



REGULAR BOARD MEETING  
GVB MAIN CONFERENCE ROOM - 4:00PM  
THURSDAY; May 8, 2014

BOARD of DIRECTORS PRESENT:

Chairman Baldyga	Vice Chairman Kloppenburg
Oscar Miyashita	Milton Morinaga
Annmarie Muna	Norio Nakajima
Eduardo "Champ" Calvo	Bartley Jackson
Judith Guthertz	

BOARD of DIRECTORS TELEPHONICALLY:

BOARD of DIRECTORS ABSENT:

Nathan Taimanglo	Jennifer Camacho
Robert Hofmann	Theresa Arriola

GVB MANAGEMENT & STAFF PRESENT:

Karl Pangelinan	Nathan Denight	Rose Cunliffe
Colleen Cabedo	Pilar Laguana	Gina Kono
Joshua Tyquiengco	Doris Ada	Regina Nedlic
Brian Borja	Felix Reyes	Nadine Leon Guerrero
Kraig Camacho	June Sugawara	Nakisha Onedera

GUESTS:

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❖ Proceedings:

Chairman Baldyga called the regular meeting of the board to order at 4:07 p.m.

Review of the previous board minutes dated April 24, 2014.

Exhibit A

**Motion made by Director Muna, seconded by Director Jackson, to approve the minutes of April 24, 2014.**

**Motion approved (subject to correction).**

❖ Chairman's Report:

- Chairman Baldyga reported that he and General Manager Pangelinan testified against the Bill 316.
- Had a meeting with Senators Respicio and Cruz. They expressed that there are many community events and it's hard to keep track of them. The senators had a recommendation to create a new page for a community events calendar in the GVB website. MB supports the idea and requested that management take action to create an online calendar.
- Announced that GEDA will hold an investor seminar from August 27-28, 2014. Went on to mention it would encompass Guam's tourism, infrastructure, and military build-up. Included to also mention that 50% of attendees will be from off-island.
- Reported that he just returned from Saipan on business and reminded the board that there would be a Marianas Visitors Authority (MVA) joint meeting the next day. He shared with the board the agenda for the joint meeting and stated that there would be five (5) delegates from MVA. The board went over the agenda and explored topics to discuss for the meeting.

❖ General Manager's Report:

Exhibit B



**PRELIMINARY Visitor Arrivals**  
**April 2014**  
**Total: 98,822 (8.0%)**

% Market Mix	Origin	Pax	% to LY
57.0%	Japan	56,313	-5.6%
23.9%	Korea	23,640	55.0%
5.4%	US/Hawaii	5,345	-1.7%
3.2%	Taiwan	3,178	4.8%
0.7%	China	706	17.9%
1.7%	Russia	1,729	235.7%

**PRELIMINARY FYTD Visitor Arrivals**  
**October 2013 – April 2014**  
**Total: 792,206 (-0.7%)**

% Market Mix	Origin	Pax	% to LY
63.6%	Japan	503,522	-9.9%
20.9%	Korea	165,222	28.3%
4.5%	US/Hawaii	35,424	5.8%
3.3%	Taiwan	26,126	7.4%
1.0%	China	8,278	30.4%
1.3%	Russia	10,432	148.4%

**PRELIMINARY MTD Visitor Arrivals**  
**May 1 - 2, 2014**  
**Total: 6,221 (12.5%)**

% Market Mix	Origin	Pax	% to LY
49.8%	Japan	3,095	-14.1%
27.8%	Korea	1,729	64.2%
5.9%	US/Hawaii	364	83.8%
4.3%	Taiwan	268	-2.2%
1.2%	China	73	32.7%
5.5%	Russia	341	367.1%

## Japan Marketing News

### GVB Participates in Toyohiragawa Marathon

- Great results – Marie Benito
- 1st in her division
- 4th Overall
- Overall winner to participate in GKHM&E



## Japan Marketing News

- Hafa Adai Guam Study Tour
- Save the Date
- Welcome Reception on 5/26 at Hyatt at 6PM (PLEASE JOIN US)
- Seminar and Trade show on 5/27 at Marriott
- Participants encouraged to attend Maila Ta Fan Chesa evening of 5/27 at Hyatt Regency

