%

PRELIMINARY MTD Visitor Arrivals  
June 1 - 6, 2013  
Total: 17,286 (5.3%)

% Market Mix	Origin	Pax	% to LY
57.3%	Japan	9,940	-6.1%
25.1%	Korea	4,331	39.8%
5.3%	US/Hawaii	920	-3.7%
5.9%	Taiwan	1,023	-43.5%
0.5%	China	88	14.3%
0.5%	Russia	92	11%
57.5%	Japan	9,940	-6.1%





## KOREA MARKETING NEWS

KOTFA 2013



## KOREA MARKETING NEWS

### KOTFA SNS Event



#### Blogger Contest

1. Share the event link on Blog/FB
2. Visit GVB booth at KOTFA
3. Guam testimonial post with GVB booth photo

Prize -- 2 pax to Guam  
(Find Ko'Ko' Promotions)

## KOREA MARKETING NEWS

KOTFA 2013



KAL Meeting

U.S. Embassy Meeting

Visit w/Brian Pak

Media Interview

Ribbon Cutting

MG at GVB Booth

## TAIWAN - 3 MONTH FORECAST

Month	Forecast Pax	%Change	Last Year	Seat Forecast 13	Seat Data 12	%Change Seats
June	4,538	13.4%	4,001	5,672	5,379	5.4%
July	5,441	-1.7%	5,536	7,563	7,652	-3.8%
August	3,509	-23%	4,541	5,013	6,654	-22.3

Threats for a shortness in seats in Aug is because of flight of 1 charter flight in Aug last year (405 seats)

Flight of 1 charter flight in Aug

June

- CI Flight: Taipei 2x per week = 2,440 (2 flight)

- China Flight: Taipei 2x per week = 2,440 (2 flight)

- EVA Air: Taipei 2x per week = 2,440 (2 flight)

- Delta Air: Taipei 2x per week = 2,440 (2 flight)

- Total 9,760

July

- CI Flight: Taipei 2x per week = 2,440 (2 flight)

- China Flight: Taipei 2x per week = 2,440 (2 flight)

- EVA Air: Taipei 2x per week = 2,440 (2 flight)

- Delta Air: Taipei 2x per week = 2,440 (2 flight)

- Total 9,760

August

- CI Flight: Taipei 2x per week = 2,440 (2 flight)

- China Flight: Taipei 2x per week = 2,440 (2 flight)

- EVA Air: Taipei 2x per week = 2,440 (2 flight)

- Delta Air: Taipei 2x per week = 2,440 (2 flight)

- Total 9,760

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## TAIWAN MARKETING NEWS

### May

- Event: 2013 Taiwan Tourism Expo
  - Time: May 24 - 27
- Attracted 226,863 Visitors, a 10% increase comparing to last year, breaking the records in the past. Featured over 500 Organizations, a 30% growth comparing to last year.
- Veda integrated "Say Yes Again" campaign into booth design, combined with social media event, to both promote Guam booth and the campaign, increasing awareness of Guam.
- Veda invited travel agencies to sell Guam packages in Guam booth to promote Guam together. Veda offered gifts for customers buying Guam packages on booth. Over 30 packages were sold.



## TAIWAN MARKETING NEWS

### May-July

- Event: "Say Yes Again" Event
  - Time: The election starts from May 22 and will end on July.
- Highlights:
  - So far, there are 156 couples registering the campaign, attracting over 8,500 votes.
  - With FB page integrated in the campaign, it also attracts over 5,000 new likes to GVB Taiwan page in a week.



## TAIWAN MARKETING NEWS

### May

- Event: "Say Yes Again" Media Briefing
  - Time: May 22
  - Attendance:
    - 20 journalists/reporters attended the event, including a TV outlet, 4 newspaper media, 7 magazines, and 4 online media.
  - Highlights:
    - Veda invited a married couple as the models for photo call.
    - Veda interacted with media to build stronger relationship.
    - Watabe Wedding Company, the co-organizer, also attended the event.
    - Received 16 exposures so far.



