



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, March 25, 2021, at 1:30 p.m.

GVB Conference Room and Teleconference - GoToMeeting

<https://www.gotomeet.me/GUAMVISITORSBUREAU/boardmtg3252021>

I. CALL TO ORDER

- A quorum being present, Chairman Morinaga called the Board's Regular Meeting to order at 1:30 pm.

II. ROLL CALL

- Online: Laura Nelson-Cepeda, Flori-Anne Dela Cruz
- In-Person:
- Absent: Stephen Gatewood, Sonny Ada

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Director Jones made a motion, seconded by Director Shinohara, to approve the previous Board of Directors meeting dated March 11, 2021, subject to minor corrections. **Motion Approved.**

IV. CHAIRMAN'S REPORT

AVIA REPS

- Contract expired
- Chairman Morinaga extended a huge thank you to Avia Reps for their assistance over the years and wished the team luck
- Satya Osawa conveyed appreciation for representing Guam in Japan over the last two years
 - Confident GVB is on an upward trajectory
 - Wished Guam and the Board of Directors the best; thanked everyone for their hospitality

UPDATES

- Charles Bell has been assigned Chairman for the JMC; Vice Chairs are Paul Shimizu and Milton Morinaga
- Ethics Training must be rescheduled for those that were scheduled on March 19th
 - Need to modify information sharing on WhatsApp

V. PRESIDENT & CEO'S REPORT

PERMIT CZAR

- Permitting process affects tourism
- There is a need to break the log jam in the process of moving \$1.9 billion worth of projects sitting in one department
- Two years ago, Governor LG promulgated an Executive Order designating Lt. Governor Tenorio as head of the Permitting Commission to study the process issue. Various members of the Administration and Cabinet Members are on the Commission.
- There was a need for a representative from the Governor's office to pull in all the various setbacks in the process and come up with a system
- Two committees merged; Governor Gutierrez came up with an idea to streamline the process and find a solution.
 - Various directors and some staff gather various applications, identify where the lockups occur, in what department, associated costs, and discuss what it will mean when we aren't able to start breaking ground and how it affects employment.

- Issue: In one week, it was found that different directors in various departments read the laws differently as it pertains to getting the agency to review and report back to DPW.
- Solution: Once an understanding of how rules and regulations are to be read and understood, it will be a preamble to the Governor's Executive Order. (Ex: Assembling laws and instructions on how to read those laws, so everyone is on one page. Governor LG will then issue an Executive Order, so everyone is on the same page to meet those rules and regulations.
- Been meeting with Directors, people in the community, contractors, people on the receiving end of these interpretations share precisely the issues they encounter.
- In about two weeks, we'll have some kind of projection on how we're going to move forward by the governor's directive.

DPW

Derelict Buildings

- Kudos and shout out to Vince Arriola and DPW for their quick action in the removal of derelict buildings in Tumon
 - Five identified
 - Two have been repaired and now up to standard
 - One demolished
 - Remaining two have lawyered up

Culvert Cleaning

- DPW provided GVB 100K allocated for the storm drain culvert cleaning
- Working on an MOU agreement to transfer funds to GVB

Updates

- DPW will receive \$3M in federal funds
- Allowed to identify and purchase equipment to help clean Tumon, the culverts, and other places for the mayors

PREPARATION FOR GOVERNOR'S RE-OPENING: MAY 1ST

- Islandwide cleanup - April 17th
- He thanked mayor Paco for his article that urged his mayoral brothers and sisters to ensure that the villages are up to par as he is doing in his village and other areas he has immersed himself in outside of his village and trying to spruce up the island.
- Judiciary branch conveyed their desire to adopt more locations to clean up on April 17th; President & CEO Gutierrez thanked them for their participation
- Governor LG has done the correct things in getting us to this point
 - It is our job to continue to get out through the industry and ready ourselves for the opening.
 - We need to assist in the vaccination process

