



BOARD OF DIRECTORS REGULAR MEETING

Thursday, March 22 2018 - 3:30pm

Guam Visitors Bureau - Main Conference Room

BOARD OF DIRECTORS PRESENT:

Director Milton Morinaga	Director Monte Mesa
Director Brad Kloppenburg	Director Young Hong
Director Theresa Arriola	Director William Nault
Director Robert Hofmann	Director Katarina Sgro
Director Satoru Murata	Director Bartley Jackson

BOARD OF DIRECTORS TELEPHONICALLY:

Director Samuel Shinohara	Director Tatsuo Takano
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BOARD OF DIRECTORS ABSENT:

Director Eduardo "Champ" Calvo

GVB MANAGEMENT & STAFF PRESENT:

Antonio Muna	Pilar Laguaña	Maura Yi
Brian Borja	Doris Ada	Josh Tyquiengco
Nico Fujikawa	Colleen Cabedo	Meriza Peredo
Breeana Garrido	Mark Manglona	Nakisha Garrido
Gabbie Franquez	Nadine Leon Guerrero	Maria San Nicolas
Elaine Pangelinan	Karida Brennan	Sydney Leon Guerrero
Lisa Linek	Regina Nedlic	

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:

Senator Regine Biscoe Lee - Guam Legislature
James Perez Servino - Office of Senator Regine Biscoe Lee
Joseph Mesngon - Office of Senator Dennis Rodriguez
Joann Camacho - T Galleria DFS
Wayne Chargualaf - Marianas Business Journal/Glimpses
Karri Perez - Leading Edge

I. CALL TO ORDER

Chairman Morinaga called the meeting of the board to order at 3:34 pm.

II. MINUTES OF THE PREVIOUS MEETING

Exhibit A

Director Kloppenburg made a motion, seconded by Director Hofmann, to approve the minutes of the previous board of directors meeting dated February 22, 2018.
Motion unanimously approved (Subject to minor revisions)

III. CHAIRMAN'S REPORT

IV. PRESIDENT & CEO'S REPORT



GUAM VISITORS BUREAU

PRESIDENT'S REPORT

03-22-2018

RESEARCH

February 2018

February 1-28, 2018

Total: 126,616 (-5.1%)

March 2018

March 1-20, 2018

Total: 82,280 (-7.4%)

% Market Mix	Origin	2017	2018	% to LY
38.8%	Japan	54,356	48,599	-14.3%
48.0%	Korea	51,181	60,768	18.7%
3.1%	China	2,383	3,925	64.7%
0.3%	Hong Kong	1,688	395	-76.6%
2.1%	Taiwan	3,610	2,682	-25.7%
4.7%	US/Hawaii	6,747	5,923	-12.2%
0.8%	Philippines	1,288	966	-25.0%

% Market Mix	Origin	2017	2018	% to LY
44.7%	Japan	43,695	38,743	-11.9%
41.7%	Korea	34,158	34,335	0.5%
1.0%	China	869	823	-5.3%
0.3%	Hong Kong	1,379	284	-79.4%
1.9%	Taiwan	1,806	1,530	-15.3%
4.5%	US/Hawaii	3,520	3,718	5.6%
0.9%	Philippines	850	740	-12.9%

Source: Guam Customs Declaration Forms. Processed by the Guam Visitors Bureau.

Note: February 2018 Daily Arrivals reflect October Air arrivals only.

Source: Guam Customs Declaration Forms. Processed by the Guam Visitors Bureau.

Note: March 2018 Daily Arrivals reflect October Air arrivals only.

Calendar Year to Date 2018

January–March 20, 2018

Total: 343,013 (-4.3%)

Fiscal Year to Date 2018

October 2017 – March 20, 2018

Total: 718,524 (-4.1%)

% Market Mix	Origin	2017	2018	% to LY
38.3%	Japan	155,088	124,592	-19.7%
47.8%	Korea	141,680	163,816	15.5%
1.7%	China	7,305	5,934	-18.8%
0.3%	Hong Kong	5,114	1,080	-78.7%
1.9%	Taiwan	9,266	6,470	-30.2%
5.5%	US/Hawaii	17,272	18,965	9.8%
0.8%	Philippines	3,370	2,863	-15.0%

% Market Mix	Origin	2017	2018	% to LY
35.1%	Japan	338,677	252,385	-25.0%
48.8%	Korea	293,682	293,682	19.5%
1.4%	China	12,882	9,999	-21.2%
0.4%	Hong Kong	8,613	3,150	-63.4%
1.7%	Taiwan	18,987	12,426	-34.6%
5.2%	US/Hawaii	35,178	37,633	7.0%
1.3%	Philippines	10,392	8,996	-13.4%

Source: Guam Customs Declaration Forms. Processed by the Guam Visitors Bureau.