## TAIWAN MARKETING NEWS

### June

- Celebrity Co-op: Singer A-Fu
  - A-Fu, an influential singer in Taiwan and China, who received many awards and was nominated "Rookie of this Year" of the 23rd Golden Melody Awards, plans to release her new album, titling "Sky Island," incorporating the Guam image into the promotion.
  - A-Fu will hold a concert on June 9 and GVB will sponsor 2 Guam flight tickets for the lucky draw event in the concert.
  - GVB is offered a booth in its June 9 concert to promote Guam as well as Guam travel products and exposure opportunities on a photo shooting banner. Cost estimation:
    - 2 Guam flight tickets (as prizes for June 9 concert): \$1,000 (confirmed by GVB)
    - From SMD budget



## TAIWAN MARKETING NEWS

### June

#### • 3M Co-op

- 3M will be holding a "3M Ultimate Water Challenge" event as part of CSR efforts on June 9.
- GVB as a partner, sponsor 2 tickets to Guam as a Grand Prize to attract participation.
- 3M Will provide Guam chances of logo exposures on its event website, promotional materials, and decoration.
- Cost estimation:
  - 2 Guam flight tickets: \$1,000 (confirmed by GVB)
  - from SMD budget



## TAIWAN MARKETING NEWS

### June

#### • Kaohsiung Tourism Exposition 2013

- Time: Jun.14 - 17
- Veda has got a complementary booth and invited TAs to join to boost Guam packages sales. 5 TAs have confirmed to join.
- With limited budget (without booth charges), GVB can get opportunities to promote Guam and sell Guam packages, expanding sales in markets other than Taipei.
- Cost estimation: \$1,933 (Confirmed by GVB)
  - Site management: 2 Pax for 2 days (the 1st & 2nd day): \$1,333
  - Transportation Fee (including HSR and local taxi): \$270
  - Local Accommodation in Kaohsiung (2 rooms): \$230
  - Miscellaneous Expenses (including courier, refreshment, internet, and etc.): \$100



## TAIWAN MARKETING NEWS

### June-August

#### • Find Ko'ko' Global Campaign

- Taiwan Marketing Plan
  - Release NR targeting media.
  - Hold an Information Session for travel agencies and invite trade media to participate. Provide the samples of Ko'ko key chains (gifts) for TAs to showcase to customers (need 20 sets of samples).
  - Give out campaign DM in Kaohsiung Tourism Exposition (Jun.14 - 17)
  - Continue to promote on GVB social media
- Cost estimation: \$10,500 (confirmed by GVB)



Item/Service	US\$
Find Ko'ko' Information Session	4,000
DM Design and Printing	1,500
Online Advertisement	5,000
<b>Total</b>	<b>10,500</b>

## RUSSIA MARKETING NEWS

#### • Pacific International Tourism Expo

Vladivostok - May 17 - 19, '13

GVB Delegation: Bart Jackson, Gina Kono & Haven Torres

Co-exhibitors: Sheraton, Nikko, PIC, Hyatt, DFS, Guam Troika Tours

Entertainment: PIC

#### • Guam Product Seminar

Yuzhno-Sakhalinsk - May 20, '13

28 travel agents present



➤ Vice Chairman Kloppenburg reported on the factors affecting Taiwan's decrease in arrival numbers:

- Taiwan has been in recession since the second half of 2012. Budgets become one of the most important concerns for travelers and the performances of most destinations decline.
- There have been many destinations in China and Japan opened for direct flights, attracting more tourists to choose.
- More and more budget airlines opened their services to Korea, Japan and Singapore, attracting many tourists who are concerned with budgets.
- Facing the economic recession of Taiwan, South-east Asian tourism markets have been offering lower priced packages to attract consumers. Though Guam TAs also cut the prices, the overall expenses for travelling to Guam is still high because of higher level of consumption.
- Two airlines have adjusted the flight arrangements according to the current market status. They had fewer CNY charters and EVA Air even adjusted the flights to smaller planes.
- North Korea's threats to attack Guam had greatly influenced Guam markets from March and the situation exacerbated in April. The performance of Guam packages sales stagnated; many tourists who had



already bought Guam packages even canceled their trips. The impact continued to present in arrival numbers until early May.