VI. VICE PRESIDENT'S REPORT

ELECTRONIC DECLARATION FORM

- Live today-Governor LG first to use
- Thanked Nico and the Research Team

HOT BOND UPDATE

- Refunding Series 2011 HOT Bonds successful
- Strong investor demand in two-hour pricing window March 18
- Sold out in 15 minutes, 95 investors placing \$1 billion total orders
- Closing scheduled for next week, March 31
- One of the first initiatives GVB undertook to generate some cash
 - foresaw lean years following COVID
 - We have \$19 million savings in FY 22 – 25, intended use, **Governor's tourism recovery campaign**

- Thank you! GEDA GVB BBMR DOA for collaborative teamwork with underwriters, rating agency, and investors calls

PUBLIC HEARING

- TAF grants supports non-profit organizations currently paid by GVB in ministerial capacity, earmarked appropriations
- Bill No. 47-36 Shifts selection and approval of grants to GVB
- GVB will need to stand up administrative and selection process
- Need board sentiment for public hearing next week March 30 (New Business discussion)

JAPAN MARKETING REPRESENTATION

- Completed contract negotiation with Shintsu SP Co, Ltd.
- Head office in Osaka, incorporated 1948, 20 companies include family
- Marketing strengths in sales, trade, and strategic planning as well as front line retail marketing, events, SNS, and digital promotions
- Client listing include Cannon, NTT, Nestle, and Adidas PR for Japan World Cup, as well as Torch relay campaign for Tokyo Olympics and Paralympics
- Start date April 1, 2021, basic contract \$24,000 per month, can scale up to \$56,000 w/additional funding
- Shintsu is Osaka based GVB team located in Tokyo, Ginza

GOVERNOR'S TOURISM REOPENING TASK FORCE

- Town Hall meeting - March 24th with over 100 participants; live on GVB & GHRA Facebook - raised issues and concerns were clarified, relevant to vaccines
- Scaling up vaccination program, GHRA successful pilot test 200 in an hour and planning more as vaccines made available
 - Convenient and practical
 - Peer group support, coworkers

GHRA Program

- In support of the Governor's May 1st vaccination goal
- 50% of the population, age 16 and over
- Launching 5-minute GVB Weekly Vlogger series, expanding participation and ownership of Governor's tourism reopening initiative
- Josh and Gabbie lining up reopening topics and participants, different platforms (Facebook, Youtube, etc.)
- Guam Safe Certified program launched this week for WTTC safe travels stamp of approval; GVB received 13 applications, more expected

Guam Safe Certified + WTTC 'Safe Travels' stamp

X

<p style="text-align: center; margin: 0;">Updates:</p> <ul style="list-style-type: none"> Program launch on Friday, March 19th. To date, we have 13 businesses that have applied. Working close with DPHSS Division of Environmental Health to verify business reopening protocols submitted and approved Certificate and logo files will be given to verified businesses. 	<p style="text-align: center; margin: 0;">Benefits of Applying</p> <ul style="list-style-type: none"> Guam Safe Certified endorses your business' health and safety practices at the local level and encourages island pride! The Safe Travels initiative is globally recognized & instills a level of confidence in both the tourism trade and international visitors. Both initiatives help to rebuild trust among tourists and within the tourism sector. Logos can be used on websites, emails, digital channels, business materials, videos, social media campaigns. FREE of charge to all eligible businesses.
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TO APPLY VISIT: guamvisitorsbureau.com/resources/safe-travels

MARKET PROTOCOLS

- All require negative tests (Korea & Taiwan: PCR, Japan: 6 different test options)
- All require 14-day quarantine
- All require electronic registration
- Japan & Korea require apps to be downloaded on a smartphone

JAPAN MARKET UPDATE

Hawaii News

- Hawaii implemented pre-screening/Pre-travel Testing Program
- The program requires travelers to provide a certificate of negative results for COVID-19 tested within 72 hours before departure
- Testing from a designated medical institution to be exempt from 10 days of self-quarantine after arrival.