Note: March 2018 Daily Arrivals reflect October Air arrivals only.

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MARKETING

JAPAN MARKETING NEWS

Japan Market Update



Capacity Forecast in 2018

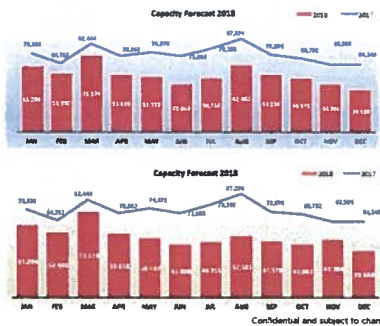
Forecast as of 03Mar18

Total about 630,000 seats
about 3,700 flights

Schedule 570,000 seats
3,300 flights

Charter: 60,000 seats
330 flights

vs. 2017 -27% (-230,000 seats)



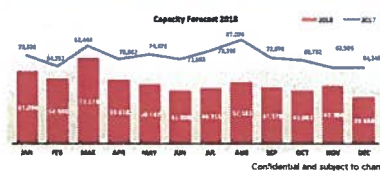
Forecast as of 02Feb18

Total about 610,000 seats
about 3,500 flights

Schedule 570,000 seats
3,300 flights

Charter: 40,000 seats
210 flights

vs. 2017 -30% (-255,000 seats)



- Rotary Club 2750 District Conference on February 27
- Tokyo, Japan
- Grand Prince Hotel
- 2019 conference will be held on Guam
- Goal: 1200 - 1500 attendees



Japan Market Update



- Airline Meetings on March 15 and 16
 - United Airlines in Tokyo, Japan
 - T'way Air in Seoul, Korea
 - Jeju Air in Seoul, Korea



Air Service Development



(as of 13Mar 2018)

1. Charter Plan 2018
 - GW charter has been finalized and additional 1,300 seats have been marketed.
 - GW charter: from Narita, Nagoya, Kansai and Fukuoka
 - More than 100 charter flights are planned to operate during summer holiday period.
2. Regular Operation
 - Continue discussing with some major Japanese carriers
 - Aggressively approach full service carriers in response to the recent capacity decline
3. South Korea Nationality Carriers
 - Both Jeju Air and T'way have received the beyond right to fly to the third country from Japan.
 - GVB has already started communication with them.

Confidential and subject to change

Air Service Development



Golden Week Charter Update:

7 charter flights will operate during Golden Week period (28Apr - 06May)

(as of 13Mar 2018)

Summary by port :

	Airline	Dep. port	Dep. Date	Return Date	Aircraft	Capacity
• Narita : 246 seats	JEJU Air	Nagoya	2-May-18	6-May-18	B737-800	189
• Nagoya : 753 seats	T'way	Nagoya	1-May-18	4-May-18	B737-900	188
• Fukuoka : 390 seats	T'way	Nagoya	2-May-18	5-May-18	B737-900	188
• Kansai : 138 seats	T'way	Nagoya	3-May-18	6-May-18	B737-900	188
	Jin Air	Fukuoka	3-May-18	6-May-18	B777-200	189
• Total : 1,326 seats	Korean Air	Narita	2-May-18	6-May-18	B777-200	246
	Korean Air	Kansai	2-May-18	6-May-18	B737-900	138



United Airline Guam Marathon



- April 8, 2018
- Expecting 1,000 Japanese runners
- Sponsorship for souvenir booklet
- Courier Magazine tie-in
 - Ad value: \$24,565
 - Circulation: 100,000
- Running Style Magazine tie-in
 - Ad value: \$24,565
 - Circulation: 100,000
- Cable TV tie-in with former Yomiuri Giants baseball player Kazutomo Miyamoto
- Japan marketing investment: over \$100,000



AKB48 Guam Fan Tour



- Candidate date: April 21, 2018
- Venue: The Beach
- Both HIS and IACE have started the second tour sales on March 6th and 7th
- Tour sales will continue up to the end of March
- Goal: 600 pax



Summer Resort & King's Brunch



Summer Resort

- TV Station: TBS (Nationwide)
- On air date and times: March 3, 2018
- Approximate number of viewable households: 19,392,028
- Number of expected viewers: 1,105,345 households
- Exposure: 30 minutes in total
- Ad value: \$4,484,997.36



King's Brunch

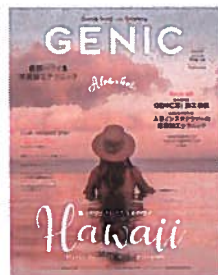
- TV Station: TBS (Nationwide)
- On air date and times: TBD
- Approximate number of viewable households: 34,987,536
- Number of expected viewers: 1,819,455
- Exposure: 15 minutes in total
- Ad value: \$1,060,714.28