- After the N. Korea issue, Veda devoted a series of active promotions (including information session cooperating with CI, ANTOR table marts, GMIF media fam tour, TTE, Say Yes Again marketing campaign and various social media activities) to boost the market. Also, many tourist who planned to visit Philippine changed to go to Guam instead due to Guang Da Xing issue. The arrival numbers has been increasing from middle May and have kept good performance.
- Reason for decrease in April and May this year compared to last year, is due to Eva air's change of aircrafts from 209 seat carriers last year to 252 seat carriers this years.

❖ Report of the Treasurer:

Exhibit C

**Cash Position Report:**

**Cash report as of May 20, 2013.**

Total cash in banks report (as of 06/10/13) \$14,586,819.58

Total allotment received to date: \$10,505,884.55

**Motion to accept cash position.**

**Motion approved.**

❖ Report of the Board Committees:

**A. EXECUTIVE COMMITTEE:**

- Vice Chairman Kloppenburg reported that By-law revisions will be ready for presentation.

**B. MEMBERSHIP DEVELOPMENT:**

- Vice Chairman Kloppenburg reported that the Quarterly Membership meeting is on June 28 at the Nikko hotel. V. Chairman Kloppenburg encourages attendance of all members to vote on the amendments of the Bylaws. 2/3 of 656 (446 members) members need to be present to ratify By-law amendments.

**C. NORTH AMERICA & PACIFIC (NAP)**

- Director Muna reported the monthly committee meeting has been postponed til next month. She assured the Board that the committee will address the reasons and factors for the decrease numbers of US / Hawaii arrivals.

**D. RESEARCH:**

E. DESTINATION MANAGEMENT:

Exhibit D

- Director Hofmann reported that the committee is addressing the cleaning of Ypao road.

F. RUSSIA & NEW MARKETS DEVELOPMENT:

Exhibit E

G. SPORTS & EVENTS:

Exhibit F

- Director Taimanglo reported that the committee will be meeting next week regarding the addition of a 'premiere event'. A subcommittee will be created to explore the costs.
- Vice Chairman Kloppenburg reported on (3) Guam residents (Mr. Richard Lai/Mr. Robert Torres/ Mr. Randy Cunliffe) now sitting upon a FIFA committee. He suggested inviting them to be a guest speaker at the September membership meeting. He also highly encouraged the committee to see how we can utilize this resource and work together.

H. ADMINISTRATION / GOVERNMENT RELATIONS:

Exhibit G/H/I/J

Authorization to fill TIR position

Director Guthertz made a motion, seconded by Director Hofmann to authorize GVB management to fill the vacant Tourism Industry Relations Officer position subject to the availability of funds.

**Motion approved.**

Background:

In 2012, the GVB Management decided to shuffle positions to meet the growing needs of GVB's Marketing Department. The former Tourism Industry Relations Officer (TIR) was moved to Japan Marketing, which left the TIR position open. The duties and responsibilities was then transferred to the Public Information Officer who continues to carry them out.

Issue:

While the position is authorized by Law, it is unfunded for FY2013.

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- V. Chairman Kloppenburg reported TIR position is desperately needed and there have been challenges with issues but don't have staff to support it.
- GVB testimonies were submitted to the Legislature in support of the following bills:
  - Resolution No.106-32
    - Relative to Supporting the Development of a Public Policy, Investment and Operational Framework for establishing a Sustainable & Green Cruise Industry Micronesia with Guam Serving as the Regional Hub.
  - Bill 113-32
    - Making an appropriation from the TAF to Duk Duk Goose, Inc. to cover Production Costs for a Cultural Children's Television Program
  - Bill 114-32
    - Making an appropriation from the TAF to Hurao Academy, Inc. to continue their mission in Promoting and perpetuation the Chamoru Language and Culture.
  - Bill 115-32
    - Making an appropriation from the TAF to Inetnon Gef Pa'go Cultural Arts Program, Inc. for the Purposes of developing a Southern Visitor Attraction Venue at the Inarajan Garden House.
- V. Chairman Kloppenburg reported that he and GM Pangelinan met with the oversight Chairwoman Senator Tina Muna Barnes regarding their concerns of Bill 115-32. Although they support the intent of the bill to promote the Chamorro culture, the element of direct or indirect beneficial gain to Inarajan Garden House as a for-profit business raises a lot of concerns.
- V. Chairman Kloppenburg reported DGM Denight's email regarding GVB's testimony on Bill 115-32:

*"We added to the Inetnon Gef Pago (IGP) testimony that 'GVB supports the bill if the funding benefits IGP's non-profit activities, and not Inarajan Garden House, which is a for-profit business.' Speaker Won Pat picked up on this and asked for clarification on the arrangement and what the funds will be used for.*

*Judy Flores answered that Inarajan Garden House is donating space to IGP to house their non-profit programs - Chamorro dance classes for the community and Chamorro kids summer camp. Basically, it's the new home for IGP. Speaker asked Vince Reyes what the funds would be used for and he said drums, costumes and other supplies needed to teach the kids. Speaker recommended that the bill be reworded to reflect these points."*



- The Board agreed that a formal letter will be sent to the Legislature that will reflect the Board's concerns and suggestions of the following points:
  - A for-profit business directly benefitting from a TAF subsidized program
    - Will set a precedence to more of these requests
    - Unfair to other hoteliers and businesses that promote the Chamorro culture and include this component in their own operational budget.
  - A public venue that will allow for the community to access this program for free. (ex: the old Inarajan Elementary school)
- V. Chairman Kloppenburg reported that Management is working on a bill for the FY2014 budget requesting for an additional \$2 million for capital improvement projects in Destination Management. GVB will also be utilizing some of its existing money from excess funds but needs to ensure that it not be depleted.

**I. CULTURAL HERITAGE & COMMUNITY OUTREACH (CHaCO):**

- Director Arriola reported the next ChaCo committee meeting is Wednesday, June 19 at 3:30p.m..

**J. GREATER CHINA:**

Exhibit K

**9th International Forum on Chinese Outbound Tourism (IFCOT)**

Director Miyashita made a motion, seconded by Director Guthertz to approve travel for one (1) GVB Marketing Staff to attend the 9<sup>th</sup> International Forum on Chinese Outbound Tourism (IFCOT) from June 23-26, 2013 in Beijing. (Cost approximately \$2,450.00 and will come from the FY2013 IFCOT Account CI-TTC075.)

**Motion approved.**

Description	Breakdown	Total
Airfare:	\$1,200 x 1 pax	\$1,200.00
Per Diem: GVB Marketing Staff	Lodging: \$258.00 x 3 nights = \$774.00 M&IE: \$119.00 x 4 days \$476.00	\$1,250.00
	Total	\$2,450.00

**Background:**

On May 23, 2013, travel for five (5) delegates to attend the 9<sup>th</sup> IFCOT from June 23-26, 2013 in Beijing and two (2) GVB Marketing Staff to conduct meetings and sales calls in Shanghai with U.S. Consulate Shanghai, Korean Airlines, and United from June 27-28, 2013 was approved by the GVB Board of Directors. Five delegates approved to travel included: one (1) Government Official or GVB Chairman, one (1) member of GVB Senior Management, GVB Marketing Manager, one (1) GVB Marketing Officer II, and one (1) GVB China Symposium Delegate.

This motion is for approval to reflect one additional GVB Marketing Staff to travel to attend the 9<sup>th</sup> IFCOT in Beijing for staff training purposes.

As a major support of IFCOT 2013, GVB will be participating with the organizing committee to arrange an afternoon theme session to solely promote Guam, entitled "Island Tourism Vacation and Guam," which will include keynote speech, panel discussion, introduction of Guam tour products, etc. Attendees of this session will include top managers who currently sell U.S.A. products, especially island travel destinations as well as travel agencies who are interested in developing the Guam product for their clients.

Shanghai - Due to recent updates in U.S. visa processing, GVB marketing personnel has the opportunity to meet with the U.S. Consulate in Shanghai to discuss updates in faster processing and reduced costs for Chinese residents to travel to U.S. destinations. Furthermore, in light of this scheduled meeting in Shanghai, GVB will meet with partners from tour wholesalers as well as wedding companies.

Issue:

Board approval for travel required.

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- V. Chairman Kloppenburg reported that there is no activity with the China Parole Authority although it was noted that the Senate just passed the Immigration bill, in which the parole authority visa waiver language is mixed within it. It will now go before the House.

