REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM - 4:00PM
THURSDAY; June 12, 2014

BOARD of DIRECTORS PRESENT:
Vice Chairman Kloppenburg  Milton Morinaga
Judith Guthertz  Bartley Jackson
Robert Hofmann  Nathan Talmanglo
Theresa Arriola  Norio Nakajima

BOARD of DIRECTORS TELEPHONICALLY:
Annmarie Muna

BOARD of DIRECTORS ABSENT:
Chairman Baidyga
Eduardo "Champ" Calvo
Oscar Miyashita
Jennifer Camacho

GVB MANAGEMENT & STAFF PRESENT:
Karl Pangelinan  Joshua Tyquiengco  Rose Cunliffe
Colleen Cabedo  Nadine Leon Guerrero  Kraig Camacho
Felix Reyes  Ana Cid  Regina Nedlic
Brian Borta  Dee Hernandez  June Sugawara
Elaine Pangelinan  Nakisha Onedera

GUESTS:
Stephanie G. Flores - Guam Legislature

❖ Proceedings:

On behalf of Chairman Baidyga’s absence, Vice Chairman Kloppenburg assumed the position as Acting Chairman.

Acting Chairman Kloppenburg called the regular meeting of the board to order at 4:02 p.m.

Approval of previous board minutes dated May 22, 2014. Exhibit A

Motion made by Director Guthertz, seconded by Director Jackson, to approve the minutes of May 22, 2014.

Motion approved (subject to correction).
Japan Marketing News

- SAVE THE DATE
- Okayama (Friendship City) - donated 30 recycled bins
- Original trip was scheduled in Oct, rescheduled due to threat of typhoon
- Now scheduled for July 5 (same day as BBQ Block Party). But don't worry, all activities are in the morning!
- 11AM-12PM: Lecture by Dr. Fujikawa at Pandanus Pavilion, Guam Reef
- 12PM-130PM: Lunch at Sky Banquet Bay View, Guam Reef

Japan Marketing News

MICE Group: FUKUSHIMA KEN HONDA KAI (80 pax)

June 11, 2014 – Onward Beach Resort
Mitsui Guam International Lorene Wasker participated in recognition and award ceremony

Also on island this week, Nihon Shokkan Holdings (360), MUI Solar (690), Ricoh Kyosan (130), Sekisui Paint Chuub (230), Catan Computer (76), Horikawa Sangyo (135), Graf Net (134)

Korea Marketing News

"Time Out for Kids"
An aggregation of information for kids
- Summertime attractions and programs provided by hotels, casinos, and Guam are to be covered by Time Out for Kids.
- United Airlines distributing brochures on planes

Korea 3-Month Forecast:

- Last board meeting, Korea's 3-month forecast was under scrutiny, because the projected seat pax were under the board's expectations. They tasked General Manager Pangelinan to discuss with Mr. Henry Lee and to report by next board.

- General Manager Pangelinan had met with Mr. Henry Lee, while in Korea to attend the Hana Tour. He reported that their methodologies are different in determining their projections. They will feel-out the market and keep an eye on the numbers within the coming months. Furthermore, Mr. Lee is confident that the forecasted projections are certain.
**Korea Marketing News**

3 month Activities/Programs

- K-POP star "Sonamoo TV" show "Travel Shop" premiere in Guam
- K-POP artist on April 9 on twisting TV 7740 - 47 mins
- K-POP artist on April 3 on TV channel Y SEOL - 47 mins
- K-POP artist on April 22 on TV channel Y SEOL - 47 mins
- K-POP artist on May 10 on TV channel Y SEOL - 47 mins
- K-POP artist on May 3 on TV channel Y SEOL - 47 mins
- K-POP artist on May 10 on TV channel Y SEOL - 47 mins
- K-POP artist on May 3 on TV channel Y SEOL - 47 mins

**China Marketing News**

Guam Live Int'l Music Festival Shanghai Media FAM Tour
June 6 - 8, 2014

**Taiwan - 3 Month Forecast**

<table>
<thead>
<tr>
<th>Month</th>
<th>Forecast Rev.</th>
<th>% Change</th>
<th>Last Year</th>
<th>Rev Forecast</th>
<th>Rev Real</th>
<th>Rev Real %</th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>5,000</td>
<td>+0.4%</td>
<td>5,110</td>
<td>5,110</td>
<td>5,473</td>
<td>10.1%</td>
</tr>
<tr>
<td>July</td>
<td>5,000</td>
<td>-0.4%</td>
<td>5,110</td>
<td>5,110</td>
<td>5,473</td>
<td>10.1%</td>
</tr>
<tr>
<td>August</td>
<td>5,000</td>
<td>+0.4%</td>
<td>5,110</td>
<td>5,110</td>
<td>5,473</td>
<td>10.1%</td>
</tr>
</tbody>
</table>

The report by a Taiwan-based media firm shows Guam tourism figures remained steady in June.

**Taiwan Marketing News**

Taipei Tourism Expo 2014 - May 23-26

- 4 day event introducing Guam to consumers/trade
- More participation compared to last year
- Guam gave update product seminar. The introduce their distinct Guam packages as well.
Report of the Board Committees:

A. EXECUTIVE COMMITTEE

➢ Nothing to report.

B. ADMINISTRATION & GOVT RELATIONS

➢ Director Guthertz cautioned the board that the legislature is looking for more funding for overtime police officers.

C. MILITARY BUILD-UP & SEIS

➢ Vice Chairman Kloppenburg presented to the board the draft testimony to the Draft SEIS regarding Russia and China visas.

➢ The draft was a collaborative effort from:
  o Chairman Baldyga, Vice Chairman Kloppenburg, Director Calvo, Director Jackson, General Manager Pangelinan, Mark Calvo, Arthur Clark, and Jim Beighley.

➢ The board looked over the draft and agreed that by the next board meeting they would overlook the “finalized” draft testimony.

D. MEMBERSHIP DEVELOPMENT

➢ General Manager Pangelinan reported that the Quarterly Membership Meeting would be postponed to July. The Membership Committee is working on getting the Dynamic Airways President to speak and the only available time for him would be in July.

E. RESEARCH:

➢ Director Taimanglo reported that Research would start having China Exit Surveys.
H. NORTH AMERICA & PACIFIC MARKETS
Committee Minutes dated June 4, 2014

Director Guthertz made the following motions on behalf of Director Muna, whom was present telephonically.

Director Guthertz made a motion, seconded by Director Arriola, to approve travel for GVB General Manager to attend the PATA Executive Board Meeting on July 4-5, 2014 in Bangkok, Thailand. (Estimated cost $2,645.00 from the FY2014 Pacific PATA Annual Meetings Account #SMD025).

Motion was unanimously approved by the eight (8) directors present. Acting Chairman Kloppenburg was the 8th vote.

Present: Director Jackson, Director Guthertz, Director Morinaga, Director Nakajima, Director Taimanglo, Director Arriola, Director Muna (Telephonically), and Acting Chairman Kloppenburg.

Note: Director Hofmann was tardy at the time of the motion.

Estimated Cost Breakdown:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airfare</td>
<td>$900.00</td>
</tr>
<tr>
<td>Perdiem $249.00 + 25% x 4 days</td>
<td>$1,245.00</td>
</tr>
<tr>
<td>Misc Expense</td>
<td>$500.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,645.00</strong></td>
</tr>
</tbody>
</table>

Background:
GM has been an active member of PATA and has recently been re-elected to serve as the Destination/Government Affairs Chairman of the Executive Board. Guam’s role and participation in PATA is vital in representing our island and the Micronesia region.

Travel is requested for approval, as his attendance is required as a member of the PATA Executive Board.

Director Guthertz made a motion, seconded by Director Taimanglo, to approve travel for GVB General Manager to attend the PATA Executive Board Meeting in Cambodia from September 19-21, 2014. (Cost is approximately $3,618.75 from the FY2014 Pacific Sales & Marketing Development Acct# SMD025).

Motion was unanimously approved by the eight (8) directors present. Acting Chairman Kloppenburg was the 8th vote.

Present: Director Jackson, Director Guthertz, Director Morinaga, Director Nakajima, Director Taimanglo, Director Arriola, Director Muna (Telephonically), and Acting Chairman Kloppenburg.

Note: Director Hofmann was tardy at the time of the motion.
J. RUSSIA & NEW MARKETS
Committee Minutes dated May 13, 2014
Committee Minutes dated June 10, 2014

➢ Director Jackson reported that the delegation had a very successful trip to Vladivostok for PITE show. There were a lot of interest in additional flights from Vladivostok and are currently planning to have new flights from Novosibirsk (in Siberia), and could begin in October.

➢ PITE was a well-attended show. GVB had a good presence and seeing good results from most of the five cities. Business is still looking good and Russians are still coming.

➢ Also reported that there will be chefs from Russia coming to Guam to compete in the BBQ Block Party competition.

K. DESTINATION MANAGEMENT

➢ General Manager Pangelinan reported:
  o Abandoned Buildings:
    ▪ P.L. 32-157 was signed last month and is currently being enforced by DPW.
    ▪ Buildings demolished: Old Western Gun Club & Hongkong Restaurant
    ▪ Pending: abandoned structure across Tumon Bank of Guam
  o Farenholt Streetlight Repairs:
    ▪ Accomplish Date: September 2014
    ▪ Ongoing with Sheraton and Onward, currently being handled by DPW
  o Fire Hydrants:
    ▪ Contracted and completed by AMI
    ▪ Maintenance to be added to Tumon Landscaping contract
  o San Vitores Streetlight & Sidewalk Improvements
    ▪ IFB Streetlight Repair to be issued later this month
    ▪ IFB Sidewalk Repair to be issued in July
  o Graffiti Campaign:
    ▪ Accomplish Date: Ongoing
  o Tumon Landscaping:
    ▪ Median improvements fronting the following establishments, including landscaping and lighting: (1) Proa; (2) Hyatt; (3) Reef Hotel; (4) JFK Road
    ▪ Funded by GEDA Qualifying Certificate funds
  o Beach Cleaning:
    ▪ Accomplish Date: Ongoing
  o Island Road Maintenance:
    ▪ Accomplish Date: Ongoing
  o Bus Shelters
    ▪ Assessment to be completed by the end of the month
  o Signage
    ▪ Accomplish Date: Ongoing
  o Surveillance Camera Monitors:
    ▪ Awarded under protest
    ▪ Hearing set for June 24th.
  o Visitor Safety Officer
Guam Chamorro Dance Academy
Director Arriola made a motion, seconded by Director Guthertz, to approve travel for the Guam Chamorro Dance Academy program in Japan. (Estimated cost: $16,992.00 Account No. CPO001).