## Korea Marketing News

### 3 Month Forecast

Month	Forecast Pax	Last Year	%Change	Seat Forecast '14	Seat Data '13	% Change Seats
May	22,500	18,513	21.5%	31,565	21,359	47.8%
June	23,000	20,384	12.8%	30,192	21,447	40.8%
July	23,500	22,006	6.8%	30,960	22,297	38.9%

#### Flights

May  
 -KE Flight : Incheon=7 per week=11,315 (8777-400)  
 -KE Charter : S/2 =276 (A330-300)  
 -Busan/KE : Wed, Thu, Sat, Sun =2,682 (8737-800)  
 -Jin Air : Incheon=7 per week=5,580 (8737-800)  
 -Jin Air Charter : S/2 =180 (8737-800)  
 -Jeju Air : Incheon=7 per week=5,766 (8737-800)  
 -Jeju Air Extra : Incheon=7 per week=5,766 (8737-800)

Total 31,565

June  
 -KE Flight : Incheon=7 per week=10,950 (8777-400)  
 -Busan/KE : Wed, Thu, Sat, Sun =2,682 (8737-800)  
 -Jin Air : Incheon=7 per week=5,400 (8737-800)  
 -Jeju Air : Incheon=7 per week=5,580 (8737-800)  
 -Jeju Air Extra : Incheon=7 per week=5,580 (8737-800)

Total 30,192

July  
 -KE Flight : Incheon=7 per week=11,315 (8777-400)  
 -Busan/KE : Wed, Thu, Sat, Sun =2,533 (8737-800)  
 -Jin Air : Incheon=7 per week=5,580 (8737-800)  
 -Jeju Air : Incheon=7 per week=5,766 (8737-800)  
 -Jeju Air Extra : Incheon=7 per week=5,766 (8737-800)

Total 30,960



## Korea Marketing News

### 3 month Activities/Programs



K-pop star Teentop TV show "Never stop in Guam"

1<sup>st</sup> episode aired on April 5 on channel Y STAR – 47 mins

2<sup>nd</sup> episode aired on April 12 on TV channel Y STAR – 47 mins

3<sup>rd</sup> episode aired on April 26 on TV channel Y STAR – 47 mins

Re-run on sister media 5 TV channel (Comedy, Dramax, AXN, Life N, The drama)

## Taiwan Marketing News

### 3 Month Forecast

Month	Forecast Pax	%Change	Last Year	Seat Forecast 14	Seat Data 13	% Change Seats
May	3,809	10.6%	3,443	4,761	4,761	0%
June	4,548	-10.4%	5,078	5,168	5,673	-8.9%
July	6,741	13.4%	5,946	8,870	7,773	14.1%

\* There is no forecast for June because EVA flight, offered 2 charter flights in June but none. These two flights for EVA this summer will be issued from July 2.

#### Flight / Seat breakdown

##### May

- CI Flight : Taipei 2x per week = 2,745
- EVA Air : Taipei 2x per week = 2,016

Total 4,761

##### June

- CI Flight : Taipei 2x per week = 2,745
- CI extra flight \*1 = 155 (8+1 charters starting from Jun 27 to Jul 25 with 737 aircraft /155 seats)
- EVA Air : Taipei 2x per week = 2,268
- \*EVA extra flight for this summer: 11+2 charters starting from July 2 to Jul 20 with 332 aircraft /252 seats)

Total 5,168

##### July

- CI Flight : Taipei 2x per week = 2,745
- CI extra flight \*7 = 1,085 (8+1 charters starting from Jun 27 to Jul 25 with 737 aircraft /155 seats)
- EVA Air : Taipei 2x per week = 2,268
- \*EVA extra flight\*11=2,772 (11+2 charters starting from July 2 to Jul 20 with 332 aircraft /252 seats)