Japan Airlines

- Will start participate in the "Preclearance Quarantine Screening" on March 26th
- Passengers boarding JAL flights using the Pre-travel Testing Program will provide the necessary paperwork before departure from Japan.
- Passengers can bypass quarantine documentation screening performed by State of Hawaii agents upon arrival and can enjoy their stay as soon as they arrive.

Airport covered by "Preclearance"

- Tokyo International Airport (HANEDA)

Tourism Reopening Expectations	Tourism Reopening Expectations
<p>When will tourism bounce back? COVID-19 has redefined the global tourism industry. New modeling by McKinsey predicts that the recovery may be slow. \$8.1 trillion Annual tourism revenue in 2019. Global tourism may return to 2019 levels. 2024 Global tourism may return to 2019 levels. Long recovery In an optimistic scenario where the virus is contained and economic reopening, a recovery will take until 2023. Annual domestic per person spend. Global per person spend. McKinsey & Company</p>	<p>Market recovery However, it's not clear the world's top 10 tourist economies will fully or fully depending on a number of factors. Guam? 2023-24? McKinsey & Company</p>

VII. TREASURER'S REPORT

- Nothing to Report

VIII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- Chairman Morinaga would like to have an Executive Session at the next Board meeting scheduled for April 8, 2021, to discuss policy and personnel issues

B. ADMINISTRATION & GOVERNMENT

Director Quinata made a motion, seconded by Director Eun, to require GVB Board members to disclose knowledge, affiliation, and or interests on any individual and or business, and consideration for a contract with the Bureau and to recuse himself or herself from any discussion and vote on the subject motion. **Motion withdrawn.**

- The motion above was approved in 2019
- Brought up as a reminder and to share with new Board directors that they must adhere to the policy
- Chairman Morinaga asked that Board directors who think they have a conflict of interest let the board or management know.

Bill 47-36 (COR)

An act to add a new §9117 to Article 1, Chapter 9, Title 12 Guam Code Annotated relative to transferring control of the Tourist Attraction Fund Grants Program to the Board of Directors of the Guam Visitors Bureau

- Chairman Morinaga suggested that the Board of Directors not be involved with approving each individual non-profit constituent. He would like to pass that responsibility to GVB Management to screen and approve applicants.
- Vice President Perez views this as an opportunity to help shape the awards to those who can be leveraged to assist GVB with its strategic plans and productivity
- Director Shinohara is concerned about profit groups that have been awarded by GVB and have not reciprocated in returning the favor when resources are needed (Ex: Islandwide cleanup, entertainment needs, etc.) He expressed the need for some sort of return back to the industry.
- President & CEO shared that this is the first time there is no money in the TAF for the Legislature to give anyone, making it easy for them to relinquish a lump sum of 80% to GVB
- Chairman Morinaga asked GVB Management to prepare a testimony for Bill 47-36 (COR)
- Management to create administrative structure to receive, evaluate and select with board approval

C. REOPENING TASK FORCE

- Director Shinohara reported the Reopening Task Force meets in the GVB conference room every Tuesday and Friday at 11:00 am
- Two large outstanding items with DPHSS
 - Testing
 - Arrivals and procedures
- Interested in moving forward with RFP to provide testing for returning residents
- Need to understand and communicate protocols should one of the visitors test positive
- There is a lot of interest in understanding what we're doing and how it is going to work
- Footage received from the vaccination clinic will be helpful to our proposal in the source markets providing understanding that Guam's focus is dedicated to doing things right
- A press release was sent to source markets informing them of Guam's target to hit 50% vaccinations
- The second press release will be the vaccination effort, according to Nadine Leon Guerrero
- Industry workers vaccinated; positive footage from Guam to send to source markets – Source Markets behind in vaccinating those above 60 years old
- A release was sent regarding vaccinations for 16 and older
- Guam is challenged with being lumped in with the entire US from a risk evaluation perspective
- According to President & CEO Gutierrez, Governor LG is aware of the need to carve Guam out of the Continental US and is on top of it