Motion was unanimously approved by the eight (8) directors present. Acting Chairmain Klopenburg was the 8th vote.

Present: Director Jackson, Director Guthertz, Director Morinaga, Director Nakajima, Director Taimanglo, Director Arriola, Director Muna (Telephonically), and Acting Chairman Klopenburg.

Note: Director Hofmann was tardy at the time of the motion.

Background:
This marks the 5th year of the continuation of the Guam Chamorro Dance Academy within Japan. Last fiscal year, five classes were taught with a total of 475 students, including dance instructors who in turn bring lessons to their dance studios. Three dance instructors will be sent along with one GVB DM staff to run the program.

Dates of the classes are as follows:
July 12-13, 2014 (Tokyo)
Sept 27-29, 2014 (JATA, Tokyo)

Breakdown is as follows:
Airfare: 4 pax @ $800.00 per air ticket x 2 trips $6,400.00
Professional Fee $400.00
Dance Master (2 days x $100.00 x 2 trips) $400.00
Assistants (2 pax x 2 days x $50.00 x 2 trips) $9,792.00
Per Diem
Tokyo: $408 x 3 days x 4pax x 2 trips
Total: $16,992.00

Issue:
Board approval required for all travel

➢ Director Arriola reported that the last CHaCO meeting was Tuesday, June 10, 2014. The CHaCO Committee had approved their budget at $720,000.00 for FY2015. Concerns were brought up about the 5% hold and wanted reassurance that it is 5% not 15% and if the 5% hold would go back to the committee.

➢ General Manager Pangelinan addressed her concerns and assured her that it would be a 5% hold and would go back to the committee.

M. SPORTS & EVENTS
➢ Nothing to report.
Action Items:

BY MANAGEMENT

- 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)

- Chairman Baldyga requested the Task Management create a message to deliver to the media before June 9. (5/8/14)
PRELIMINARY Visitor Arrivals  
June 2014  
Total: 102,081 (3.7%)  

<table>
<thead>
<tr>
<th>% Market Mix</th>
<th>Origin</th>
<th>Pax</th>
<th>% to LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>55.7%</td>
<td>Japan</td>
<td>57,275</td>
<td>-7.8%</td>
</tr>
<tr>
<td>26.5%</td>
<td>Korea</td>
<td>27,258</td>
<td>33.7%</td>
</tr>
<tr>
<td>5.6%</td>
<td>US/Hawaii</td>
<td>5,737</td>
<td>13.9%</td>
</tr>
<tr>
<td>4.6%</td>
<td>Taiwan</td>
<td>4,703</td>
<td>-7.4%</td>
</tr>
<tr>
<td>0.8%</td>
<td>China</td>
<td>820</td>
<td>14.8%</td>
</tr>
<tr>
<td>2.0%</td>
<td>Russia</td>
<td>2,078</td>
<td>327.6%</td>
</tr>
</tbody>
</table>
### PRELIMINARY FYTD Visitor Arrivals
**October 2013 - June 2014**
**Total: 985,658 (0.2%)**

<table>
<thead>
<tr>
<th>% Market Mix</th>
<th>Origin</th>
<th>Pax</th>
<th>% to LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>61.8%</td>
<td>Japan</td>
<td>609,401</td>
<td>-9.6%</td>
</tr>
<tr>
<td>21.9%</td>
<td>Korea</td>
<td>216,120</td>
<td>28.9%</td>
</tr>
<tr>
<td>4.7%</td>
<td>US/Hawaii</td>
<td>46,694</td>
<td>8.6%</td>
</tr>
<tr>
<td>3.5%</td>
<td>Taiwan</td>
<td>34,825</td>
<td>6.0%</td>
</tr>
<tr>
<td>1.0%</td>
<td>China</td>
<td>9,873</td>
<td>27.5%</td>
</tr>
<tr>
<td>1.5%</td>
<td>Russia</td>
<td>14,601</td>
<td>185.1%</td>
</tr>
</tbody>
</table>

### PRELIMINARY CYTD Visitor Arrivals
**January - June 2014**
**Total: 657,635 (0.8%)**

<table>
<thead>
<tr>
<th>% Market Mix</th>
<th>Origin</th>
<th>Pax</th>
<th>% to LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.7%</td>
<td>Japan</td>
<td>399,375</td>
<td>-10.2%</td>
</tr>
<tr>
<td>22.5%</td>
<td>Korea</td>
<td>148,033</td>
<td>31.7%</td>
</tr>
<tr>
<td>5.0%</td>
<td>US/Hawaii</td>
<td>32,880</td>
<td>12.5%</td>
</tr>
<tr>
<td>3.6%</td>
<td>Taiwan</td>
<td>23,901</td>
<td>5.4%</td>
</tr>
<tr>
<td>1.1%</td>
<td>China</td>
<td>7,070</td>
<td>22.3%</td>
</tr>
<tr>
<td>1.5%</td>
<td>Russia</td>
<td>11,298</td>
<td>199.8%</td>
</tr>
</tbody>
</table>
PRELIMINARY MTD Visitor Arrivals
July 1 - 3, 2014
Total: 9,149 (0.8%)

<table>
<thead>
<tr>
<th>% Market Mix</th>
<th>Origin</th>
<th>Pax</th>
<th>% to 1Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>49.1%</td>
<td>Japan</td>
<td>4,489</td>
<td>-21.4%</td>
</tr>
<tr>
<td>26.3%</td>
<td>Korea</td>
<td>2,403</td>
<td>26.4%</td>
</tr>
<tr>
<td>5.6%</td>
<td>US/Hawaii</td>
<td>511</td>
<td>33.8%</td>
</tr>
<tr>
<td>9.3%</td>
<td>Taiwan</td>
<td>854</td>
<td>39.8%</td>
</tr>
<tr>
<td>2.7%</td>
<td>China</td>
<td>250</td>
<td>390.2%</td>
</tr>
<tr>
<td>2.3%</td>
<td>Russia</td>
<td>213</td>
<td>432.5%</td>
</tr>
</tbody>
</table>
TAF FY2015 BREAKDOWN

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015 TAF Projection</td>
<td>$32,000,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>FY 2015 GVB Budget</td>
<td>$21,450,520.00</td>
<td>67%</td>
</tr>
<tr>
<td>Bond Payments</td>
<td>$6,997,819.00</td>
<td>22%</td>
</tr>
<tr>
<td>Balance</td>
<td>$3,561,661.00</td>
<td>11%</td>
</tr>
</tbody>
</table>

TAF FY2015

- About 600 rooms available with opening of Dusit Thani Guam Resort and Lotte Hotel Guam.
- 7% increase in rooms expected during FY15
- TAF projections could rise past $34M
- $32M is conservative
GVB BUDGET SUMMARY

<table>
<thead>
<tr>
<th></th>
<th>FY 2014 REQUEST</th>
<th>FY 2014 BUDGET</th>
<th>FY 2015 MGMT REQUEST</th>
<th>% DIFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>2,917,120.00</td>
<td>2,917,120.00</td>
<td>3,017,120.00</td>
<td>3.4%</td>
</tr>
<tr>
<td>Marketing</td>
<td>10,158,000.00</td>
<td>10,158,000.00</td>
<td>13,800,400.00</td>
<td>35.9%</td>
</tr>
<tr>
<td>Printing Promotion</td>
<td>320,000.00</td>
<td>262,000.00</td>
<td>250,000.00</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Research</td>
<td>430,014.00</td>
<td>430,014.00</td>
<td>448,000.00</td>
<td>4.2%</td>
</tr>
<tr>
<td>Destination Development</td>
<td>1,720,000.00</td>
<td>1,720,000.00</td>
<td>1,935,000.00</td>
<td>12.5%</td>
</tr>
<tr>
<td>TAF Special Projects -</td>
<td>2,500,000.00</td>
<td>2,000,000.00</td>
<td>2,000,000.00</td>
<td>0%</td>
</tr>
<tr>
<td>Destination Maintenance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>18,045,134.00</td>
<td>17,487,134.00</td>
<td>21,450,520.00</td>
<td>22.7%</td>
</tr>
</tbody>
</table>

GVB BUDGET

FY 2014 BUDGET
TOTAL: $17,487,134.00

FY 2015 BUDGET Request
TOTAL: $21,450,520.00
### GVB BUDGET - ADMINISTRATION

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015 BUDGET REQUEST</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL ADMINISTRATION</td>
<td>$2,917,120</td>
<td>$3,017,120</td>
</tr>
</tbody>
</table>

- Increase of $100,00 over FY2014
- Additional personnel costs due to increments, merit bonuses, Medicare contributions and health insurance benefits.
- Increase in power and water costs

### GVB BUDGET - MARKETING

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015 BUDGET REQUEST</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL MARKETING</td>
<td>$10,158,000</td>
<td>$13,800,400</td>
</tr>
</tbody>
</table>

- FY2014 Forecast: 1.35 Million Visitors
- FY2015 Projection: 1.427 Million

- **Refocus on Japan**
  - $1.3M Budget increase to $7M
  - FY15 Goal: 940,000 pax
  - Conduct low season promotions targeting family and group
  - Continue working with JGTC to improve yield
  - Improve share of voice from 0.5% to 1% with Co-op and TV advertising

- **Continued Growth in Korea**
  - $600K Budget increase to $2M
  - FY15 Goal: 280,000 pax
  - Build Brand Awareness through marketing campaigns
  - Additional Air Carriers and Gateways
## GVB Budget - Marketing

<table>
<thead>
<tr>
<th>Total Marketing</th>
<th>FY 2014</th>
<th>FY 2015 Budget Request</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$10,158,000</td>
<td>$13,800,400</td>
</tr>
</tbody>
</table>

- **Diversify: Russia**
  - Russia budget increase by $101K to $557K
  - Russia Goal: 15,000 pax
  - Foster relationship with airlines to provide regular direct air service
  - Increase Guam awareness through continued advertising & key campaigns
  - Participate in MITT and PITE 2015

- **Diversify: China**
  - China budget decrease by $92,500 to $2M
  - China Goal: 25,000 pax
  - Increase direct air service
  - Comprehensively enhance Chinese travelers' awareness of Guam through travel trade, eye-catching advertisement campaigns, exhibitions and sales incentive programs.
  - Joint promotion with TAs and MICE companies

## GVB Budget - Marketing

<table>
<thead>
<tr>
<th>Total Marketing</th>
<th>FY 2014</th>
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</table>

- **Hong Kong**
  - Budget status quo at $215K
  - FY15 Goal Pax: 14,000
  - Engage in Joint Promotions, market development and increase media exposure in wedding/honeymoon, education, sports, and cultural tourism