**K. JAPAN MARKET:**

Director Morinaga made a motion, seconded by Director Arriola to approve travel for two (2) accounting staff to Tokyo, Japan to conduct audit of GVB Japan Office from August 7, 2013 to August 9, 2013. (Estimated cost of travel is \$4,072.00. from Japan Market Budget Account No. SMD-008)

**Motion approved.**

Traveler	Per Diem Rate	No. of Days	Budget
Controller	\$412.00	3	\$1,236.00
Accounting Technician	\$412.00	3	\$1,236.00
Air Fare GUM-NRT-GUM	\$800.00 x 2 pax		\$1,600.00
TOTAL BUDGET:			\$4,072.00

Background:

Periodic audits are conducted at GVB Japan Office and are now due for one.



Issue:

Board approval required for travel.

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Director Morinaga made a motion, seconded by Director Arriola to approve travel for four (4) GVB Japan Staff to attend Hafa Adai Study Tour on Guam from June 28 - July 1, 2013. (Estimated cost of travel is \$1530.00 from Japan Market Budget Account No. SMD-002)

**Motion approved.**

Traveler	Per Diem Rate	No. of Days	Budget
GVB Japan Manager	\$62.50	4	\$250.00
GVB Japan PR	\$62.50	4	\$250.00
GVB East Japan Sales	\$62.50	5	\$312.50
GVB West Japan Sales	\$62.50	3	\$187.50
R/T NRT Airport transfer (2pax)			\$245.00
R/T KIX Airport transfer (1pax)			\$ 85.00
Airport Tax (4pax)			\$200.00
Air Fare			InKind
Hotel Accommodations			InKind
TOTAL BUDGET:			\$1,530.00

Background:

Hafa Adai Study Tour encompasses travel planners and airline representative from eight major regions from Japan who will come to Guam to learn about Guam's products and offers as well as network with the travel trade industry. HAST is a cooperative program with GVB, United Airlines, JGTA and GHRA. This year's HAST will comprise of 95 agents and airline staff participating from June 28-July 1, 2013. GVB Japan staff is needed to assist in the facilitation and execution of HAST.

Issue:

Board approval required for travel.

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- Director Morinaga reported that Japan will have a visa waiver for Thailand due to an increase of Malaysia visitors. This is to cover the inconsistency and the decrease in the China travel market to Japan. He stressed the importance of Japan's stable and consistent market to Guam.

**L. KOREA MARKET:**

- Director Miyashita reported the next KMC meeting is scheduled for June 18.
- Director Miyashita stated that Guam will not see the 45-55% increase in the upcoming months out of Korea but nonetheless will see a significant increase overall from last year's numbers because of the additional airline.

- Director Miyashita reported there is an interest of attracting another airline to fly directly from Busan.

#### ❖ OLD BUSINESS

- Director Nakajima expressed his concern of Bill 128-32 regarding the increase of the Customs fee. This concern was brought up because of the following points:
  - Implementation overlaps the fiscal year of Tourist businesses that begin in April.
  - Increase of fees without an appropriate increase in service
    - The Board may draft a resolution to reflect these concerns. It was also suggested that JGTA draft a resolution of their own and collect the signatures of all their members.

#### ❖ NEW BUSINESS

#### ❖ EXECUTIVE SESSION

#### ❖ ANNOUNCEMENTS

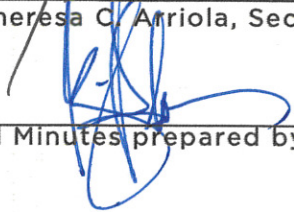
- GVB / GHRA Excellence in Tourism - Latte Awards Ceremony
  - Friday - June 21
  - 11:30am -1:00pm
  - Hyatt Regency
- Quarterly Membership meeting
  - Friday - June 28
  - 11:30am - 1:00pm
  - Nikko Hotel

#### ❖ ADJOURNMENT:

Motion made by Director Arriola, seconded by Director Hoffman to adjourn the meeting. Meeting adjourned at 4:37 p.m.

Motion approved.

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

  
\_\_\_\_\_  
Board Minutes prepared by Meriza Peredo, Executive Secretary