Update on Weekly 15-minute blogger

- Josh Tyquienco and Gabbie Franquez filmed the EDF launch
- Blogger friendly style for the global audience to present what Guam is doing to prepare for reopening
- Different topics will be presented in a friendly and fun way; our team will feature businesses, restaurants, hotels, mom & pop stores, etc.
- Creating it with no budget; just the use of personal equipment within our team to help support the governor's mission and show we are ready for our source markets

- Weaving a healthy market commercial in the same vein as the content creators who are our audience
- Available on GVB's YouTube Channel, Facebook, and Instagram

Questions & Comments:

- Director Ferguson asked how the Board is made aware of the press releases sent into our source markets.
 - Committee Meetings
 - Weekly Industry updates Press release

D. AIR SERVICE DEVELOPMENT

Japan

United Airlines:

- UA196/UA197: operating daily - First arriving customers on this evening's flight will have the opportunity to be the first to use the touchless EDF form.
- NRT UA828/827, UA137/136, UA151/150 suspended until May 5
- NRT UA873/874, UA171/172, UA165/166 suspended until June 2

T'way:

- TW311/312: now suspended until June 30

**Tour package cancellation has been extended in response to flight cancellation to Guam; many canceled until April, with Jalpak until May 31*

South Korea

- All flights from Korea to Guam are suspended until further notice except for Jin Air; the weekly flight continues for March.
- Total outbound seat capacity for March is reduced to 756 seats (Jin Air)

E. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION

Director Shinohara made a motion, seconded by Director Quinata, for the GVB Board of Directors to support the Anti-Graffiti campaign. Motion Approved.

Background: GVB has actively been involved in the Anti-Graffiti campaign by immediately responding to tagging of public infrastructure. There has been a substantial reduction in graffiti; however, the program's continuation is necessary to keep the activity at bay.

Funding will come from the Guam Economic Development Authority Qualifying Certificate (QC) Program, of which GVB is a beneficiary of the Anti-Graffiti Campaign/Program.

Issue: Board approval and support required.

Island Tour

- Monday, March 29th; meet at GVB 8 am
- Opportunity to prepare for plan of attack for Islandwide cleanup on April 17th

F. CULTURAL HERITAGE, COMMUNITY OUTREACH & BRANDING

- Hafa Adai Pledge signing - March 26th
- Committee meeting scheduled for next week

G. RESEARCH / MEMBERSHIP

Director Jones reported on Research, EDF launched at GIAA as mentioned

- Partnered with United to use EDF on flight 197 as a test for the next few weeks
- EDF official online phase in mid-April

Membership

- Received a copy of Bill 81-36 (COR) sponsored by Senators Telo Taitague, Joann Brown, and Tony Ada
- Proposes to change the way Board elections are conducted at GVB
- There is no scheduled date for a hearing
- Chairman Morinaga encouraged board members to read the bill on their own

H. SPORTS & EVENTS

- Facility tour inspection conducted March 23rd
- Leo Palace facilities have been down for a year; most dilapidated and have not been maintained
- Joint assessment conducted with GNOC and Leo Palace
- Currently waiting on responses as GNOC reports assessment findings to US, Mexico, Sweden, and 15 Oceania member nations
- Looking into government resources and amenities that can be used on a no-budget standpoint
- More updates will be provided on any expenses, etc.

Questions & Comments:

- Director Shinohara asked if we were to get the facilities up and running today. Will they have staff and resources to keep it running and handle the visitation?
 - In terms of support, a commitment is required in about a week so that hiring can start
- Vice President Perez mentioned that perhaps we could scope it down to what can be digested and figure out Guam's real opportunity to find financial resources and push the right message forward
- Vice-Chairman Shimizu mentioned that caution must be exercised because Guam only has one chance; athletes on the Olympic level have high expectations due to the strict requirements.

