



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, July 9, 2020, at 1:30 p.m.

TELECONFERENCE - GoToMeeting

(<https://global.gotomeeting.com/join/282358085>)

I. CALL TO ORDER

- A quorum being present, the meeting was called to order at 1:34 p.m. by Chairman Ada.

II. ROLL CALL

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Director Shimizu made a motion, seconded by Director Kloppenburg, to approve the minutes of the previous Board of Directors meeting dated June 25, 2020, subject to minor corrections. **Motion Approved.**

IV. CHAIRMAN'S REPORT

- He congratulated Ken Corp. on the Tsubaki Tower's grand opening.
- Guam's opening scheduled for July was postponed.
- Oversight hearing with Senator Therese Terlaje was postponed.
- The President's search committee reviewed and discussed GVB and the industry's current status. Upon examination of the bureau's need to assist, rejuvenate, rebuild and reimagine the industry, it was recommended that they employ the services of Governor Gutierrez and Dr. Perez on a permanent basis due to the wealth and knowledge they both bring.

Director Camacho made a motion, seconded by Director Gatewood, to approve the President's search committee's recommendation to employ the services of Governor Carl Gutierrez and Dr. Gerry Perez on a permanent basis. **Motion Approved.**

- Director Quinata thanked President & CEO, Governor Gutierrez, and Dr. Perez for stepping up to take the enormous task of leading our island through a global health crisis.
- Chairman Ada thanked the President Selection Committee: Directors Shimizu, Quinata, Shinohara, and Arriola for coming to an excellent resolution.

V. PRESIDENT & CEO'S REPORT

- Thanked Chairman Ada for his recommendation and kind words.
- Thanked Director Quinata for setting the pace forward for both himself and Vice President, Dr. Perez.
- Thanked Director Camacho.
- He and Dr. Perez are looking forward to being part of our island's tourism recovery.
- They are aware that they serve the board, which sets the direction and will continue to follow the course set forth by the board.
- He looks forward to reimagining for the people of Guam, knowing that sixty-five percent of the economy is tourism, our lifeline.
- He and Dr. Perez meet with the Governor of Guam as often as possible.
 - They presented possibilities to enhance and move forward in opening Guam's tourism economy.
 - Governor Leon Guerrero plans to reach out to Hawaii's governor based on the information given to her during Senior Management's meeting with Avia Reps. The question was raised about whether it would be helpful for tourism if Guam and Hawaii were to build a bubble. Intangibly, Guam would be a good sale for the people in Japan. If Hawaii is safe, then Guam would be deemed safe as well.
 - Stressed the importance of opening Guam and the businesses on our island. The livelihood of our people and the rebuilding of our economy will be significantly affected if we don't move forward.
- Jin Air arrived with 163 passengers. Most are returning residents.

- Senior Management from GVB and GEDA met with Congressman San Nicolas via teleconference to discuss how they could maximize helping industry businesses that have been impacted.
 - Programs are available through GEDA.
 - CARES ACT monies are available.
 - GVB is collaborating with GEDA to enhance the benefits for the people of Guam.
- Senior management is seeking ways to extend the TAF for Guam's tourism economy.
 - The TAF should not be subjected to the whims of the legislature or others who wish to tap into it.
 - Governor Leon Guerrero agrees with the suggestion that if \$7 million go to bond payments, the remaining 80 percent (at a minimum) should go to GVB, and the remaining 20 percent should go to the senators.
 - We are looking at bringing in money for tourism and spending it on destination improvement.

VI. VICE-PRESIDENT & CEO'S REPORT

Planning Matrix Initiatives

Short Term Liquidity

- 3% gross proceeds of BPT tax exemptions up to \$250K.
- Municipal Liquidity Facility (MLF) program
 - Some issues on "investment grade" – an impediment
- Opportunity pending in Congress
 - Related to business related to Destination Management and Marketing organizations not covered previously by the CARES ACT. There is a Senate and House bill that would benefit destination marketing organizations.
 - Provide liquidity for operational needs and promoting leisure travelers.
- Conducted a Travel Trade in-country survey with Japan, Korea, and Taiwan (53 respondents) in anticipation of trying to change the minds of the Physicians Advisory Group and broaden the perspective of our issue.
 - Korea and Japan are promoting and encouraging their tourist industry with a focus on domestic travel.

Safe Travels

- World Travel & Tourism Council Safe Travels Stamp is in progress. The staff is working closely with GHRA.
- Applying as a destination with a quarantine requirement will not get us approved. Therefore, we're applying as individual businesses who can meet their standards to garner the designation.
- The airport submitted its application and should be receiving its designation soon.
- Hawaii's Governor, Ige, alluded to an earlier conversation with Governor Leon Guerrero about Guam being part of the Hawaii Islands bubble. With Hawaii being a safe destination, having our key markets in Japan, Korea, and Taiwan view Guam in this light is very important.

New Developments in PCR Testing

- Israel – testing of nanoparticles by a breathalyzer test. Results appear in 5 minutes. They are undergoing FDA testing.

Destination Update

- Big Fish created graphics and signage for GIAA and GHRA. Signage is now up, and they have approved and agreed for local businesses, restaurants, hotels, and others to adopt the same graphic images so that there is consistency throughout the island
- Get Up And Move video (A call to action) is currently in the making.
- United and GIAA are collaborating to conduct a safety flight simulation from departure to arrival, scheduled for mid-July.
- The airport is reconfiguring several scenarios to accommodate density-driven traffic.