- **Philippines**
  - Budget increased by $70K to $212,500
  - FY15 Goal Pax: 12,450
  - Increase Guam awareness through a sustained year-round publicity program and Media Fam Tours
  - Cultivate MICE market through Guam Product Seminars to corporate incentive planners and partnering with corporate account managers for Airlines and TAs
  - Engage airlines and travel agents for partnership in promotions and trade-related industry events
  - Increase GVB Philippines' social networking reach
## GVB BUDGET - MARKETING

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</table>

- **North America/Military**
  - Budget increase by $40K to $220K
  - FY2015 Goal Pax: 80,231
  - Attend LA Times Travel Show, LA Adventure & Travel Show & Che’lu Inc’s Cultural Festival
  - VFR – Visiting Friends & Family: Expand outreach
  - 71st Liberation Day activities and travel
  - Attend Scuba Show and DEMA in June 2015
  - Social Media – Show Us Your Chamorro Campaign

- **Cruise Shipping**
  - FY2015 Goal Pax: 3,500
  - Work with the Port Authority to improve port arrival/departure experience, as well as MCA and regional ports to extend incentives
  - Create a cruise dedicated website with the MCA & sample cruise itinerary packages
  - Micronesia Roadshow w/ PATA MIC and other cruise events

## GVB BUDGET - MARKETING

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<th>FY 2015 BUDGET REQUEST</th>
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<td></td>
<td>$10,158,000</td>
<td>$13,800,400</td>
</tr>
</tbody>
</table>

- **Pacific/Micronesia/Australia/Europe**
  - Budget increase by $22K to $120K
  - FY15 Goal Pax: 41,800
  - Integrate & develop campaigns with MicronesiaTour.com with GVB Website
  - Increase Guam’s Dive Market in Australia/Micronesia as a world class destination
  - PATA meetings and conferences, link in FestPac 2016/ GMIF
  - AIDE/Asia Dive Expo 2014
  - Bi-Annual Micronesian Chief Executive’s Summit (MCES)

- **Taiwan**
  - Budget increase by $16.4K to $386.4K
  - FY16 Goal Pax: 54,338
  - Increase social media outreach efforts (i.e., facebook page to over 60,000 likes)
  - Promote M.I.C.E Market and key campaigns (Destination Weddings, Sports Tourism/MICE, ITF/FESTPAC 2016)
## GVB BUDGET - MARKETING

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015 BUDGET REQUEST</th>
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</thead>
<tbody>
<tr>
<td>TOTAL MARKETING</td>
<td>$10,158,000</td>
<td>$13,800,400</td>
</tr>
</tbody>
</table>

- Global Website: $330,000
  - In FY2014, GVB launched the new global website in English and will launch Japan and Mainland China by the end of the Fiscal Year. In FY2015, GVB will launch the Russian, Korean and Traditional Chinese websites.
  - Showcase Chamorro Culture & What Guam has to offer visitors.
  - Cater to growing online audience seeking information about Guam.
    - Optimized Tablet and Smart Phone sites
  - Highlight Villages of Guam, history and cultural events.
  - Connect local businesses directly with the consumer.
  - Launch Microsites for specific campaign related events (i.e. ShopGuam, BBQ Block Party)

## GVB BUDGET - Research, Printing Promotion

### RESEARCH

<table>
<thead>
<tr>
<th></th>
<th>FY2014 Approved</th>
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<tbody>
<tr>
<td>TOTAL REQUEST</td>
<td>$430,014</td>
<td>$448,000</td>
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- Slight Increase (4%)
- Include Russia & China Exit Surveys

### PRINTING PROMOTION

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<th>FY2014 Request</th>
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<td>$250,000</td>
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- Budget decreased by $12,000
GVB BUDGET - Destination Development

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<tr>
<th>Cultural Heritage &amp; Community Outreach</th>
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<th>FY2015 Request</th>
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<tbody>
<tr>
<td>TOTAL REQUEST</td>
<td>$720,000.00</td>
<td>$720,000.00</td>
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</table>

- Continuation of Guam Chamorro Dance Academy Program into Japan & North America markets
- Development of hotel outreach with cultural activities (i.e. weaving, language and dance)

GVB Budget - Sports & Events

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<thead>
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<th>Sports &amp; Events</th>
<th>FY2014 Approved</th>
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<td>$815,000.00</td>
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</tbody>
</table>

- Additional ($50,000) to support the 3rd Annual Guam International Marathon April 2015.
  - Increase awareness, marketing and promotional support in Japan and Korea about Guam's leading sports signature event
  - 2014 overseas participants: 1,310
  - 2015 overseas goal: 2,000
  - 2015 projected economic impact: $4.6 Million

  (Smart Goal: Focus resources on bigger impact Signature Events)

- 2015 Pleasure Island BBQ Block Party ($15,000)
  - Funding needed to execute 2015 BBQ event
  - Included Art exhibit (GAXVII) in 2014
  - Grow international field of grills to compete
  - Include eating contest in 2015
  - Market and promote activities in our major source markets

  (Smart Goal: Add another Signature event which highlights Guam’s unique qualities)
GVB Budget - TIR

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<th>Tourism Industry Relations</th>
<th>FY2015 Request</th>
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</thead>
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<td>TOTAL REQUEST</td>
<td>$400,000.00</td>
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</tbody>
</table>

- **AIRPORT AMBASSADOR PROGRAM**
  - This program is meant to provide passengers additional services at Customs & Quarantine / Customs & Border Patrol during the peak arrivals periods.

- **TOUR GUIDE CERTIFICATION PROGRAM**
  - Public Law 23-136 requires the training and consequent certification of all Guam tour guides and establish guidelines regulating the conduct and operations of tour companies, inclusive of personnel.

- **EXCELLENCE IN TOURISM AWARDS**
  - This program was implemented in 1992 as the Excellence in Tourism Awards. The intent of the program is to recognize outstanding industry employees and organizations for their contribution to Guam's largest economic contributor.
  - During FY15, GVB partnered with GHRA to put on what is now known as the Golden Latte Awards.

- **WELCOME SERVICE**
  - GVB's Welcome Service Program extends a true Hafa Adai welcome for airport and cruise ship passengers as well as for inaugural flights, dignitaries, media and other special groups and events.

- **VISITOR SAFETY /SATISFACTION PROJECTS**
  - In FY2015, GVB intends to accomplish the following goals: Security Camera System Water Safety & Awareness Program, Industry Training, Tourism Safety Message Campaign and the Visitor Safety Officer Pilot Program (VSO).

TAF SPECIAL PROJECTS

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<tr>
<td>Beach Cleaning</td>
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<tr>
<td>Tumon Landscape &amp; Maintenance</td>
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<td>Island Roadway Maintenance</td>
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<td>Tourist District Infrastructure Improvement</td>
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<td>Surveillance System Phase II</td>
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<td>Holiday Illumination Project</td>
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<tr>
<td>Contract Administration &amp; Inspection Services</td>
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<tr>
<td>TOTAL</td>
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</tr>
</tbody>
</table>

- Budget stays the same
- Significant increase for Surveillance System Improvements
Si Yu'os Ma'ase!

Fall in Love.
Tumon bay Park, Guam.
## TAF PASS THRU SUMMARY

- **New Revenue Projection**: $30,167,003
- **2014 Appropriation**: $28,500,000
- **Available for Appropriation**: $1,667,003

### Bill No. New/Additional Appropriations

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<td>363</td>
<td>Festpac Trust</td>
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<td>Humatak Foundation</td>
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<td>Hurao Academy</td>
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<td>Inetnon Gef Pago</td>
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<td>367</td>
<td>Guampedia</td>
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<td>Amot Farm</td>
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<td>Guam Council A&amp;H</td>
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<td>Guam Intl Film Fest</td>
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<td>Guam Symphony</td>
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<td>374</td>
<td>Pa'a Taotao Tano</td>
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<td>October</td>
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<td>$7,916,095.82</td>
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<td>FY TOTAL</td>
<td>$22,878,372.67</td>
<td>$26,054,475.19</td>
<td>$28,606,196.21</td>
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</table>

Source: Division of Account, Department of Administration, Government of Guam. Figures are unaudited.
<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>2,917,120</td>
<td>3,017,120</td>
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<tr>
<td>Marketing</td>
<td>10,158,000</td>
<td>13,800,400</td>
</tr>
<tr>
<td>Printing Promotion</td>
<td>262,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Research</td>
<td>430,014</td>
<td>448,000</td>
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<tr>
<td>Destination Development</td>
<td>1,720,000</td>
<td>1,935,000</td>
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<td>TAF Special Projects - Destination Maintenance</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td><strong>TOTAL GVB (OPERATIONS) BUDGET</strong></td>
<td><strong>17,487,134</strong></td>
<td><strong>21,450,520</strong></td>
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<table>
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<tr>
<th></th>
<th>32,000,000</th>
<th>100%</th>
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<tr>
<td>FY15 GVB BUDGET REQUEST</td>
<td>21,450,520</td>
<td>67%</td>
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<tr>
<td>DIRECT APPROPRIATIONS</td>
<td>2,741,485</td>
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<tr>
<td>BOND PAYMENTS</td>
<td>6,997,819</td>
<td>22%</td>
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<tr>
<td><strong>BALANCE</strong></td>
<td><strong>810,176</strong></td>
<td><strong>3%</strong></td>
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</table>

**FY15 TAF ALLOCATION**

- FY15 GVB BUDGET REQUEST
- DIRECT APPROPRIATIONS
- BOND PAYMENTS
- BALANCE
<table>
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<tr>
<th></th>
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<td>Sports &amp; Special Events</td>
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<table>
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<th>Description</th>
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<td>BOND</td>
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<tr>
<td>TAF BALANCE (GVB)</td>
<td>20,185,696</td>
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## CASH, RECEIVABLES, & PAYABLES POSITION
### FY 2013 & FY 2014 COMPARATIVE REPORT

<table>
<thead>
<tr>
<th></th>
<th>FY 2013 (07/08/2013)</th>
<th>Balance</th>
<th>FY 2014 (07/07/2014)</th>
<th>Balance</th>
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<td>Bank of Guam</td>
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<td>Morgan Stanley - CD **</td>
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*Note: Morgan Stanley CD Market value as of 05/31/2014 (value if withdrawn prior to maturity - Maturity Date October 2013)*

### FY 2013 BUDGET P.L. 31-233

**GVB - $15,236,239.00**

**Operations - $14,022,384.00**

**TAF Special Projects - $1,215,855.00**

**Pass Thru Appropriations - $780,000.00**

<table>
<thead>
<tr>
<th>Operations</th>
<th>TAF Special Projects</th>
<th>Pass-thru</th>
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<tr>
<td>12/17/12</td>
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<tr>
<td>01/14/13</td>
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<td>04/14/13</td>
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<td>06/19/13</td>
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</table>