Total 8,870

## Taiwan Marketing News

### 2014 Guam International Marathon

- Taiwan Celebrity runner “Gin”, famous marathon runner, writer/model participated in the Half Marathon (Agent + GVB Taiwan staff).
- Gin posted photos on her Facebook fan page, followed by over 210,000 fans, and posted articles about Guam and her GIM experience.
- Accompanied with 2 media reporters from Chew People Magazine (for 20-30 pages Guam coverage)



## Taiwan Marketing News

### Guam Micronesia Island Fair fam tour (April 25-27)

- Participants: 11 PAX & 7 pax (paid their own way to attend GMIF)
  - Council of Indigenous Peoples (2 pax)
  - TV/Online Media/GVB Taiwan (9 pax)
- Officers from the Council of Indigenous Peoples (CIP) had a courtesy visit with Board Member Arriola
- Invited the Guam Delegation to participate in the upcoming Taiwan Folk Festival in August 2014



## Taiwan Marketing News

### Incentive Groups to Guam

- Nan Shan Life Insurance Company (500-600) pax
- Grand Master Lu visit May 4-8, 2014
  - Attended the ceremony of the Stupa, Donated at the Tamuning/Tumon/Harmon Mayor's Office
  - Birthday Celebration by Gov. Calvo and the Rigalu Foundation
- Approximately 380 pax of Taiwan followers arrived with the Living Buddha



## Taiwan Marketing News

### Guam Live Music Festival 2014 (GLMF)

#### Taiwan Group "Popu-Lady" scheduled to come to Guam!

- Popular Girls Group will attend GLMF June 6-7, 2014
- Co-op for photo book souvenir & music video shooting
- GVB to work with TA's to provide GLMF package tours to consumers
- Promotional programs: Trade Incentives/TTE promotion/Ad & SM promotion





## Pacific Marketing News



The PATA Micronesia Chapter, with the efforts from GVB, Marianas Visitors Authority, Palau Visitors Authority, Pohnpei Visitors Bureau, Marshall Islands Visitors Authority, Chuuk Visitors Bureau, Guam Webz and Mystical Tours, shared the warmth of Micronesia during the 27<sup>th</sup> annual Guam Micronesia Island Fair (GMIF).

PATA Micronesia Chapter held a website promotion aimed at increasing the awareness and the number of subscribers to MicronesiaTour.com.



Representatives from the various National and State Tourism Offices from Micronesia participated once again in the Andersen AFB and Navy Travel Fair which took place from April 24-25, 2014.

## China Marketing News

### SelectUSA Roadshow: China's Pearl River Delta

April 4 – 19, 2014

Hong Kong, Shenzhen, Shunde, Guangzhou



## China Marketing News

27th Guam Micronesia Island Fair Media FAM Tour  
(Hong Kong)  
April 26 - 28, 2014



## China Marketing News

Dynamic Airways VIP Travel Agents FAM Tour  
April 26 - 30, 2014



\*GVB partnered with Dynamic Airways to host a Guam FAM tour with their travel agencies who will sell Guam packages for their direct non-stop flights from Beijing beginning in June 2014.

## China Marketing News

Chengdu Investors Guam Visit | April 29 – May 1, 2014



## China Marketing News

Team GVB China | Strategic Meetings





## China Marketing News

### Greater China Committee Meeting w/ Overseas Team



## Hāfa Adai Rate Launch

May 8, 2014 at Outback Steakhouse



- Hāfa Adai Rate program evolved from the successful Hāfa Adai Pledge program.
- HAR encourages Guam resident to "buy local" and support local businesses.
- Show your Guam Driver's License or Guam ID to get a discount.
- 13 businesses have signed up to offer discounts or special deals for local residents.
- New website launch: [hafaadairate.com](http://hafaadairate.com)



❖ Report of the Treasurer:

Exhibit C

Cash Position Report:

Cash report as of May 5, 2014.

Total cash in banks report (as of 5/5/14) \$14,700,579.90

Total allotment received to date: \$9,599,495.00

Accounts Receivable FY2014: \$8,662,639.00

Accounts Payable to Date: \$6,790,557.64

- Director Miyashita reported that Accounting is expecting a large collection amount next week.