Director Camacho made a motion, seconded by Director Gatewood, to ratify the Approval of attachment B listing disbursements from 2/22/2020 through 6/22/2020 amounts above \$4,999.99. **Motion Approved.**

- Vice President, Perez called to attention some inconsistencies between the Guam Code Annotated and board approval cap amount for senior management.
- In conversation with Chairwoman of the Tourism Committee, Senator Therese Terlaje, it was requested that the spending limit be increased to something more reasonable so that anything over \$1K does not have to go to the board for approval each time. GVB has spending limits that the board already approved after \$24,999. This is not in congruence with what is in the code. The code needs to be changed.
- This will be part of the discussion in the budget hearing.
- The budget hearing is scheduled for July 16.

VIII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

B. ADMINISTRATION & GOVERNMENT RELATIONS

C. DESTINATION MANAGEMENT

- Committee meeting scheduled for July 16 at 9:00 a.m.

D. VISITOR & SAFETY SATISFACTION

- Nothing to report

E. CULTURAL & HERITAGE

- Nothing to report

F. RESEARCH / MEMBERSHIP & COMMUNITY OUTREACH

Research

- Vice President Perez covered most of the updates.

Membership & Community Outreach

- The Board election is on January 5, 2021.
 - **ACTION ITEM:** Management to send membership application forms to current members and the public.
- Webinar to be held beginning of August.
 - Reopening plan
 - WTTC Travel Stamp - educate the businesses to apply for the safe travels destination stamp.
- The DOL webinar was used as an export of the Membership meeting we did not have this year because of COVID-19.
- Industry folks are feeling like nothing is happening to get businesses open. Chairman Ada suggested sharing the work that is being done on a broader perspective.
- The tourism industry never closed. People are still traveling in and out of Guam.
- Vice President Perez is taking steps to organize an informative plan to reopen the tourism industry.
- Tourism industry businesses are concerned with how to survive until the reopening. GVB has been working with GEDA on the liquidity issue. GEDA currently has grant programs for businesses and other programs in the development stage.
- President & CEO Gov. Gutierrez shared that we may be able to expect more from Washington D.C., and in the meantime, they are trying to figure out how to mitigate the losses.

G. SPORTS & EVENTS

- United Guam Marathon virtual run will be held from September 5 – 13th.
- All runners registered for the 2020 event are automatically registered for 2021.
- 2K overseas participants
- Currently reworking FY2021 Sports & Events budget to focus primarily on recovery efforts post COVID-19.
- Considering cutting sponsorship funds for FY21 based on budget given. Still optimistic that we could stage some events for the upcoming year.
- Electronic Island Festival canceled by the organized.
- Not much activity for the rest of the year.

H. AIR SERVICE DEVELOPMENT

- Japan Airlines will resume service to Guam on October 1, 2020.
- No flights from Busan to Guam.
- Incheon to Guam - Jin Air and Air Seoul
- Air Seoul
- Massive layoffs for United & Delta, October 1st. Federal funding will no longer be available by September. Hawaiian Airlines anticipating massive layoffs as well.

I. JAPAN

- Since Guam postponed the reopening of tourism, no further information is available on lifting the mandatory quarantine.
- Due to stagnation, travel agencies in Japan have decided to suspend their package tour sales until mid-August.
- JTB and KNT have deferred their package tour sales until the end of August.
- Official news release from JAL headquarters will announce the suspension of Narita flight (JL941/942) due by the end of September and cancellation of Narita flight (JL943/944) previously scheduled to operate after October 25.
- Necessary to announce the target date and details for the reopening Guam tourism as early as possible again.
- JATA Online B2B Business Travel Mart meeting between Japanese travel agencies and outbound suppliers will take place July 31 - September 2.
- Meeting details will be discussed at the next JMC meeting scheduled for July 14 at 1:30 p.m.

J. KOREA

- Jeju Air plans to resume flights on September 1st.
- T'way and Jin Air resume flights on August 1st.
- Air Seoul on target, July 29th.
- Asiana Airlines added additional international flights to China commencing July 12. First flight between South Korea and China since the start of the pandemic. Korean Air and others are looking to follow suit.
- Korea market has 3rd quarter funds left. 71K dollars to be reprogrammed for the 4th quarter.
- Committee meeting July 14th. FY21 budget to be discussed.
- Korea had a 30-day extension. By July 17th, we should know if their travel advisory is extended beyond mid-July.

K. GREATER CHINA

- Taiwan to re-establish their Taipei Economic and Cultural Office at ITC with ten staff members.
- Taiwan Central Epidemic Command Center announced the conditions under short-term business travelers could apply for a reduced amount of time for home quarantine.
- GCMC meeting initially scheduled for July 10 is postponed.

L. NORTH AMERICA & PACIFIC MARKETS

- Nothing to report.

M. NEW MARKETS

- None to report.

EXHIBIT C

IX. CORONA VIRUS TASK FORCE

- Committee minutes dated July 2, 2020
- Taskforce meeting canceled this week and rescheduled for July 14th.

X. OLD BUSINESS

- None

XI. NEW BUSINESS

- None

XII. EXECUTIVE SESSION

- None

XIII. PUBLIC COMMENTS

- None

XIV. ANNOUNCEMENTS

Upcoming Board Meetings:

- July 23, 2020
- August 13, 2020

XV. ADJOURNMENT

Director Shimizu made a motion, seconded by Director Camacho, to adjourn the Board of Directors regular board meeting at 2:54 p.m. **Motion Approved.**

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

Board Minutes respectively submitted by Valerie Sablan, Executive Secretary