Total Allotment Received to Date: **$12,709,262.55**

Accounts Receivable FY 2013: **$3,224,976.45**

### FY 2014 BUDGET P.L. 32-068

**Operations - $15,481,344.00**

**TAF Special Projects - $2,000,000.00**

**Pass Thru Appropriations - $775,000.00**

<table>
<thead>
<tr>
<th>Operations</th>
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<tr>
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<tr>
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<td>01/01/14</td>
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<td>01/21/14</td>
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<tr>
<td>02/11/14</td>
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<td>05/09/14</td>
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<td>07/19/14</td>
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<td>$150,000.00</td>
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Total FY 2014 Allotment Received to Date: **$11,822,547.55**

Accounts Receivable FY 2014: **$6,439,680.45**

### FY 2013 ACCOUNTS PAYABLE as of 07/08/13

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<tr>
<th>Amount</th>
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### FY 2014 ACCOUNTS PAYABLE as of 07/07/14

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<td><strong>Total Payables to Date</strong></td>
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</table>
June 30, 2014

To: Joint Guam Program Office Forward  
P.O. 153246  
Santa Rita, Guam 96915  

Office of the Governor of Guam  
Attn: Military Buildup Office (Mark Calvo)  
Ricardo J. Bordallo Governor’s Complex  
Adelup, Guam 96910

Subject: The Guam Visitors Bureau’s Input / Comments on the Draft Supplemental  
Environmental Impact Statement (SEIS)

The following comments are provided for your review and consideration:

Tourism is Guam’s leading industry, representing 60% of the Guam economy and one out of every three private sector jobs. The Guam Visitors Bureau (GVB) is the government agency tasked with overseeing the tourism industry.

The Guam Visitors Bureau supports the U.S. military on Guam and supports the proposed buildup; however, we want to ensure that the buildup will not negatively impact the immediate and long-term potential of tourism on Guam, which is our economy’s lifeblood. In that respect, we have some specific concerns with some of the characterizations made in the Draft SEIS, with which we disagree. These concerns are articulated below.

We believe that we can work together cooperatively with stakeholders to address any concerns that may exist. We firmly believe that tourism and the military can co-exist and thrive together on Guam. Included in this narrative is a brief explanation of the issues and specific proposed amended language for the final report.

The Primary Issue

Our primary concern is with respect to statements made in Appendix D section 4.3.8 regarding the potential impact on Russian and Chinese visitor markets, particularly as related to visa waivers. In Appendix D section 4.3.8, entitled “Blocked Growth of Chinese and Russian Markets”, it states:

“On November 23, 2011 the U.S. Department of Homeland Security granted visa parole authority for Russian citizens to visit Guam. The parole authority allows Russian tourists to enter Guam on a case-by-case basis, without the need for a visa. Russian visitors tend to stay longer and spend more money per visit than visitors from Guam’s other tourism markets. While the increase in Russian visits has helped improve Guam’s tourism industry, Russian visits represent only a small portion of total visits and thus do not provide a major contribution to the overall impact that the tourism industry has on Guam’s economy (SIAS Appendix B, GVB). It is unclear whether the
In November 2011, Russian nationals were granted visa-free entry to Guam via parole, and in January 2012 direct service began. In two short years, there are already direct flights from five different Russian cities; and arrivals in the coming 12 months will exceed the 20,000 annual forecast that was projected in the Tourism 2020 plan for the year 2020.

Russian tourists both stay for a long term and spend at a high level. Russian guests stay 14 to 21 days versus an average of 3.2 days for Japanese tourists. Each Russian visitor amounts to about six Japanese visitors in terms of hotel room nights and overall spending. Thus, in terms of their economic impact, 20,000 Russian tourists equates to roughly 120,000 Japanese tourists. Contrary to what is suggested in the Draft SEIS, Russian tourists represent a major economic impact for Guam. Further, Russia is a brand new tourist market for Guam. It is now expected that Russian visitors will reach 50,000 arrivals within the near future, spending $75 million per year (based on current spending level of roughly $1,500 per person) with a direct economic impact several multiples above this number and well in excess of $100 million. Thus, contrary to the statement in the draft SEIS, the potential loss of this market would have a significant and material impact on Guam’s economy, and would be detrimental to its tourism industry.

China

Of even greater potential impact to Guam is the Chinese market, which is expected to have 200,000,000 outbound travelers by 2020. The most important centers of China’s tourist market are located only five hours direct flight from Guam. Guam historically captures between 1% to 6% market share from its targeted source markets. If Guam is able to capture just .05% share of the outbound China travel, the Guam economy would more than double.

Retail spending per person from Chinese travelers is the highest in the world. Guam’s leaders recognize the enormous potential impact of a visa-free travel to Guam by Chinese tourists, and Guam’s Governor and Congressional Representative have been working hard for many years trying to obtain a China visa waiver. Visa-free travel to the region by Chinese nationals would be in line with Congressional objective in the Consolidated Natural Resources Act of 2008, which sought to promote region-wide tourism. While it is our understanding that Department of Defense does not object to our application for visa-free travel by Chinese tourists, yet the language contained in Section 4.3.8 of Appendix D might easily be interpreted as contrary to the DOD’s previously communicated position. We have recently been reassured that the concerns indicated in the Draft SEIS with regard to visa-free travel by such tourists did not originate from DOD. Thus, we would expect the draft to be amended to eliminate any impression that DOD is in favor of removing Russian visa-free travel or of blocking the future granting of visa-free travel by Chinese. We would hope that DOD would go even further and document its non-objection to visa-free travel by Chinese tourists to Guam, particularly in consideration of the fact that DOD is anticipating growing its military presence on the island, and a robust economy outside the fence would positively impact the morale and welfare of the U.S. servicemen and women stationed on Guam and their dependents. If instead DOD objected to Guam diversifying its tourism markets to Russia and China, the continuing support by the island’s majority for the buildup would likely be in jeopardy of quickly eroding.

A comparison with our neighbor, CNMI, is revealing. Guam had only 11,225 Chinese visitors last year while CNMI had over 150,000 Chinese tourists arriving visa-free under parole authority. These visitors are essentially sustaining the CNMI’s economy, and ensuring its growth.

The Tourism 2020 plan calls for 350,000 Chinese by the year 2020. The average spending of Chinese on neighboring Saipan (CNMI) is $600 per person. This spending is low by international standards, where Chinese sometimes spend in excess of $2,000 per person on
The Department of Defense recognizes that the potential loss of Russian and/or Chinese visitors as a result of the buildup would have a significant adverse impact on Guam's leading industry, tourism. In order to avoid this impact, DOD does not object to visa-free travel for Russian and Chinese tourists. Further, DOD recognizes other factors that could impact tourism as indicated in Table 4.3-27 but believes that through cooperative efforts with the local government and local industry these factors can be mitigated to the mutual satisfaction of all parties.

If you have any questions regarding these comments, please contact the undersigned at karl.pangelinan@visitguam.org or phone (671) 646-5278.

Sensaramente *

[Signature]

KARL A. PANGELINAN
General Manager
JAPAN MARKETING COMMITTEE MEETING - WEDNESDAY, JUNE 18, 2014

JMC MEMBERS PRESENT: Milton Morinaga, Tadashi Echikawa, Masanori Kanasugi, Ken Yanagisawa, Yuta Yokoyama, Kiyoshi, Kawano, Kazunori Atsuta, Yoshihisa Otani, Michiru Sato, Norman Aguilar

OBSERVERS/GUESTS PRESENT: Kenji Kawabe, Terry Debold, Maho Quinene, Koji Nagano, Nozomi Saito, Monte Mesa

SKYPE: Yuji Mitsumori, GVB Japan
        Koichi Hoshino, ADK

ABSENT: Norio Nakajima (off-island), Satoru Murata, Hideki Sakai, Mitsunori Takahashi, Masaaki Kawanabe, Jae Hong Park

GVB: Nathan Denight, Nadine Leon Guerrero, June Sugawara, Elaine Pangelinan

CALL TO ORDER

The meeting was called to order at 10:00 a.m.

APPROVAL OF PREVIOUS MINUTES

Motion made by Mr. Echikawa and seconded by Mr. Kawano to approve the JMC Minutes of the June 18, 2014 meeting. Minutes approved.

REPORT OF CHAIRMAN

➢ Advised the major item for today's Agenda is the FY2015 budget however, the draft presented was rushed and felt the JMC should have more time to review and provide input.

REPORT OF MANAGEMENT

➢ Membership should have received notification on Google Map (Japan) doing indoor mapping of Guam facilities at no charge. Google will be coordinating directly with each of the businesses.
➢ GVB monitoring media coverage on 2.12 Incident trial currently ongoing and so far it seems there is minimal impact. GVB will be supporting the Attorney General's Office with the coordination of off-island eyewitnesses as the need arises.

FY2015 BUDGET

➢ A Special JMC Meeting was called for next week Tuesday, June 24 at 2:30pm to act on the Japan budget. Chairman Morinaga requested the committee to treat the document that was presented today as confidential being it is still in draft form and under assessment.

REPORT OF ADK

➢ "Premium Guam" 2014 year round schedule presented.
➢ WITH Magazine update: 4/28 featured "Guest Dresses" where reader-models produce and promote island dresses in collaboration with sea shell pink. 5/14 featured "Souvenirs" in collaboration with Hamamoto Fruits World where reader-models produce and promote made-in-Guam soaps. This resulted in 61 soaps sold in 10 days from Shop ranking-ranQueen.
➢ Suit Case "World Traveler" Store Front Tie-In Program:
  o Exposure 1 (posters) to run 9 months (May 2014-January 2015). Participating stores include Aeon shopping malls x 121 shops; Ito Yokado Shopping Malls x 40 shops and ACE owned shops x 40 shops. Total estimated visitors to the site are 13 million visitors x 9 months
(assumption that 1 out 10 people will drop by the shopping site). Ad value estimated at $177,567.
- Exposure 2 (travel magazines) to run April-July 2014. Ad exposure consists of 4 color x 1 page ad per magazine (8 mag). Total circulation is 1,500,000 copies with an ad value of $88,783.
- Exposure 3 (www.ace.jp/wt/) to run April-July 2014. Exposure consists of 2 page coverage in the website. Estimated page views are 2,000,000 page view per month with an ad value of $19,729.