❖ Report of the Board Committees:

A. EXECUTIVE COMMITTEE

- Nothing to report.



## **B. ADMINISTRATION & GOV'T RELATIONS**

- Director Guthertz recommended Chairman Baldyga or General Manager Pangelinan, to send a letter to the legislature announcing the Hafa Adai Local Rate and thank them for their support. She expressed that this will show the legislature how involved GVB is in the community.
- Director Guthertz discussed a segment in the news about a private business that introduced its customers by greeting them in a different language. In response, she recommended that the board ignore how the private sector runs their business(es); however, GVB should invite them to be a part of the Hafa Adai Pledge and Rate Program.
- Chairman Baldyga requested once again that he would like Director Guthertz and General Manager Pangelinan, to meet with him and various senators to present the legislature the Tourism 2020 plan, discuss 2015 budget and possibly the minimum wage issue.

## **C. CULTURAL HERITAGE & COMMUNITY OUTREACH**

### **INTERNATIONAL TRAVEL EXPO & MICE (ITE). HONG KONG**

Director Guthertz made a motion, seconded by Director Jackson, to approve travel for two (2) musicians and four (4) cultural dancers to attend the 28<sup>th</sup> International Travel Expo (ITE) & MICE from June 11-16, 2014 in Hong Kong, SAR. (Cost approximately \$23,344.00 from FY2014 Account DM-CPO007.)

**Motion Approved.**

Travel Expenses:

Description	Breakdown	Total
Airfare:	\$1,000 x 6 pax	\$6,000.00
Accommodations	Lodging: \$358.00 x 5 nights x 6 pax = \$10,740.00 M&IE: \$139.00 x 6 days x 6 pax = \$5,004.00	\$15,744.00
Professional Fees	Musicians: \$100.00 x 4 days x 2 = \$800.00 Cultural Dancers: \$50.00 x 4 days x 4 = \$800.00	\$1,600.00
	<b>Total</b>	<b>\$23,344.00</b>

**Background:** ITE & MICE is Hong Kong's largest travel expo that focuses on both travel trade and consumer audiences. On June 12 and 13, the Expo will open only to travel trade and MICE industry professionals. June 14 and 15 will feature open doors to consumers. ITE & MICE 2013 drew from 46 countries and regions worldwide 680 international exhibitors, 86.5% of which from abroad; 11,872 regional buyers and trade visitors with 28% from

mainland China and abroad; and 73,200 visitors in public days with 80% prefer traveling FIT / tailor-made tour.

By attending ITE & MICE 2014, GVB has will maximize the opportunities to promote Guam to both travel trade and directly to consumers. The expo also includes trade seminars and MICE seminars where the Bureau can create and leverage existing relationships with seminar attendees to Guam's advantage.

**Issue:** Board approval for travel required.

**Discussion:**

- Vice Chairman Kloppenburg notified the board that dates might be extended to attend the Dynamic Airways inaugural in Beijing on June 18. The motion to be sent to Executive Committee for approval.

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**HANA TOUR INTERNATIONAL TRAVEL FAIR, KOREA**

Director Guthertz made a motion, seconded by Director Jackson, to approve travel for eight (8) pax (1 GVB DM Staff, 1 Miss Guam, 2 Musicians & 4 Dancers) to attend the Hana Tour International Travel Fair in Ilsan, South Korea from May 23-25, 2014. (Cost is approximately \$16,860.00 from FY2014 Acct# DM-CPO002).

**Motion Approved.**

Description	Breakdown	Total
Airfare:	\$750 x 8 pax	\$6,000.00
Accommodations	Lodging: \$230.00 x 3 nights x 8 pax = \$5,520.00 M&IE: \$120.00 x 4 days x 8 pax = \$3,840.00	\$9,360.00
Professional Fees	Miss Guam: \$100.00 x 3 days = \$300.00 Musicians: \$100.00 x 3 days x 2 = \$600.00 Cultural Dancers: \$50.00 x 3 days x 4 = \$600.00	\$1,500.00
	<b>Total</b>	<b>\$16,860.00</b>

**Background:**

The Hana Tour Int'l Travel Fair is hosted by Korea's top outbound travel agency, Hana Tour. Encouraged by last year's participation success, including many local industry organizations, GVB hopes to show Hana Tour its commitment and support to continue pushing Guam sales. This will be the third time GVB is joining the event.