GENIC Special Booklet Production



- Media category: photo and lifestyle
- Circulation: 50,000
- Target: 20-30 year old active females
- Ad rate: 4CIP/800,000
- Ad value: 9.6 mil JPY (equivalent to \$84,225)
- Color, 12 pages
- Printing 20,000 copies



GVB Quarterly Membership Meeting



- Tuesday, March 13, 2018
- Fort San Jose Ballroom, Outrigger Guam Beach Resort
- Guest speaker: Ms. Rika Fujii
 - Director, Mitsubachiworks, Inc.
 - Editor-in-chief, GENIC Magazine
 - Editor-in-chief, GENIC Web
- Presentation: "Travel 3.0 by Instagram"



KOREA MARKETING NEWS

Korea Marketing News

3rd Annual MBC Golf Tournament in Guam

TV Station: MBC Sports Plus
Program Schedule: 10 PM Every Monday
Running Time: 60 mins per episode (total of 10 episodes)
Broadcast: 6 different channels
• MBC Sports Plus: 60 mins x 10 episodes
• MBC Sports Plus 2: 60 mins x 10 episodes
• MBC Every1: 60 mins x 10 episodes
• MBC Every1 Global Channel: 60 mins x 10 episodes
• NBC Golf Channel: 60 mins x 10 episodes
• MBC: 60 minutes x 1 episode (finale)
Exposure: \$85.9 million in media exposure (est.)
Filmed: December 11-14, 2017

1st Episode Aired on Jan 8



Korea Marketing News

Korean Air Travel Agent CEO FAM Tour

Period: March 14 - 17, 2018
Participants: 31 pos (CEOs from Korea's major travel wholesalers, travel agencies, OTAs, tour operators)
GVB's Support: Hotel Accommodations/ Ground Transportation/ Dinner Functions
Itinerary: Fish Eye Marine Park, Leo Palace Golf Course, Dolphin Watching, ATV, Southern Island Tour, City Tour, Dinner Function at Dusty Thank, Farewell Fiesta at Lotta Hotel, Lunch at Sea Grill

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Korea Marketing News

Jin Air Guam Promo Filming

Period: March 19 - 22, 2018
Participants: 9 pos (Mother & Daughter (models), Production Crew- GVB Korea Staff)
Background: GVB has partnered with Jin Air on a Guam promotional video called "Mother & Daughter Luxurious Tour to Guam". The video will be used as a tool on Jin Air's newly revamped website and social media platforms to push sales during the spring season and position Guam as a high-end travel destination.
Itinerary: Dusty Thank (co-sponsor), Sandcastle, Tumon Sands Plaza, Sunset Dinner Cruise, Plaza De Espana, Alupang Beach Club, Chamorro BBQ Show at Sheraton, Chamorro Night Market, and Proa.



CHINA MARKETING NEWS

China Marketing News

- China Sales Trip in Shanghai and Nanjing
- Date: March 4 - 8, 2018
- Sales visits to six leading TOs and OTAs in Eastern China market: Utour, Spring Tour, Jinjiang Travel, Ctrip, Tuniu and JSBC International Tour
- ✓ GVB gave 2018 Market Updates InstaGuam Presentations
- ✓ GVB members presented their services and offers for 2018
- ✓ GVB Management presented prize of appreciation to TOs/ OTAs team from related departments
- ✓ Free discussion



Guam Delegation at Utour



Group photo at Jin Jiang Travel

China Marketing News		China Marketing News	
 <p>GVB delegation with Tuniu management</p>	 <p>Group Photo at Spring Tour</p>	<p>"Best Self-driving Tour Destination" Mar 6th, 2018, Shanghai</p> <p>Ctrip, China's leading Online Travel Agency (OTA), selected Guam as the recipient of "The Best Overseas Self-driving Tour Destination" award for its stunning coastal routes and driving experience.</p>	
 <p>GVB delegation with JSBC management</p>	 <p>Group photo at Ctrip HQ</p>		

- o In the absence of President Denight, Vice President Muna reported the team is finally caught up with the March numbers since the transition from the new software back in December 2017. The research department will be releasing the new dashboard shortly.
- o Marketing Director Laguaña shared with the board Guam was selected as "Best Overseas Self-driving Tour Destination" by Ctrip, China's leading Online Travel Agency, for its stunning coastal routes and driving experience. This award was won amongst the regions best competition, making it a very proud moment for Guam.



V.