- "Tropical Ocean Wedding" Campaign ongoing from April-June 2014. About 21 bouquet toss participants have been recorded to date.
- "Time Out" Family Summer version ready from July-September 2014.
- BS-TV Program in progress from April-June 2014. Video contents for all targets are to be aired on BS and online. Contents to be produced jointly by Kodansha and ADK. A total of 7 5-minute "Premium Guam" episodes to be aired once a week every Tuesday at 8:54-8:59pm for a total of 13 weeks of airtime or 3 months. BS TV Program scheduled provided.
- Guam Chamorro Dance Academy (GCDA) has 2 programs left for the year, which is July 12-13 and September 27-28 both in Tokyo.
- Provided comparative analysis of Japan travel agents package tour price positioning and where Guam stands in terms of its non-competitive value positioning in consumers minds. ADK communication idea for is that the only way to solve this situation is to raise the value of Guam and therefore presented 2014-2016 Premium Guam campaign strategy that prefaced Guam is always growing and developing. By communicating its charms as tropical news with attention-grabbing surprises, this can create a new image of Guam targeting more visitors and increasing their travel spending.
- Communication strategy to cover Guam’ unique features for example; 90% ocean view, dolphin watching, Chamorro fusion cuisine, family wedding, year-round summer; Guam Music for example; “Boonie Stomping;” and Quality Visuals for example; Premium BS footage.
- Communication strategy to focus on advertising such as Terrestrial TV program commercials and FM Radio nationwide. Provided comparison that Guam’s share of voice in 2013 was 0.5% whereas SOV in other destinations such as Hawaii-14.2%; Taiwan-8.5%, Malaysia-5.9%; Australia-4.2%.
- Provided FY 2015 Target Strategy: Segmentation:
  - Primary Target: “Otona” (grown ups) plus affluent seniors (over 60)
  - Tactical Target: Wedding & MICE
  - Volume Target: Families with kids and 3 generation families

- Provided 2015 Promotion Ideas:
  - "Time Out for Otona Guam: To be the 3rd collaboration with Time Out. This version will promote a slow, relaxing stay in Guam. A collaborative feature on the charms of Guam that can be enjoyed by adults and seniors over stays of 4 nights to a week. A showcase of stringently selected hotels, tourist spots, activities, restaurants, and local shops. Campaign planned for January 2015.
  - "Otonano Gourmet Guide." Dining is the top reason for seniors to travel. An alliance can be forged with Kodansha to address this opportunity. Specifically, a collaboration can be arranged with Kodansha’s Otona no Shuumatsu (Grown-up’s Weekend”), which is recognized for its restaurant information. Food specialists will thoroughly examine Guam’s restaurants and identify those that are suitable for Japanese seniors. Moreover, collaborations will be arranged with Guam restaurants to develop special menus matched to the palates of Japanese seniors, giving seniors motivation and reasons to visit Guam. The feature article will be printed separately as booklets (30,000 copies). Campaign planned for October-December 2014.

Discussion:
- Mr. Hoshino explained the correlation of market share and share of voice and as compared to other markets, Guam’s share of voice is lower than its market share and therefore recommends increasing advertising spend.
Chairman Morinaga commented that more advertisement dollars are needed but how to spend has to be more defined as well as more innovative.

Mr Kanasugi commented there is a need to have more concrete sales promotions during low periods on the basis that sales volume is increasing with other markets and that capacity is limited but there is opportunity during low season most especially with group sales. He also suggested we come up with new campaigns.

Mr. Echikawa suggested the idea of a co-op advertisement approach with businesses to advertise new investments in Guam such as new hotels, option tours, etc., all leading to the premium direction that would appeal and excite the Japan market.

Mr. Kanasugi further commented, we need to push new image forward and with regard to the MICE market, we need to do more than just an information book, but also consider monitor tours, invite incentive sales organizations, etc.

Mr. Mesa suggested to have plans or campaigns to capture secondary cities as there are a lot of untapped first time travelers that may address airline seat issues, perhaps come up with campaigns to capture secondary cities as there are a lot of untapped first time travelers.

Chairman Morinaga thanked everyone for their valuable input that ADK will take into consideration to come up with more exciting content in their advertising initiatives.

REPORT OF JAPAN MANAGER

➢ Thanked everyone for a successful Hafa Adai Study Tour. Out of 78 participants, 58 were first time travelers to Guam who were very impressed and had impacted their motivation to sell Guam.

➢ Thanked everyone for contribution to Guam Live International Music Festival. Although there were a few issues, these can be worked to improve for next year. Felt the Japanese entertainers were excellent and we should work to bring out more fans.

➢ Reported Guam is receiving positive comments in comparison to Hawaii to include that Guam has 90% ocean view, and that Guam offers good value for consumer. Some negatives include service issues throughout all businesses; travel agents say they don't know much about Guam and is why we need to continue feeding them more information.

➢ Reported he continues to communicate with the airlines to address maintaining seat capacity, increase charter flights and maintain regular flights.

ADJOURNMENT

Moved by Mr. Kawano seconded by Mr. Yuta. to adjourn the meeting at 12:00 p.m.

Minutes prepared by: ________________________________

Elaine Pangelinan, Marketing Officer I

Minutes approved by: ________________________________

Nadine Leon Guerrero, GVB Marketing Officer II
KOREA MARKETS COMMITTEE MEETING MINUTES
Tuesday, June 17, 2014, 11:00 a.m.
GVB Main Conference Room

Members Present:
Oscar Miyashita, Ernst & Young
Tae Oh, Sandcastle, Inc.
Janeen Kang, Underwater World & Seagril
Hyong Yi, Outrigger Guam Resort
Terry Chung, DFS Guam
Suzie Kim, Hilton Guam Resort & Spa
Cris Gamboa, Onward Guam Resort
Aaron Kim, Net Ent.
Theresa Crucena, Royal Orchid Guam
Young Min Kim, Pacific Islands Club
Elisha Lee, Lotte Hotel Guam
Cathleen Moore-Linn, University of Guam
Jace Kim, Jeju Air
Ken Yanagisawa, Pacific Islands Club
Eric Ji, Sheraton Laguna Guam
Yungjin Kong, HIT

Members Absent:
Tak Takano, Pleasure Island Guam
Bartley Jackson, Hotel Santa Fe
Jennifer Chae, Hotel Nikko Guam
Soo Oftana, Pacific Star Hotel
Sophia Chu, Hyatt Regency Guam
Mr. Sung-Hwan Wang, KTB
Dongsin Choi, Speed Travel Way
Man-soo Hyun, Hyatt Regency Guam
Rolenda Faasualmalie, Guam International Airport Authority
Jeremy Jung, Hana Tour
Hugh Shin, Korean Air
Sam H. Kim, Hana Tour
Jong Bok Lee, JIN Air
Seonguk Jo, Leo Palace Resort
Jae Hong Lim, Mode Tour Network
Jenny Cheon, Holiday Resort & Spa Guam

Guests/Alternate Members Present:

GVB Korea GSA Present (Telephonically):
Henry Lee, TLK Korea

GVB Korea PR Present (Telephonically):
Adele Kim, Promac Partnership

GVB Staff:
J. Nathan Denight, Acting General Manager
Ana Cld, Acting Research Manager
Felix Reyes, Marketing Officer II
Guam High School Interns (2)
CALL TO ORDER
Chairman Oscar Miyashita called the meeting to order at 11:01 a.m.

MINUTES OF THE PREVIOUS MINUTES
Chairman Miyashita asked for a motion to approve the minutes of the May 13, 2014 KMC Minutes. Motion to approve was made by Ms. Suzie Kim and was seconded by Mr. Young Min Kim. Minutes were approved subject to any minor corrections.

REPORT OF CHAIRMAN
Chairman Miyashita welcomed everyone and thanked all for attending the meeting. He acknowledged Mr. Yung Jin Kong of HIT Tours as the Chairman of KTAG. He also acknowledged Colleen Cabedo representing the GM who is off-island, Ana Cid of Research and Nate Denight, Acting General Manager.

Chairman Miyashita reviewed the arrivals update data for FY YTD. MTD arrivals from Korea remain strong through June 12, 2014 with CY at +31.1%. Korea is carrying the arrivals % load and remains a very important market for Guam, especially with Japan’s reduction in arrivals. FY numbers show around 28% increase.

REPORT OF MANAGEMENT

KOREA - Korea Marketing News

3 month Forecast

<table>
<thead>
<tr>
<th>Month</th>
<th>Forecast Pax</th>
<th>Last Year</th>
<th>% Change</th>
<th>Seat Forecast '14</th>
<th>Seat Data '13</th>
<th>% Change Seats</th>
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<tr>
<td>June</td>
<td>24,500</td>
<td>20,384</td>
<td>20.2%</td>
<td>30,192</td>
<td>21,447</td>
<td>40.8%</td>
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<tr>
<td>July</td>
<td>25,500</td>
<td>22,006</td>
<td>16.9%</td>
<td>30,960</td>
<td>22,297</td>
<td>38.9%</td>
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<tr>
<td>August</td>
<td>27,000</td>
<td>23,145</td>
<td>16.7%</td>
<td>31,109</td>
<td>27,051</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

Flights

June
- KAL Flight Inc. 7 Pax: 10,050 (8777-400)
- Nok Air Wed, Th, Sat, Su: 2,682 (8737-800)
- Jeju Air: Inc. 7 Pax: 2,400 (8737-800)
- Jeju Air: Incl. 7 Pax: 5,550 (8737-800)
- Incl. Air: Incl. 7 Pax: 5,550 (8737-800)

July
- KAL Flight Inc. 7 Pax: 11,315 (8777-400)
- Budan/Kal Wed, Th, Sat, Su: 2,538 (8737-800)
- Jeju Air: Inc. 7 Pax: 5,500 (8737-800)
- Jeju Air: Incl. 7 Pax: 5,500 (8737-800)
- Incl. Air: Incl. 7 Pax: 5,766 (8737-800)

August
- KAL Flight Inc. 7 Pax: 11,315 (8777-400)
- Budan/Kal Wed, Th, Sat, Su: 2,682 (8737-800)
- Jeju Air: Inc. 7 Pax: 5,500 (8737-800)
- Jeju Air: Incl. 7 Pax: 5,766 (8737-800)

Total 30,192 Total 30,960 Total 31,109

Mr. Henry Lee briefed the committee on the details of the 3-month forecast for June - August 2014. Booking is slowly picking up from the slight dip due to the ferry sinking. Good news with Korean Air will have an Extra Flight from July 26-August 21 (KE113). Flights are four times weekly (Wednesday, Thursday, Saturday, Sunday) using B737, 138 seats.
Load Factor is at around 80% but July and August will show a better LF due to extra flights.

Chairman Miyashita asked how the LF is out of Busan.

Mr. Lee said the Busan is at around 65-70% from a low of around 50%.

Chairman Miyashita, on information from Ana Cid said the Busan LF YTD is at 76.7%.