During the 2013 event, more than 60,000 visited the fair and 500 organizations from all over the world were represented. The fair is a key direct selling and presentation event for overseas destinations and GVB's presence will provide support to its members who will be attending while elevating awareness of Guam to consumers, trade and trade media. 1,500

tour packages to Guam were sold at the 2013 event. GVB will bring a cultural group and a Miss Guam to the event to generate interest.

**Issue:** Board approved for travel required.

## KOTFA

Director Guthertz made a motion, seconded by Director Jackson, to approve travel for eight (8) pax (1 GVB DM staff, 1 Miss Guam, 2 Musicians & 4 dancers) to attend the Korea International Travel Fair (KOTFA) in Seoul, South Korea during May 28-June 1, 2014. (Cost is approximately \$17,760.00 from FY2014 Acct# DM-CPO002).

**Motion Approved.**

Description	Breakdown	Total
Airfare:	\$450 x 8 pax	\$3,600.00
Accommodations	Lodging: \$230.00 x 4 nights x 8 pax = \$7,360.00 M&IE: \$120.00 x 5 days x 8 pax = \$4,800.00	\$12,160.00
Professional Fees	Miss Guam: \$100.00 x 4 days = \$400.00 Musicians: \$100.00 x 4 days x 2 = \$800.00 Cultural Dancers: \$50.00 x 4 days x 4 = \$800.00	\$2,000.00
	<b>Total</b>	<b>\$17,760.00</b>

**Background:** KOTFA is Korea's largest general consumer travel event with more than 120,000 visitors over the four-day event.

During the 2013 event, more than 475 overseas organizations and more than 125 Korean organizations were present and more than 50 media and broadcasting companies attended.

KOTFA is a very important component to GVB's overall Korea marketing and PR strategy with key GVB and Guam representatives coming to express face-time appreciation to the Korean travel trade and consumers for continued Guam support. GVB's presence will also convey support to its members who will be attending.

While in Seoul, the GVB delegation plans to meet with the KGTC, KGMC, key airline executives, and the travel trade media.

**Issue:** Board approval for travel required

## Discussion:

- General Manager Pangelinan stated that the 8 pax would be different than the Hana Tour pax. Director Miyashita reported that KMC looked at the concerns and found that the additional expenses to stay a couple of days are more than the cost of airfare for round-trip tickets.

**Additional Discussion:**

- Board congratulated staff and management for a job well done on the Guam Micronesia Island Festival (GMIF).

**D. SPORTS & EVENTS**

- General Manager Pangelinan reported that the Guam International Music Festival would be held on June 6~7 at Paseo Stadium. Also reported that there will be some local acts and acts from Taiwan, Japan, Korea, and U.S.

**E. MEMBERSHIP DEVELOPMENT**

- General Manager Pangelinan reported that the upcoming membership meeting is scheduled for June 27.
- There is a speaker presenting updates on the Rhino Beetle issue, but are still looking for a keynote speaker.
- Chairman Baldyga strongly recommended a speaker to discuss China such as a representative from CITS or the President of Dynamic Airways.

**F. RESEARCH:**

- Nothing to report.

**G. JAPAN MARKETING**

Director Morinaga made a motion, seconded by Director Jackson, to approve travel for five (5) GVB Japan Staff to attend Hafa Adai Study Tour on Guam from May 26 – May 30, 2014. (Estimated cost of travel is \$1,750.00 from Japan Market Budget Account No. SMD-002)

**Motion Approved.**

	Traveler	Per Diem Rate	No. of Days	Budget
1	GVB Japan Manager	\$62.50	5	\$312.50
2	GVB Sales Manager	\$62.50	5	\$312.50
3	GVB Japan PR	\$62.50	5	\$312.50
4	GVB East Japan Sales	\$62.50	6	\$375.00
5	GVB West Japan Sales	\$62.50	7	\$437.50
TOTAL BUDGET:				\$1,750.00

**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 72 agents and airline staff. Due to flight availability, the Fukuoka agents will arrive on Guam on May 24 and depart on May 27. The Sendai agents will arrive on May 25 and return on May 29. The remaining cities will arrive on May 26 and return to Japan on May 30. GVB Japan staff is needed to assist in the facilitation and execution of HAST. This event will also mark our Sales Manager's first trip to Guam.