TREASURER'S REPORT

Exhibit B

EXHIBIT B

FY 2018						
	Appropriation	Received to Date		Balance		
Operations	\$ 18,750,216.00	\$ 8,074,711.17	43%	\$ 10,675,504.83	57%	
Sustained Marketing - Korea	\$ 4,000,000.00	\$ 1,454,545.44	36%	\$ 2,545,454.56	64%	
Destination Development	\$ 1,085,000.00	\$ 522,083.31	48%	\$ 562,916.69	52%	
GVB Cruise Ship Industry Development Program	\$ 50,000.00	\$ 20,833.31	42%	\$ 29,166.69	58%	
Rainy Day Fund	\$ 200,000.00	\$ 83,333.31	42%	\$ 116,666.69	58%	
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 83,333.31	42%	\$ 116,666.69	58%	
Pass-Thru	\$ 790,000.00	\$ 329,166.36	42%	\$ 460,833.64	58%	
TOTAL RECEIVABLES FY 2018	\$ 25,075,216.00	\$ 10,568,006.21		\$ 14,507,209.79		
Accounts						
RESTRICTED						
Bank of Guam - Rainy Day Fund ¹		\$ 1,640,441.05				
Cultural & Sports Ambassador Fund ²		\$ 258,688.92				
GVB Cruise Ship Industry Development Program		\$ 8,467.23				
TOTAL RESTRICTED		\$ 1,899,129.97				
UNRESTRICTED						
Bank of Guam - Operations		\$ 11,206,547.67				
First Hawaiian Bank - Membership		\$ 74,000.73				
Resona		\$ 981,289.33				
Bank of Guam - TAF		\$ 539,512.21				
Raymond James - CD value as of 2/28/2018 ³		\$ 2,548,914.44				
TOTAL UNRESTRICTED		\$ 15,350,264.38				
TOTAL CASH as of 3/19/2018		\$ 17,249,394.35				
Current Payables						
Asatsu Invoices (DEC - JAN)		\$ 1,917,584.81				
Japan Invoices		\$ 169,660.31				
Guam Invoices		\$ 322,555.74				
Pass-Thru		\$ 17,499.99				
Encumbered Contracts		\$ 3,608,794.43				
Encumbered Purchase Orders		\$ 144,015.99				
TOTAL PAYABLES as of 3/19/2018		\$ 6,180,111.27				
NOTES						
NOTE 1						
	\$1,640,441.05	Rainy Day Fund				
	(\$184,984.43)	Rainy Day expenses Japan - reimburse Operations				
	\$1,455,456.62					
NOTE 2						
	\$258,688.92	Cultural and Sports Ambassador Fund				
	(\$26,100.00)	Cultural and Sports Ambassador expenses - reimburse Operations				
	\$232,588.92					
NOTE 3						
	\$2,548,914.44	Raymond James - CD				
	(\$1,169,250.98)	PAID - China airline incentive program and market advertising				
	(\$300,000.00)	PAID - Sponsorship Guam Football Association				
	(\$20,000.00)	PAID - GEDA Imagine Guam Masterplan Overlay				
	(\$842,642.84)	PAID - Pale San Vitores Road Bus Shelter Project				
	(\$28,783.52)	PAID - Planning, Architectural and Engineering Services for Tumon Bay Improvement				
	(\$75,000.00)	PAID - Sponsorship Guam Basketball Federation FIBA U17 Championship				
	(\$10,000.00)	PAID - Hagatna maintenance and streetscape project for GMIF				
	(\$57,357.16)	BALANCE - Pale San Vitores Road Bus Shelter Project				
	(\$45,879.94)	BALANCE - Planning, Architectural and Engineering Services for Tumon Bay Improvement				
	0.00					

March 19, 2018

- o Director Shinohara asked what is GVB's understanding with DOA in regards to incurring remittance fee. He is concerned with GMH and DOE barely making payroll and talks of



unpaid health insurance plans. Vice President Muna said he would follow up with President Denight on his continued talks with DOA.

- o Director Arriola wants to know what GVB is doing to make sure the allotments are continually received, so the Rainy Day Fund is not tapped into in place of allotments. Director Shinohara assured spending the Rainy Day Fund towards a project or market is not a problem; he is more concerned about finding a way to reconcile the \$11.2 million in the operations account. A spending plan should be set and ready to go should there be excess money sitting in any accounts so pitched towards projects that have been under funded. Vice Chairman Mesa agrees and adds that GVB should not have a problem with receiving its appropriations till the end of the fiscal year. Director Arriola disagrees; if the General Fund is in trouble then the government will look to other accounts for source of funding including GVB's. Management needs to make sure GVB gets its allotment (currently should be at 50% but is not) and if they are not received the board needs to know why. Director Shinohara also asked Management to look at the cash accounts to understand the true balances of where they are coming from and where they are going. 1:21:42 MINS

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

RESOLUTION NO. 2018-002

Exhibit C

Director Kloppenburg made a motion, seconded by Director Nault, to ratify GVB Board Resolution No. 2018-002 relative to honoring Mr. Jun Hiyoshi, President, Lam Lam Tours & Transportation, for his contributions to the Guam tourism industry and people of Guam.