---

**Korea Outbound Travelers**

**Guam Market Share**

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<tbody>
<tr>
<td>2011</td>
<td>K Columb</td>
<td>1,308,500</td>
<td>1,904,310</td>
<td>641,660</td>
<td>640,630</td>
<td>1,184,400</td>
<td>1,184,400</td>
<td>3,441,240</td>
<td>1,215,567</td>
<td>1,265,150</td>
<td>1,074,520</td>
<td>2,085,160</td>
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<td>Guam Inbound</td>
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<td>14,108</td>
<td>13,177</td>
<td>13,177</td>
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<td>15,728</td>
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<td>0.8%</td>
<td>1.1%</td>
<td>1.3%</td>
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<tr>
<td></td>
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<td>15,290</td>
<td>15,290</td>
<td>15,290</td>
<td>45,580</td>
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<td>15,728</td>
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<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
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<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
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<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

If the 2.0 MS is maintained, GVB can achieve a 300,000 + Korean visitor arrivals.

Unlike Japan, Korea’s outbound numbers are increasing.
3 month Activities/Programs

- **TV Home-shopping**
  - Jun.: Online
  - On cable TV for an 1 hour

- **MICE Group**
  - Jun.: Hana SK - 100 pax, Dongyang Life - 60 pax

<table>
<thead>
<tr>
<th>MICE Weekly plan</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
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<tr>
<td>3,044</td>
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<td>556</td>
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<td>3,989</td>
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<td>1,000</td>
<td>689</td>
<td>598</td>
<td>2,000</td>
<td>6,999</td>
<td>12,599</td>
<td></td>
</tr>
</tbody>
</table>

- **Golf Tournament**
  - Aug.: Hana Golf - 100 pax

Mr. Lee explained to the committee.

Marketing activities in Korea pushing Korean Air and PIC high-end business class promotions, including push of golf on Guam. In that past, promotions like this had always been with Hyatt Regency Guam.
K-Pop groups visited Guam for the Guam Live Int'l Music Festival.

Chairman Miyashita asked if any KMC members attended the festival. A few did.

Mr. Yanagisawa said Friday was nice but Saturday was not as great since the intervals between acts were long. The Korean talents were good.

The KGMC promoted the event with Jin Air, Mode Tour and other agents.

Mr. Jace Kim commented on the Guam Live saying he was disappointed with the preparation of the event because of the 15+ passengers all experienced a very long secondary at the CBP upon arrival to Guam. As a result, the group cannot come to the U.S. without proper visa next time. He said the performance was not only a GVB sponsored event but the performers were also Jeju Air passengers. According to the group, no one informed them of the correct visa needed or the correct process for Guam entry. If there is to be another concert on Guam, he hopes there is proper preparation next time.

Mr. Denight said two groups came from Korea. Brown Eyed Girls and Nu'est. Working with the GVB legal counsel, Nu'est was able to acquire a visa without any problems. Brown Eyed Girls, because of the arrangement with the group and no compensation was being given for their appearance, by the letter of the law, they can come to Guam without a visa. But CBP had a different interpretation of the law. But the group was allowed to enter through a Parole Authority. There will not be any black flag on the group and will still be able to enter Guam but with a visa for now. GVB is still working with CBP on the issue.

Chairman Miyashita asked how long the suspension is.
Mr. Denight said GVB is still trying to find out the details. Future concerts will be planned so that all will have the proper visas. GVB is working closely with Mr. Henry Lee. Several letters have been sent to Brown Eyed Girls and their management to keep them informed. CPB can be challenging and depends on who the supervisor is on duty sometimes. He thanked Jace Kim and Jeju Air for their support. It's the first for Guam and there is a learning process.

Mr. Jace Kim said the concert was a first for Guam and the purpose was good and hopes the next time is smooth.

Chairman Miyashita assured Mr. Kim GVB is doing all it can to rectify the situation, even going forward.

Mr. Yanagisawa said Mr. Lee did a good job exposing the event in Korea on many websites and many agents. He said it seems like the planning to host the event was only two months out. Perhaps next year allow at least six months.

Mr. Denight said that after the closeout meeting, it was tentatively decided to have the next event around May 1, 2015 – more into the dry season. At least six months to one year of planning will be put into the event. He thanks Henry Lee and for being able to secure such big stars locally and in Korea.

---

**KOREA - Korea Marketing News**

**3 month Activities/Programs**

- Guam Live International Music Festival KGMC agents package promotion
KGMC agents all promoted the event. These are samples of their collaterals pushing the event.

More KGMC promotional material samples.
KOREA - Korea Marketing News

3 month Activities/Programs

K-pop star Teentop TV show "Never stop explore in Guam"
1st episode aired on April 5 on channel Y STAR - 47 mins
2nd episode aired on April 12 on TV channel Y STAR - 47 mins
3rd episode aired on April 26 on TV channel Y STAR - 47 mins
4th episode aired on May 3 on TV channel Y STAR - 47 mins
5th episode aired on May 10 on TV channel Y STAR - 47 mins
6th episode aired on May 17 on TV channel Y STAR - 47 mins
Re-run on sister media S TV channel (Comedy, Dramaw, AXN, Life N, The drama)

Teentop TV show filmed on Guam was very successful with up to 6 episodes shown and with re-runs.

KOREA - Korea Marketing News

3 month Activities/Programs

- Hana International Travel Fair on May 23 to 25

Mr. Lee briefed the committee on the fair. 87,111 visitors and 1,137 Guam package bookings.
Trade meetings were held during KOTFA.
May 2014

• Press Release, Feature Stories & production

✓ [May 20] GVB's large delegation to 2014 KOTFA headed by Vice Speaker Ben Cruz, Senator Barnes, Board Chairman Mark Bakdyga, KMC Chairman Oscar Miyashita and Deputy GM Nathan Denight.
✓ [May 27] Lotte Duty Free Guam Live Music Festival features world class international lineup
✓ [May 28] (Feature story to Global Travel News) Number of Korean self-drivers visiting Guam grows.
✓ [May] Production of Korean leaflet on 12 gates to experience Guam.

• Media Fam for Guam Live International Music Festival:
6 media (1 national print, 1 travel magazine, two major media in Busan city, two bloggers visited Guam from June 5-9)

Adele Kim shared with the committee details of the May 2014 press releases and other stories.

Samples of Media Exposure – Media Fam/GMIF 2014

Promac brought some media and bloggers to the GMIF.
Media outreach samples for GMIF and Guam Live. Media commented they would like to interview the talents.
More sample of media and blogger outreach during GMIF and Guam Live.

KOTFA Booth, Ms. World Guam and other releases by Korean media.
Miss World Guam and the GVB Deputy General Manager were interviewed by Korean trade media at the GVB booth.

Average daily number in May 2014: 23.6 pax
Chairman Miyashita questioned the numbers reflecting in the December report website.

Ms. Kim said we had the Shop Guam Festival.

Mr. Denight asked if the report shows a combination of activities such as the Teentop shows.

Ms. Kim said no, they don't reflect the activities of TLK.

Mr. Tae Oh also asked the reason December is so high and at other months when there were large events on Guam the results are not close to the December amount. Fluctuation is too much.

Chairman Miyashita asked Adele to work with Mr. Felix Reyes to provide a better understanding of the report for the KMC so the questions can be all answered.

Going forward, Adele Kim will be providing a detailed report of media who covered Guam.

Chairman Miyashita said he does not see a tie in with the report and with the media value report sent earlier by Ms. Kim. He wants to see complete details of each of the components.

The summary file will be sent to the committee per the committee's request. Questions will be gathered from the committee and presented to Promac for response.
Upcoming activities

- Consumer Promotion & media visit with EBS TV, Kyowon & Pulmuone: Family & Guam English Study targeted promotion (Aug – Sept)

- Chamorro Culture consumer event in Wonju city in July

- Broadcast visit with entertainment program: Sept or Oct

- Advertising campaign for summer holiday: Seoul and Busan (July-Aug)

OLD BUSINESS
a. Korea Events
  • Hana Tour Int'l Travel Fair (May 23-25): 1,137 Guam packages sold/87,111 visitors
  • KOTFA (May 30-June 2): Won Best Booth Design, Best Folklore Performance Awards / 494 booths, GVB+4 booths, 4,826 participants at the booths, 120,000 visitors over 4 days. GVB will work to have PI booth adjacent to the GVB booth next year.

  Chairman Miyashita echoed that he wished the Hana Fair and KOTFA were a bit closer together in dates and logistics and cost is a challenge.

b. Upcoming Guam Events
  • Guam BBQ Block Party, July 5 (Pleasure Island Street Front)
  • Shop Guam Festival 2014 (November 1, 2014 – January 215, 2015)
  • GVB Golden Latte Awards (Wednesday, June 18, 2014, 11:30 am, Sheraton)

  Mr. Henry Lee is again asked to secure a chef for the BBQ party.

NEW BUSINESS
a. Upcoming Korea Events – none at this time.

b. FY2015 Budgets
  The committee reviewed the proposed FY2015 Korean budgets. Chairman Miyashita explained the rationale behind the increased budget for Korea during FY2015 from $1.4M in FY2014 to $2M in FY2015, an increase of almost 43%. Korea’s increasing arrivals, outbound ratio compared to Japan, additional gateways, and airline and travel agent support all combined with those on the KMC and the local travel industry.

  After a brief discussion, the committee voted unanimously to support the increased proposed FY2015 budget of $2M.

ANNOUNCEMENTS

NEXT KMC MEETING
Tuesday, July 15, 2014, 11:00 a.m.
ADJOURNMENT
Upon no further discussion, a motion was made by Mr. Ken Yanagisawa and seconded by Mr. Aaron Kim to adjourn the meeting at 11:56 a.m.