**Issue:** Board approval required for travel.

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**Discussion:**

*Chad De Soto Trial:*

- General Manager Pangelinan, reported that he had been contacted by the A.G.'s office's Phil Tydiengco seeking support from GVB membership for accommodations/monetary assistance for eyewitnesses that will be returning for Chad De Soto's trial on June 9.
- The board agreed to use the 2/12 funds to help support the costs relating to the trial. Director Guthertz also recommended that GVB support GPD if they were to need extra security (or additional funds for overtime).
- Chairman Baldyga asked Japan Committee Chairs; Director Morinaga and Director Nakajima, if something should be sent out to notify the public in Japan of Guam's safety initiatives.
  - Director Nakajima commented that he doesn't see much improvement to show the media. Although the procurement is done and the funds are committed, the process is slower than expected. He went on to say that Japan is used to a fast response and emphasized that the media is going to ask and look for progress that's been made.
- General Manager Pangelinan, reported that there has been improvements, such as additional security in Tumon and renovated kobans.
- Chairman Baldyga requested Task Management to create a message to deliver to the media before June 9.
- The board requested to contact the A.G.'s office to see if media would be in the courtroom.

*Guam Live Presentation:*

- Director Morinaga reported that recently there was a live radio read promoting the Guam Int'l Music Festival in Japan.
- Also reported that in March they had their Guam Live presentations, which had very good coverage in Japan.



## H. KOREA MARKETING

Director Morinaga made a motion, seconded by Director Jackson, to approve travel for two senators, GVB Board Chairman, KMC Chairman Oscar Miyashita, GVB Deputy General Manager, GVB Marketing Manager, and a GVB marketing staff to attend the Korea International Travel Fair (KOTFA) in Seoul, South Korea during May 28-June 1, 2014. Cost is approximately \$15,467.00 from the FY2014 Korea Sales Marketing Development Acct# TTC024.

Chairman Baldyga made a motion, seconded by Director Guthertz, to amend said motion to include “or another board member” after the words “GVB Board Chairman”.

**Motion Approved.**

**Stated/Amended Motion Approved.**

**Background:** KOTFA is Korea’s oldest and largest general consumer travel event with more than 120,000 visitors over the four-day event.

During the 2013 event, more than 475 overseas organizations and more than 125 Korean organizations were present and more than 50 media and broadcasting companies attended.

KOTFA is a very important component to GVB’s overall Korea marketing and PR strategy with key GVB and Guam representatives coming to express face-time appreciation to the Korean travel trade and consumers for continued Guam support. GVB’s presence will also convey support to its members who will be attending.

While in Seoul, the GVB delegation plans to meet with the KGTC, KGMC, key airline executives, and the travel trade media.

**Issue:** Board approval for travel required.

Airfare	\$450 x 6 pax	\$2,700.00
Airfare (DGM)	\$75 x 1 pax (Rebooking Fee)	\$75.00
Per Diem – Lodging (SENs)	\$299.00/day x 4 days x 2 pax	\$2,392.00
Per Diem – M&IE (SENs)	\$156.00/day x 5 days x 2 pax	\$1,560.00
Per Diem – Lodging (MB/OM/DGM)	\$287.50/day x 4 days x 3 pax	\$3,450.00
Per Diem – M&IE (MB/OM/DGM)	\$150.00/day x 5 days x 3 pax	\$2,250.00
Per Diem – Lodging (MM/Staff)	\$230/day x 4 days x 2 pax	\$1,840.00
Per Diem – M&IE (MM/Staff)	\$120.00/day x 5 days x 2 pax	\$1,200.00
	<b>TOTAL</b>	<b>\$15,467.00</b>

## **Discussion:**

- Director Miyashita reported that the last KMC meeting was April 15, next on May 13.
- The letter regarding GVB's condolences to the families of the Ferry has been signed and will be sent out to the Korean Consulate.
- Director Guthertz made a recommendation for the delegation to visit the temporary memorial to honor the lost students on the ferry.