Motion approved

- o Director Nault presented the resolution and shared that Mr. Hiyoshi was very honored to receive the award.

B. ADMINISTRATION & GOV'T RELATIONS

RESOLUTION NO. 2018-001

Exhibit D

Director Kloppenburg made a motion, seconded by Director Hofmann, to repeal the interim personnel rules and regulations of GVB and to approve Resolution No: 2018-001 relative to adopting the new GVB Personnel Policies and Guidelines for immediate implementation by the Guam Visitors Bureau Governing the rights, conduct, and obligation of employees and responsibilities and actions of management.

Motion approved

- o Vice President Muna stated GVB Management and Staff met after the last board meeting for a Q&A session to clarify and make changes/additions as discussed. Those changes and additions, vetted by staff, are reflected on the GVB Personnel Policies and Guidelines. No staff and/or observer had any questions or concerns.

Discussion on sales tax issue:

- o Vice President Muna presented a GVB draft position paper in regards to the Public Law 34-87 establishing a general sales tax. GVB Management came up with an opinion, which suited both positions and is open for discussion.
- o Chairman Morinaga thinks the 2% sales tax portion needs to be removed from the law because no formal study has been made on the impact it would have on the tourism industry as well as the community. There is a double taxation issue between the retailer and

wholesaler being taxed 2% each. Another issue with wholesalers, in the case of travel agents whose contracts start April 1st and end March 31st, the question lies who will pay the 2% on the existing contracts. Hotels are already paying 4% BPT (increased to 5%) with the 11% occupancy tax (consumer paid) and 2% if implemented, total of 17%. Who will pay the 2% once enforced, when contracts do not currently reflect the inclusion of a sales tax? All POS systems will have to be updated to reflect the charges of the 2% sales tax. Chairman Morinaga said we have to look how sales tax may impact the community, the tourism industry, hotels, retailers, and etc., this might not be the best solution to the financial crisis Guam is currently facing. Guam does not have the system in place to support the 2% sales taxes, not all businesses are equipped with the resources and DRT may not have all the manpower to enforce and execute. The decision to implement a sales tax may cause irreversible damage to tourism.

- Director Hong agrees with Chairman Morinaga, she is concerned October 1st being 6 months away is not enough time prepare. All mom and pop stores need to get educated on how to employ the sales tax as well as install a new POS system, not all stores will be able to accommodate these changes. She wonders how transactions for individuals on welfare will be processed. She points out the Government of Guam needs to provide guidelines to retailers on how to proceed with the 2% sales tax, even with the government's assistance we do not know how long this process will take. We need more direction and time to successfully implement a sales tax. Also, Director Hong believes it will negatively impact Guam's tourism industry because Guam has always been promoted as tax-free to our visitors.
- Vice Chairman Mesa disagrees with prior statements, GVB needs to support the government's decision and prepare itself and its members for the changes to come should it be carried out October 1st. There is enough time for retailers to input POS systems that would calculate the addition of a 2% tax. It will ultimately be up to the legislature to decide what will happen come October 1st, but until then businesses will have to adjust accordingly. In addition, Guam's number one marketing strategy was never a tax-free Guam; all other destinations have a sales tax in place visitors will adjust.
- Director Kloppenburg pointed out there is so much revenue uncollected or is uncollectable, if the government is able to capture that, the sales tax would not be necessary. In the case of bed and breakfast (B&B), DRT is missing out on a lot of revenue not collecting the 4% GRT as well as the 11% occupancy tax. Legitimate businesses paying their taxes are further burdened with the increases in tax rates, while the illegal business continue to not pay. How do you implement a new tax law and properly collect money, with issues such as cash base businesses. Uncollected money amounts to more than the shortfall in this fiscal year.
- Chairman Morinaga clarifies that he is not challenging the law; he is concerned with the effects of what a 2% sales tax could mean for everyone, are we prepared? How will the law be enforced if there are certain exemptions to the law? There are many loopholes that retailers can use to their advantage and abuse the system.
- Vice President Muna stated the bureau is working with Tourism Economics, third party contractor, to conduct a study on the economic impact of the 2% sales tax. From the Tourism Satellites Account report, they will survey in 3 phases: 1) examine the effect of a sales tax on our visitors 2) what is the overall community impact 3) analyze the solutions drafted by GVB. Results will be presented to the board as they are expected in the next couple weeks.
- Director Takano stated Guam being tax-free has been a long time marketing tool, having a sales tax will jeopardize Guam's image and put tourism at a disadvantage. Following the Hawaii model of the GET is not fitting for Guam, Hawaii has long implemented this system. We cannot compare Hawaii's tax law and say that system will work for Guam. Raising the BPT is fine as needed but implementing a sales tax is not.
- Joann Camacho, DFS, shared her disappointment with the board for not stepping up sooner and taking a position on the sales tax issue. She disagrees with Vice Chairman Mesa's statement: Guam is not promoted as a duty-free destination. Guam is promoted as a tax-free destination and it gives Guam an advantage to its consumers. Vice Chairman Mesa

corrected her saying it is not the number one marketing strategy, in the end it is up to the legislature to enforce a sales tax law and GVB must follow.