PREPARED BY:  

/s/  
Felix Reyes, Marketing Office II

APPROVED BY:  

/s/  
Pilar Laguña, Marketing Manager
The Greater China Marketing Committee Meeting Minutes
June 6, 2014, 11:00AM
GVB Main Conference Room
Page 1 of 5

Attendance:
- Bruce Kloppenburg, General Manager, Kloppenburg Enterprises, Inc. and Committee Chairman
- Charlene Chen, Chinese Sales Manager, PIC
- Cris Gamboa, Director of Sales & Marketing, Onward Beach Resort
- Joanne Camacho, Director of Marketing Development, DFS Guam
- Hyong Yi, Sales Manager, Outrigger
- Ellen Chen, Assistant Sales Manager (Chinese Market), Hyatt Regency Guam
- Paula Monk, Director of Sales, United Airlines
- Carl Guinata, Industry Specialist, GEDA

GVB Staff:
- Pilar Laguana, Marketing Manager
- Gina Kono, Marketing Officer II
- Brian Borja, Marketing Officer II
- Mark Manglona, Marketing Officer I
- Nakisha Onedera, Marketing Officer I

Absent:
- Christina Garcia, Business Development & Marketing Manager, GEDA
- Jenny Cheon, Sales Manager, Holiday Resort Guam
- Tormooyuki Goto, VP of Sales & Marketing, SandCastle, Inc.
- Gerald Perez, Managing Director, Leading Edge
- Jeff Schweizer, General Manager, Fiesta Resort Guam
- Ellisa Lee, Senior Sales Manager, Lotte Hotel Guam
- Terry Chung, Sales & Marketing Manager, DFS Galleria
- Vic Lo, Vice President, Micronesian Mall
- Rolenda Faasumalle, Marketing Administrator, GIAA
- Jennifer Chae, Sales & Marketing Manager, Nikko Hotel
- Elton Koo, Director, Favour Tour
- Sanghee Yoon, International Sales Manager, Westin
- Johnny Lee, Sales Manager, Hilton Guam Resort & Spa

AGENDA

I. CALL TO ORDER
Chairman Bruce Kloppenburg called the meeting to order at 11:05AM.

II. APPROVAL OF PREVIOUS MEETING MINUTES
Minutes were unanimously approved by the committee.
III. REPORT OF THE CHAIRMAN

Chairman Kloppenburg reported that the Board of Directors unanimously approved the $1 million in funding for the aggressive China Marketing Plan. Chairman Kloppenburg also discussed the Dynamic Airways Inaugural Reception Gala that will be taking place in Beijing, China. Meetings have been scheduled with top officials from CITS and Dynamic Air. The chairman is hoping that the Guam Delegation will be led by Governor Calvo but currently there is no confirmation.

IV. REPORT OF GVB MANAGEMENT

VISITOR ARRIVALS UPDATE

Marketing Manager Pilar Laguana elaborated on the latest snapshot of visitor arrivals for the month of May. Fiscal year to date arrivals indicate that Taiwan has seen an increase of 8.5%, China has seen an increase of 28.8% and Hong Kong has seen a decrease of -1.0%. Calendar year to date arrivals indicate that Taiwan has seen an increase of 9.1%, China has seen an increase of 23.3%, and Hong Kong has seen an increase of 0.5%.

Ms. Laguana reported that we are at 58.2% of our goal pax of 51,750 for Taiwan, 45.3% of our goal pax of 20,000 for China and at 68.2% of our goal pax of 9,149 for Hong Kong. Ms. Laguana reported that the bureau has been inundated with unexpected local programs that have used time and resources to support since the creation of our marketing plans and smart goals. Ms. Laguana reported that we have also been challenged with trying to attract visitors during non-peak periods but she is optimistic of new opportunities. Other markets such as Korea, Russia, and the Philippines have been doing extremely well and for our overall visitor arrival goal for FY2014 we are at 65.2%.

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<th>Fiscal Year To Date</th>
<th>Calendar Year To Date</th>
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<td>HONG KONG</td>
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</table>
The Greater China Marketing Committee Meeting Minutes
June 6, 2014, 11:00AM
GVB Main Conference Room
Page 3 of 5

CHINA MARKET UPDATE

FY2015 BUDGET

The China marketing budget is broken down into three elements: Travel Trade, Public Relations and Special Promotions, and Administrative services. For FY2015 the requested budgets totals 2 million. This amount is needed to take care of critical needs that are necessary to nurture growth and engage the China Market through much needed advertising and relationship building with the travel trade in China.

Advertising is a key element that Guam needs in order to be more noticeable in the Chinese market. Travel agents in China have recommended more advertising to raise awareness of Guam and its offerings. This will be coupled with travel agent familiarization tours as well as overseas marketing missions to selected shows in focused regions of China.

The proposed FY2015 is in line with the goals of the Tourism 2020 plan, which aims to increase Chinese visitor arrivals to 20,000 by the year 2020 without a visa waiver program. Marketing
Manager Pilar Laguna stressed that neighboring regions are enjoying the growing Chinese market whether they have existing visa waivers or not. Careful studying of competitors has resulted in the bureau's effort to model similar techniques that are within the bureau's financial means. One of these components featured in the FY2015 budget is the travel trade incentive program which will be featured in two parts, offering year round incentives as well as low period incentives. Earlier this year the travel trade incentive program was introduced to the board of directors alongside the airline incentive program. At the request of the board of directors, the travel trade incentive program was put on hold until direct air service through the airline incentive program could be secured.

TAIWAN MARKET UPDATE

FY2015 BUDGET

Taiwan budget proposal for FY2015 is proposing an overall 17% increase from FY2014. The Taiwan marketing representative fee as well as the information and office expense fund will remain the same.

Taiwan market is requesting increases in the following: Media/Travel Agent/Industry Fam tours to continue to promote current and exciting Guam products, Advertising and Social media to increase promotion on new events such as the Guam Live International Music Festival, and Sales and Market Development which includes a promotional budget for festpac. In addition, the Taiwan market is requesting to increase the budgets of the International Travel Fair and the Taipei Tourism Expo, which are two of the largest travel shows in Taiwan.

$20,000.00 of the proposed increases will come from the FY2013 rainy day fund that was set aside during the North Korea issue.

Taiwan market bottom line budget request: $386,400

HONG KONG MARKET UPDATE

FY2015 BUDGET

Hong Kong Market is asking for a $20,000.00 increase from FY2014, shifting the overall budget from $185,000.00 to $215,000.00. This $20,000.00 increase will be placed in the Sales and Market Development fund to aid in promoting Festpac as well as other unforeseen activities and opportunities that may be present during the fiscal year.

Mr. Hyong Lee made the motion for the GCMC to approve to have the proposed budgets of China, Taiwan, and Hong Kong presented to the board of directors. Motion seconded by Mr. Cris Gamboa. Unanimously approved by the committee.

V. OLD BUSINESS

VI. NEW BUSINESS

- An inaugural reception gala will be held on June 18, 2014 in Beijing, China to commemorate Dynamic Airway's Inaugural Beijing - Guam flight.
The Greater China Marketing Committee Meeting Minutes
June 6, 2014, 11:00AM
GVB Main Conference Room
Page 5 of 5

VII. ANNOUNCEMENTS
   • The next GCMC Meeting will be held on July 11, 2014 at 11am in the GVB Main Conference Room.
   • Guam Live International Music Festival will be held this weekend from June 6-7, 2014 at the Paseo Stadium, Hagatna
   • BBQ Festival will be held on July 5, 2014 at the Pleasure Island, Tumon
   • Shop Guam Festival will be held November 1, 2014 – January 13, 2015

VIII. ADJOURNMENT

Meeting adjourned at 12:00pm.

Minutes Prepared by:
Nakisha Onedera (Marketing Officer I)

Reviewed and approved by:
Pilar Laguana (Marketing Manager)
DESTINATION MANAGEMENT COMMITTEE (DMC)
FY14 MEETING MINUTES – June 24, 2014


I. CALL TO ORDER: Meeting commenced at 09:35.

II. PROJECT UPDATES:

Ms. Ada gave a status report on the following:

a. Abandoned Buildings:
   • Unsafe Structures Act was approved by the 32nd Guam Legislature (P.L. 32-157) and signed by Gov. Calvo in May 2014. The law allows DPW authority to deal more expeditiously with the property owners of abandoned buildings.
   • Buildings demolished: Old Western Gun Club (San Vitores Road) & Hongkong Restaurant (Rt. 1)
   • Action Item: abandoned structures (parking lot and abandoned building) across Tumon Bank of Guam. GVB to follow up with DPW.

b. Fire Hydrants:
   • Total of 52 fire hydrants were painted and completed in June 2014.
   • Of the 52, the contractor reported that three fire hydrants were leaking and one was partially buried. The matter was reported to GWA, which is responsible for its maintenance.
   • Action Item: GVB to follow up again with GWA about its most recent fire hydrant inspection and repairs.

c. Tumon Bay Lighting Improvements
   • An IFB was issued June 16th followed by a Pre-Bid Conference on June 23rd. Due to the complexities and numerous questions raised at the Pre-Bid Conference, the deadline for Bids may have to be extended from July 18th to July 25th.
   • Project timeline (to include permitting, drawings, ordering of materials and supplies) is expected to be about 6 months from the time the contract is awarded.
   • An RFP for project management will be issued in July.

d. Graffiti Campaign:
   • As part of the Tumon Landscaping Maintenance contract, LMS continues to monitor and remove graffiti.

e. Tumon Landscaping Maintenance:
   • Median improvements, funded by GEDA Qualifying Certificate funds, were completed in June at: Proa, Hyatt, Reef, DFS and JFK Road (filling in narrow median with concrete and replacement of soil with basalt rocks).
   • GVB plans to eventually replace plants in medians where landscaped grass mounds would fare better in existing soil conditions. The raised mounds were designed not just for aesthetics but also to serve as a buffer in the event of an accident whereby a vehicle might cross over from the opposite lane. For FY15, two medians (JFK Hill and Holiday Plaza) will be replaced with grass mounds.
   • Additional tasks for FY15 are: trimming of trees at Guam Trunkilidat, Hilton Mural, across GPD Precinct and other areas as needed, trimming of plants at Rotunda, median revamp – replacement of existing plants with grass mounds – at JFK Road and Holiday Plaza.

f. Beach Cleaning:
   • Major improvements for FY14 were: removal and disposal of 72 rhino-infested trees and painting of trash bins.
   • More effort will be made to improve the bunker area at PIC. At a recent inspection, it was noted that more trimming was needed to make the path more accessible and attractive.

g. Highway Road Maintenance:
   • IFB will be issued in July 2014. Additional increase is requested for additional work as a result of several newly planted trees on highway medians that require cleanup prior to bushcutting.
FY14 DMC MEETING MINUTES
June 24, 2014 - Page Two

Mr. Denight gave a status report on the following projects:

a. Bus Shelters
   • IFB will be issued in July for construction of 4 easement turn-offs. The four locations are: Reef Hotel, Tumon Sands, PIC and Holiday Resort (across).  
   • An RFP will be issued for construction of 12 new bus shelters at the following locations: Ypao Beach Park/GV3; PIC, PIC (across), Fountain Plaza, Holiday Resort, Holiday Resort (across), Pacific Bay Hotel, Tumon Sands Plaza, Hyatt Hotel (across), Reef Hotel, Westin Hotel and Pacific Place.  
   • Chairman Hofmann recommended the eventual establishment of a central turn-around location for bus operations, which he believes, would make bus transportation more efficient and safe.

b. Surveillance Camera Monitors:
   • The project has been awarded under protest. A hearing with the OPA is scheduled for June.  
   • Total 41 cameras will be installed on San Vitores (Hilton to Hotel Nikko) but will also include JFK Road as well as Oka/Sheraton/Onward areas.

c. Visitor Relations Officer
   • RFP issued in May. Selection is expected by July.  
   • Lt. Carbullan expressed some concerns and asked that GPD and GVB work closely together in ensuring that the VRO clearly understands its roles and limitations.