## I. NORTH AMERICA & PACIFIC MARKETS

### *Grandmaster Lu:*

- Vice Chairman Kloppenburg reported that there were delegations from China, Vietnam, and Indonesia that wanted to come to Guam to see Grandmaster Lu, but their visas didn't go through. GVB overseas office wrote letters to invite the delegations, but their applications were denied. Went on to say that there could have been an additional 380 pax for this occasion. He suggested that the Bureau be cognizant of this issue for future events such as this.

### *Other Discussion:*

- Director Muna reported that the next NAP meeting would be on May 18.
- Chairman Baldyga requested Director Muna to prepare something to discuss regarding the Micronesia Cruise Association at the MVA board meeting.

## J. GREATER CHINA MARKETING

### *China Incentive Plan Update:*

- Vice Chairman Kloppenburg and Marketing Manager Pilar Laguana, discussed the status of the China Plan.
- Reported that Phase I of the China Plan has been a success. They've achieved a direct flight from China via Dynamic Airways. The inaugural will be held in Beijing on June 18 and the first flight to arrive on Guam is scheduled for June 21<sup>st</sup> at 10:00 a.m.
- Marketing Manager Pilar Laguana familiarized the board with Dynamic Airways, stating that Dynamic Airways is a U.S. LCC carrier, with CITS as their wholesaler.
- Dynamic Airways has set their Airbus 76 (235 seats) to start in Beijing and to fly in once every five days.
- Mentioned that Dynamic Airways is looking to expand in other cities and that it would take about three (3) days for China visitors to process their visa.
- While on Guam the Dynamic Airways team had worked with GIAA to schedule their flights to stay away from busy time periods, so passengers can get through immigrations faster.

- The team went on a FAM tour of Guam and was present to attend the Guam Micronesia Island Festival (GMIF), which added to their excitement.
- Vice Chairman Kloppenburg expressed that everyone needs to prepare for China, because once it starts it will move at the speed of light.
- Explained that Hawaii has a bad reputation with China, because they were not prepared for the amount of Chinese visitors that they had.

*Flight Academy Investors from China:*

- Reported that a few weeks ago, Chinese investors came to Guam and created a flight training center to train pilots to get both their commercial and beginners license.

*SelectUSA Roadshow:*

- General Manager Pangelinan, reported that GVB attended this event in conjunction with GEDA's Carl Quinata.
- Director Jackson commented on the SelectUSA Roadshow by stating that the event is primarily for investors seeking specific projects. Reported that the Guam booth provided general information and that they weren't prepared to discuss specific projects and didn't bring much material about investing on Guam.
- Went on to discuss that the types of investors that were present at the event were interested in different opportunities to invest in hotels, businesses, and more.

**K. RUSSIA & NEW MARKETS**

- Director Jackson reported that PITE would be next week and that there will be delegations leaving Tuesday and Wednesday the following week for the event. Mentioned that the PITE is a big show and while they are there they will be conducting many meetings, courtesy calls, among others.
- Chairman Baldyga and Director Jackson discussed Singapore as a potential new market for 2015.
  - Chairman Baldyga reported that Singapore Airlines recently signed a bilateral with Micronesia. He went on to add that he is familiar with Singapore and that it is government related. Also mentioned that there is a LCC carrier called Scoot.
  - Chairman Baldyga reported that he will be in Singapore during the summer and while there will set some meetings and will share with Director Jackson some point of contacts.
  - Director Miyashita added that Singapore is number two in the world when it comes to technology and talent competitiveness. Singapore is a great country that can provide many opportunities for Guam, not just for tourism, but also for possible investors.