- o Director Jackson stated the reality of the issue is we do not know the impact a sales tax will have on Guam. We have promoted Guam as a tax-free destination and it did have an impact on visitors' decision to visit 50 years ago but we do not know its effect now. There is no universal agreement within the board, as well as within the industry, in regards to the 2% sales tax to put forward. We need to take this opportunity to get our arms around this issue and figure out if it will really impact us or not. Camacho agreed but argued Guam is already facing a competitive market against Hawaii, the added tax would be a disadvantage for us. Director Jackson reiterated that no one truly knows. If the study shows a negative impact for tourism the legislature will do what is deemed fit for Guam.
- o Director Shinohara believes GVB should have made an opinion on the sales tax. GVB's draft letter does not advocate one way or the other, but argues that the government cannot be hasty to impose another round of tax without knowing the ramifications it will put on businesses. Imposing a sales tax is a rash decision to try and fix the financial problem. People come to Guam and know we are tax-free. We have a number of repeat visitors and want to continue growing in those arrival numbers.
- o Director Arriola concurs a study should be done and data be gathered to make a consensus on the matter. GVB can present their findings to the legislature prior to October 1st and the start of a sales tax. Vice President Muna assured the board the impact study is being conducted. The draft includes solutions GVB Management suggests may help the issue and is open to discussions, changes and/or additions. GVB being a membership organization, Director Arriola asked if member opinions were solicited. GVB's stance on this matter should also take into account its 315 members; GVB must weigh in membership opinions.
- o Director Nault is concerned in the event businesses prepare for the sales tax (updating system, hiring for training, etc.) and the law gets appealed before October 1st business will be at a loss. Director Arriola insists the impact study be done as soon as possible and proposed a deadline of July. This will give the legislature enough time to review the findings and make an informative decision before October.
- o Senator Biscoe Lee informed the board they are moving up the budget proceeding, hence getting the data from GVB as soon as possible is critical to ensure it is integrated into the revenue projection. Director Jackson thinks the decision happened so quickly there was no time for the board to formulate an educated opinion on this matter, but now is the chance to do so.
- o Director Nault asked at what point will 2% sales taxes be charged/collected in terms of hotel bookings. Will consumers pay a sales tax on transactions starting October 1st even if they made bookings prior to? What about prepaid bookings for dates after October 1st who will eat the 2%, travel agents, hotels, optional tour companies? Senator Biscoe Lee added there is an amendment to help relieve existing contracts from BPT increase; she said she would further clarify how it will be applied for sales tax.
- o Director Arriola asked when the next membership meeting will be and suggested GVB present or have someone who is knowledgeable present to members and get educated on the implementation of the sales tax law.
- o Director Jackson wants to expedite the homestay, B&B rental issue so the money that should have been collected is remitted to the government. DRT needs regulation and enforcement and GVB Management needs to work closely with DRT to ensure requirements are met. Deputy Chief of Staff Mesngon explained Bill 258-34: DRT can issue certificates upon application of B&B units, it clarifies definitions of B&B accommodations allowing businesses to become legitimate. GVB will draft a testimony in support for Bill 258-34 at its public hearing next week Wednesday, March 28, 2018.

C. RESEARCH

- o Director Shinohara is please to share the team is diligently working on the new dashboard, which they will be sharing with the team and membership shortly. The dashboard reveal can start small with the government stakeholders and legislative partners to help understand



the information GVB curates. Acting Research Director Fujikawa shared there are plans to have a press conference for membership and the public to showcase the new dashboard in hopes to be of value and incentive to all.

D. DESTINATION MANAGEMENT

- Vice Chairman Mesa reported 11 out of 12 bus shelters are complete. Flood mitigation: 13 out of 21 inlets compete (4 on standby for quality control and 4 awaiting additional cost), 6 out of 9 trenches complete.
- HOT BOND projects being refined with consultants, hope to have the legislature refinance project to ensure Tumon infrastructure are well kept and maintained.