III. DMC FY15 BUDGET REVIEW & APPROVAL

Special Projects

The proposed FY15 Special Projects Budget reflects previous year budget of $2,000,000:

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<td>Tumon/Hagatna Surveillance Cameras</td>
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<tr>
<td>Visitor Relations Officer Project</td>
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Comments:
   • TLM: Additional tasks for FY15 will include: (1) trimming of the upper and lower flower beds at the Bishop Flores Rotunda; (2) trimming of trees at Hilton Mural, Guma TrunkiIdeal sidewalk/wall, across GPD Precinct, and other areas in need of trimming but not covered by the existing TLM contract.  
   • BCM: An additional FY15 task will include tree trimming and removal of heavy debris at the bunker located at PIC. Clearing of the area is aimed at enhancing its appearance and safety.  
   • Holiday Illumination: The owner of the site which displayed the Holiday Village did not grant GVB permission for future use of the property. GVB is currently considering other vacant lots such as the old Western Gun Club or the Royal Orchid corner. Chairman Hofmann recommended that Tyian carnival grounds or Plaza de Espana be considered as alternative sites as well.  
   • San Vitores Streetlight Maintenance: A portion of this budget item will be used for contract management of the streetlight repair project.
Motion was made to approve the Special Projects FY15 Budget of $2,000,000. Motion was seconded and carried.

➢ Tourism Industry Relations
The proposed FY15 Tourism Industry Relations Budget reflects previous year budget of $250,000:
- Airport Ambassador Program $ 25,000
- Tour Guide Certification $ 48,000
- Golden Latte Awards $ 25,000
- Welcome Service $ 25,000
- Visitor Safety/Satisfaction $127,000

Motion was made to approve the Tourism Industry Relations FY15 Budget of $250,000. Motion was seconded and carried.

IV. OTHER BUSINESS
➢ Matapang Koban
- Lt. Carbullido reported that the GPD K-9 unit is tentatively planning to move to Matapang Koban.
- Structural improvement at Matapang Koban was funded by PMT, with the understanding that it was to be used for the purposes of housing the Beach Patrol personnel. GVB will check into an MOA with PMT which may prevent the Koban from being used for purposes other that for the Beach Patrol station.

ADJOURNMENT: Meeting adjourned at 10:10.

Minutes prepared by Doris Ada, Approved by Nathan Denight
SPORTS & EVENTS COMMITTEE MEETING  
Wednesday, JUNE 25, 2014 at 2:00 P.M.  
GVB CONFERENCE ROOM

MINUTES

Members Present: Jennifer Camacho, Joe McDonald, Jude Baker, Sally Malay

GVB staff present: Jon Nathan Denight & Kraig Camacho

CALL TO ORDER
Chairwoman Jennifer Camacho, called the meeting to order at 2:06 p.m.

REPORT OF CHAIRPERSON

Sports Committee Chairwoman Camacho had nothing to report and wanted to go over the 2015 budget request.

REPORT OF MANAGEMENT

Mr. Kraig Camacho, GVB Community Development Officer provided a breakdown of the 2014 budget labeled as exhibit "A". The attachment also listed a breakdown of expenses for Sports Grants and Event Support and Sponsorship in FY2014.

Mr. Camacho shared that the 2014 breakdown was being provided to the committee in order to have a basic idea as to the budget amount they would like to request for 2015.

Mr. Camacho also shared that management had already provided their recommended 2015 proposed budget amount of $795,000 for the committee's review and consideration before the request is brought to the board for final approval. The 2015 management recommended budget is attached and labeled as exhibit "B".

Mr. Camacho stated that management's recommendation for an additional $45,000 on top of the 2014 budget amount from last year will help to support events that were program during prior year budgets such as the Guam International Marathon and the Guam Barbeque Block Party, which forced the committee to cut back on supporting and sponsoring other events and programs.

The following discussion took place and reflects recommended revisions to the budget as suggested by the Sports & Events Committee:

- Remove the Governor's Tourism Cup Championship Golf Tournament as a lined item and move the budgeted amount of $10,000 for the event to Event Support and Sponsorship (ESP901). The Sports Committee would like GHRA to present a proposal for their next golf event to the Sports & Events committee next year to allow for the committee’s review and approval of funding for event support and sponsorship.
Mrs. Sally Malay questioned the amount listed for the Kids Run. Mr. Jon Nathan Denight clarified that the expense amount for the Kids Run is actually $15,000 and not $35,000, but Mr. Denight shared that the amount includes the contractual service fee, which accounts for both the Kids Run and Ko'ko' Half Marathon and Ekiden event in October. Mr. Jude Baker commented that both the Kids event and half marathon event should be executed in the same week because the infrastructure for the event is already in place. Mr. Baker said he felt that combining the two would make the event more attractive to promote.

Mr. Camacho said there are several issues why the events are combined but said he would discuss the possibility of combining the two after meeting GVB’s event management team RIMS.

Mrs. Malay questioned with the addition of the Guam International Marathon, if GVB was going to continue to have the Ko'ko' Road Race. Mr. Denight said he is awaiting clarification from Senator Tina Muna Barnes’ office if the Bureau must hold the event by law but shared that the October 2014 event is already confirmed.

Mr. Camacho shared that the Bureau's growing commitment to the Guam International Marathon is making it hard to fund both events.

Mrs. Malay then suggested making the Ko'ko' Road Race into a marathon.

Mr. Denight shared that it was brought up a while back but the organizers for the Guam International Marathon weren’t too happy about the idea of having two marathons.

Mr. Camacho then shared that the Kids Run is held in March because the Bureau’s Japan office Manager recommends the date because Japanese children are more able to travel then because of the Japan spring break school schedule.

Mrs. Malay asked how many children came in for last year's Kids race.

Mr. Camacho shared that roughly 30 children came this year with their family members.

Mr. Baker said he was curious to know if these children were already traveling to Guam anyway.

Mr. Camacho shared that two year’s ago the event attracted more than 60 children but due to the Tsunami triple disaster in Japan, half the children canceled their trips to Guam because they were from the affected areas.

Mr. Camacho said he remembered the number because Japan marketing staff at the time had local children on Guam prepare letters of support and healing for the children, the letters were eventually delivered by GVB Japan staff in Japan later in the year.

Mr. Baker then wanted clarification if $715,000 worth of activities and events on the budget were all locked in and couldn’t be discussed.

Mr. Denight shared that some items are long standing events such as the Guam Micronesian Island Fair, which is mandated by law.

Mr. Denight shared that there are events such as the GHRA Golf Event that can be discussed by the committee.

Mr. Baker then asked if the committee was only here to discuss and provide input on $160,000 of the $750,000 sports budget.

Mr. Baker then said he felt that emails should be sent to the committee to decide for the amount of $160,000 in activities.

Mr. Camacho shared that the committee as a whole has the opportunity to make changes and must decide as a committee on plans for 2015.

Mr. Camacho shared that the Guam Live Music event is a perfect example of what was produced as a result of the committee’s hard work and involvement.
- Mrs. Malay said she has only been to a few meetings but feels like everything is prepared for members to either vote on or review but said she wanted to know if there are opportunities to discuss and provide their input.
- Mr. Denight shared that management and staff is in charge of doing the work and the committee is brought on as advisory to the Bureau.
- Mr. Denight shared that he felt that $200,000 worth of budget was substantial for the committee to work with to develop events and activities.
- Mr. Denight said that he is not saying that the committee can't make decisions but some items such as GMIF are mandated by law that GV3 execute.
- Mr. Baker then questioned the expenses listed on Exhibit "A", Mr. Baker said he didn't remember seeing some of the items supported on the sheet.
- Mr. Camacho shared that the items $1,000 or less did not require committee approval because by Board policy allows management the authority to approve up to $1,000.
- Mr. Baker asked the committee what was the best way to spend everybody's time.
- Mr. Baker said he feels that the committee should spend more time coming up with ideas, discussing vision and developing ideas and events that appeal to a changing demographic.
- Mr. Denight said that the committee has worked and developed new events such as Xterra, Guam Long Ride, BBQ Block party that have all been executed in 2014.
- Mr. Camacho shared that there are a lot of events and activities around the island but are led by organizers who are not as committed because they are merely volunteers.
- Mr. Camacho said that another issue is one year the organizers are committed and the next year they decide not to hold the event.
- Chairwoman Camacho thanked everybody for a very productive meeting and recapped on a few items on the agenda that were discussed.
- Chairwoman Camacho then requested for an update on the Guam Live Event.
- Mr. Denight said that a post event presentation would be made available to the committee during the next Sports Committee.
- Mrs. Malay stressed the importance of keeping to the meeting schedule and said that she would like to see more opportunities for the committee to develop and conceptualize ideas rather then just rubber stamp their approval on matters she felt were already decided on.
- Mr. Baker then asked if management had a cap amount on funds they are able to authorize.
- Mr. Camacho said $1,000
- Mr. Baker said he understand that it was $1,000 per event but asked if managements could approve 70 events with each event funded at $1,000
- Mr. Camacho said it was possible.
- Mr. Denight said it was a board policy
- Mr Denight shared that he understand the concerns but also understand that the General Manager needs some flexibility to do his job.
- Chairwoman Camacho said she felt some of the items should have not even been supported like the Spirit Run 5K.
- Mr. Denight asked the committee to remember that the Bureau does reach out to the local community when they need support.
- Mr. Camacho said the Spirit Run was the Tumon 5K.
- Chairwoman Camacho said there are several 5K what we should do for one should be done for all.
- Mrs. Malay changed direction and spoke on the Guam International and questioned why the Guam International Marathon was listed as a line item.
- Mr. Denight agreed on making the Guam International Marathon a lined item at $50,000.
- Mr. Denight asked if the committee was okay with the request of $815,000.
- Chairwoman Camacho requested a motion be made by the committee.

Motion was made by Mr. Joe McDonald and seconded by Mr. Jude Baker to include a line item of $50,000 for the 2015 Guam International Marathon event and to make revisions to the proposed 2015 budget as discussed and recommend by the Sports & Events Committee.

Motion was approved unanimously.

NEW BUSINESS
N/A

OLD BUSINESS
N/A

ANNOUNCEMENTS
Next Meeting is scheduled for 2:00 p.m. August 5, 2014 at GVB Main Conference Room.

ADJOURNMENT
- Meeting was adjourned at 3:40PM

Summarized and Submitted by: Miranda Muñoz
Administrative Assistant

Reviewed by: Jon Nathan Denight
Deputy General Manager
## Exhibit "A"

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