## L. DESTINATION MANAGEMENT

- Nothing to report.

## ❖ OLD BUSINESS

### Bill 316 – Minimum Wage Increase

- Chairman Baldyga reported that he testified with General Manager Pangelinan, on behalf of GVB and his business.
- The board agreed that GVB has done the right thing on behalf of its membership to conduct the survey and testify. The board feels that it's GVB's duty to promote tourism and protect its members.
- The board discussed the bill by stating that it's a very sensitive and political issue.
- Whatever the case may be, the board wanted to send a message to put forward: that there needs to be an economic impact assessment before putting the Bill 316 to a vote.

## ❖ NEW BUSINESS

### Military Build-up & SEIS

- Chairman Baldyga read the Draft SEIS and under an Appendix it mentioned tourism. He expressed to the board that this would be a big issue and may cut off the sustainment of the Russia market and growth of the China initiatives that everyone has been working hard on. He requested that the board have a voice and draft a response.
- General Manager Pangelinan, stated that the build-up team recently had a meeting with Mark Calvo. He went on to say that GVB, along with GEDA, fall under the socioeconomic section of the SEIS. The build-up team is consolidating everything needed to Mark Calvo and the build-up office.
- Director Guthertz confirmed that the only opinion of significance that the military will look at is a formal response through the EIS process. This would be the last opportunity to put into words the impact and challenges this would have on the tourism industry based on what is being proposed. If the military finds it to be substantial, they will design a way to mitigate it. When the final SEIS comes out, there will be no further discussions.
- The board discussed what issues to enclose in their response and the possibility of hiring lobbyists to help draft.
- With limited time to respond the board decided to create a committee to meet every other week in regards to the military build-up and the SEIS.

Chairman Baldyga made a motion, seconded by Vice Chairman Kloppenburg, to make a committee to address the military build-up and the SEIS.

**Motion Approved.**

**Sitting in the Military Buildup and SEIS Committee: Chairman Baldyga, Vice Chairman Kloppenburg, Director Guthertz, Director Calvo, and Director Jackson.**

- Chairman Baldyga requested to have their first meeting in the coming days -Inviting Arthur Clark and make a conference call with Jim Beighley. Also suggested that the committee setup a meeting at Adelup to address the issues/concerns with the DSEIS.

❖ EXECUTIVE SESSION

- No executive session.

❖ ANNOUNCEMENTS

**Next Board Meeting:**

- Thursday, May 22, 2014 at 4:00pm, GVB Main Conference Room

**GVB Events:**

- FestPac Press Conference – May 13, 2014 at 11:30am, Latte of Freedom.

**Board Joint Meeting:**

- GVB/MVA (Marianas Visitors Authority) – May 9, 2014 at 10:30AM – 1:30PM in GVB Main Conference Room (followed by Luncheon).

❖ ADJOURNMENT

Chairman Baldyga made a motion, seconded by Director Miyashita, to adjourn the meeting. Meeting adjourned at 5:48pm.

**Motion approved.**

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

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Board Minutes respectively submitted by Colleen Cabedo, Executive Secretary



**Action Items:**

**BY MANAGEMENT**

- Management to put together a program along these lines for board consideration (4/10/14)
- Management to consider a revised China incentive program and to provide a recommendation to the board (4/10/14).
- Chairman Baldyga mentioned that he would like to set meetings with GVB management and senators regarding the Tourism 2020 plan and 2015 budgets (4/10/14 and 2/27/14).
- Chairman Baldyga asked management to create a Destination Management Task List with quarterly goals (4/10/14).
- Chairman would like to have an update on the Tumon Flooding Mediation Plan and all capital projects. (2/27/14)
- Chairman Baldyga requested to create an online community calendar or to create a new page for a community events calendar in the GVB website. (5/8/2014)
- Director Guthertz requested management to create a letter to the legislature to announce the Hafa Adai Rate and thank them for their support. (5/8/14)
- Chairman Baldyga requested the Task Management create a message to deliver to the media before June 9. (5/8/14)