E. MEMBERSHIP & COMMUNITY OUTREACH

- Director Kloppenburg reported the quarterly membership meeting was held last week Tuesday with guest speaker Rika Fuji, editor-in-chief for GENIC Magazine. She presented *Travel 3.0* which focused around instagram and tied nicely into our #instaGuam campaign.
- Director Kloppenburg asked GVB to reach out to membership and gather their thoughts and opinions on Bill 248-34. Director Arriola would like to know how soon the survey can be sent out to have membership response by the next board meeting. Vice President Muna answered the team will have surveys sent to membership next week. Director Arriola strongly suggest membership have a educational forum on the new laws and how it may affect the industry.

F. VISITOR SAFETY & SATISFACTION

G. CULTURAL & HERITAGE

- Director Arriola shared that President Denight, Finance and Administration Director Cunliffe, and Cultural Heritage Officer Hernandez are off-island attending the Chamorro Cultural Festival as well as cultural house site inspection in San Diego, California.

H. SPORTS & EVENTS

I. GREATER CHINA

Committee minutes dated March 2, 2018

Exhibit E

TAIPEI TOURISM EXPO – SALES MISSION

Director Nault made a motion, seconded by Director Hofmann, to approve travel for the Greater China Marketing Committee Chairperson or Vice Chairperson, the Taiwan Marketing Manager and two (2) Cultural Musicians to travel to Taipei, Taiwan to attend the Taipei Tourism Expo (TTE) from May 2-6, 2018. Cost of travel is estimated at \$4,674.00 from account TA-SMD-019 and \$5,796.00 from account DM-CP004.

Motion approved

Airfare:	\$700.00 X 2 pax			\$1,400.00
May 2-6, 2018				
Lodging:	\$220.00	x1 pax	x 4 nights	\$880.00





M&IE:	\$132.00	x1 pax	x 5 days	\$660.00
Lodging:	\$176.00	X1 pax	x 4 nights	\$704.00
M&IE:	\$106.00	X1 pax	x 5 days	\$530.00
Misc. Business Communication costs & excess baggage fees				\$500.00

Total Marketing Estimated Expenses: \$4,674.00

Airfare:	\$700.00 X2 pax			\$1,400.00
May 2-8, 2018				
Lodging:	\$176.00	x2 pax	x 6 nights	\$2,112.00
M&IE:	\$106.00	x2 pax	x 7 days	\$1,484.00
Cultural Musician Talent Fee:	\$100.00	X2 pax	x4 days	\$800.00

Total CHC Estimated Expenses: \$5,796.00

Background: The TTE is the largest tourism event for the first half of the year in Taiwan organized by the Taipei Association of Travel Agents to be held at the Taipei World Trade Center. TTE is on its 12th year and in 2017, there were more than 25 countries with more than 1200 exhibition booths. GVB would engage in key activities to include a TTE press conference and hosting a Guam product update with key travel agents. In addition, GVB will meet with China Airlines to further strengthen relationships and extend a personal appreciation for their recent announcement to increase CI direct air frequency from 4x weekly to 5x weekly by adding a Sunday flight to Guam effective March 25, 2018. Overall, GVB's participation would broaden awareness and outreach in the marketplace.

Taiwan continues to be an important tourism source and as Guam's 3rd core market, GVB must continue to foster relationships with its trade partners in Taiwan through TTE. Guam's presence in Taiwan is essential to continue its work to stimulate more business. While in Taiwan, GVB will provide a market update and bring more awareness to the Guam destination. GVB will also continue dialogue for enhanced air services and expand market outreach in other key cities particularly in southern Taiwan.

Issue: Board motion required for all travel.

- Marketing Director Laguaña reported returning from a successful China sales mission in Shanghai and Beijing joined by 8 GVB membership companies to work with our closest agents to promote sales to Guam throughout the course of the year. GVB presented to the travel agents followed by presentations from our attended membership companies. Then private sessions with travel agent company executives were held to discuss Guam products in-depth. These companies hoped GVB would weigh in and assist with the visa issue. In December the Visa Rebate Program was launched to experiment with MICE groups rebating up to 25% to participant groups of 50 or more. The criteria were to spend at least 4 days on island inclusive of a banquet function at their hotel. As a result, two MICE groups have arrived in the month of March. Agents hope that a similar program can be created for children to help keep cost attractive.
- The 5th China Airlines flight to and from Taiwan has commenced starting March 25th and will run till October. Agents are hoping GVB can push support to have hotels accommodate early check-ins or secure a place for them to rest in the hotel for early flights.
- Celebrity runner and KOL Molly Chang will be running the 10k for the United Airline Guam Marathon and will be cover by the Taiwan media.
- RFP for Hong Kong market is currently out for bid, until then contracts will run on a month-to-month basis.





J. JAPAN

Committee minutes dated February 13, 2018

Exhibit F

AKB48 FAN TOUR PROMOTION SUPPORT

Director Nault made a motion, seconded by Vice Chairman Mesa, to approve travel for two (2) GVB Japan staff to join the AKB48 fan tour on April 21, 2018. Estimated cost: \$3,000.00; Account #JA-SMD008.

Airfare:	\$1,000 x 2 pax			\$2,000.00
Per Diem:	Guam	M&IE		
	2 pax GVB Japan Staff	\$62.50	4 days	\$500.00
Japan Transportation:	To and from airport	\$100.00	2 pax	\$200.00
Guam Transportation:	Rental car	\$100.00	3 days	\$300.00
Total:				\$3,000.00

Background: Two GVB Japan staff will join the aforementioned event to accompany media and maximize PR opportunities for Guam and assist with HIS, JTB, and IACE customers. While on Guam, staff will also meet with the JGTA President to discuss the Treasure Hunting Campaign, attend the monthly Japan Marketing Committee meeting, and participate in meetings with GVB HQ regarding sales and marketing strategies.

Issue: Board approval required for travel.

- Director Nault reported on the recent trip to Japan and Korea with President Denight and Marketing Manager Borja to discuss possible air services from Japan. They met with United Airlines (UA) partners to discuss the current issue and possible solutions. UA being Guam's hometown carrier it is important to us to ensure they get their seats filled to continue to grow and service Guam. However, high pricing has become an issue, Guam is not a \$1200-\$2000 destination. After discussion we were able to persuade them to drop prices which has already been reflected for seats starting April on (exemption during peak season). Additionally, UA may up their seat capacity during high demands. UA also agreed to give the free 2nd baggage, which will immensely help with the golf market. Flights out of Sapporo and Sendai are still being pulled, but there is hope they will return during peak seasons. There are positive discussions for Japanese local carriers flying to Guam and Saipan.
- They also met with Jeju Air and T'way in Korea and received positive feedback to have flights out of Nagoya, which one company already have the rights to. The team will be working on a proposal to present to the Korean LCC's.
- Director Murata reported the Guam Treasure Hunt campaign is being solidified for the summer running from July to September. This campaign targets the family travel segment to provide our Japanese visitors with a unique experience and opportunity. Participation in this campaign where visitors "hunt for treasure" warrants them prizes such as a flight to Guam, free hotel stays, and etc. The campaign is being finalized confirming prizes and "centers" for hunt and redemption. It is currently being promoted via travel agents in Japan.
- AKB40, girl music group consistent of 16 members, will have a concert on April 21, 2018 at beach. About 400 concertgoers have bought into the concert and will be travel for this event. There will be 16 media companies called in to promote this event throughout Japan.





K. KOREA

Committee minutes dated February 13, 2018

Exhibit G

- o Director Jackson reported a successful month of March for the Korea market. The Korean Air Travel Agent CEO FamTour was a successful event with a huge help from Korean Air.
- o June will be a busy month with the Hana Tour International Show and the KOTFA Show going back to back. Busan has been becoming an important city for Hana Tour, CEO of Hana Tour invited GVB to attend their next event. Mode Tour will soon be expected to have a trade show in Busan as well.
- o Director Jackson is positive that the short-term vacation rental (B&B) issue will soon be regulated adding a positive benefit for our overall market. Director Nault asked to have a hotline for B&B regulation where individuals could call in and report any illegal B&B activity.

L. NORTH AMERICA & PACIFIC MARKETS

M. RUSSIA & NEW MARKETS

- o Director Jackson shared the upcoming Pacific International Tourism Expo (PITE) taking place in Vladivostok in May. The numbers for Russian arrivals have been moderately increasing. This increase can be due to the Jeju Air flights flying into and out of Vladivostok, as well as the Asiana Airlines and Air Seoul connections out of Seoul to Guam.

VII. OLD BUSINESS

- o Vice Chairman Mesa stated the SeaTrade Cruise Global report will be presented to the board next meeting.
- o Director Nault reminded the board the 2nd inaugural flight for Japan Airlines will be coming in on March 25, 2018.

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

Upcoming Board Meetings:

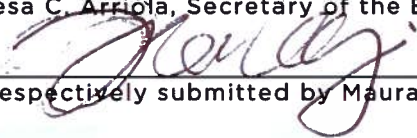
- o Thursday, April 12, 2018 at 3:30pm, GVB Main Conference Room
- o Thursday, April 26, 2018 at 3:30pm, GVB Main Conference Room

XI. ADJOURNMENT

Director Kloppenburg made a motion, seconded by Director Hofmann, to adjourn the meeting. Meeting adjourned at 5:30pm.

Motion unanimously approved


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


Board Minutes respectively submitted by Maura Yi, Executive Secretary



Action Items:

1. Management to work with DRT on extended homestay issue
→ Fact sheet created and up for review with DRT
2. ~~GVB Membership and HAP for food truck vendors~~
→ ~~2 food truck vendors added to membership~~