I. JAPAN

EXHIBIT B

Committee Minutes dated March 16, 2021

Updates

- JMC meeting held on March 16, 2021, via GoToMeeting

JAPAN OFFICE REPORT

- Japan Government announced to lift the state of Emergency effective March 21 for four prefectures
- On March 12th, 230,000 healthcare workers were vaccinated
- General public vaccination planned to start June or later

JAPAN CONSUL GENERAL

- Meeting with Japan Consul General held on March 19th together with Vice-Chairs, Milton Morinaga and Paul Shimizu
- Extended support to GVB on its mission to safely re-open Guam to Japan

JAPAN OFFICE TRANSITION

- AVIAREPS concluded their last JMC meeting on March 16 and expressed thanks to GVB management and staff, JMC members, and industry partners.
- The Japan Office transition is ongoing with Japan Country Manager.

JMC MEETING

- Scheduled for Tuesday, April 13, 2021, 1:30 pm, via GoToMeeting

J. KOREA

EXHIBIT C

Committee Minutes dated March 16, 2021

COVID-19 AND S. KOREA

- No changes in commitment to vaccinate 12M people by the end of June 2021 and immunize 70% of the population by the third quarter, and achieve herd immunity by November
- Daily vaccinations of 28K; 733K people vaccinated as of today
- Expecting massive importations of vaccines
- Korea's proof of mass vaccination was October 2020. 1.8 M people were vaccinated in one day for regular flu vaccinations
- Once a certain level is reached, they'll feel more comfortable sending people to Guam

TRAVEL BUBBLE

- Taiwan and Palau sturdy on travel bubble
- Guam ahead of the game
- Must have a clear message to send to Korea and Japan; GVB working on finalizing statement to share

KOREA MARKETING COMMITTEE

- Last KMC meeting was held on March 16th
- Korea recovery plans are being finetuned internally
- Would like to meet with KMC informally to discuss how to collaborate marketing strategy, timeline, and best use of funds.

K. TAIWAN

EXHIBIT D

Committee Minutes dated March 12, 2021

TAIWAN MARKETING COMMITTEE

- Trip to Taiwan led by Governor Leon Guerrero
 - trip postponed until a later time this year
- Taiwan's CDC is cautious
- Refuse to import any new virus into their country until they're vaccinated
- TECO proactive in communicating positive information from Guam to Taiwan through their Industry magazine, public newspaper, etc.
- GVB Taiwan Office (Mr. Felix Yen) continues to engage with key counterparts in Taiwan, such as the Ministry of Foreign Affairs, the American Institute in Taiwan, and the Mayor of Taoyuan, to keep Guam top of mind. The discussions with China Airlines and EVA Airlines continue.
- The next Taiwan Marketing Committee (TMC) meeting will be on April 9, 2021, at 3:00 pm.

L. NEW MARKETS

- Nothing to report

M. NORTH AMERICA, PACIFIC & PHILIPPINES

- Nothing to report
- The next meeting is April 14th

IX. OLD BUSINESS

- No old business

X. NEW BUSINESS

DIGITAL PASSPORT

- Director Eun inquired how it will be determined and confirmed if
 - An individual has a negative PCR test
 - a visitor had been completed two doses of vaccination

- Chairman Morinaga was told there is no standard vaccination documentation
- There is a concern for acceptable documentation before entering any country
- Microsoft is trying to come up with a more uniform documentation for the US
- Cathay Pacific came up with a digital passport for their Hongkong-LA flight
- According to Vice President Perez, the biggest issue is getting identity platforms consistent and quality controls for authentication of the vaccines
- Director Eun asked if the authentication process can be delegated to airline companies. According to Director Shinohara, in some places, it has been commissioned. For example, in the US, the government has a central database system for everyone who has been vaccinated. The challenge is government to government conversations; there is no consensus.
- Director Eun asked what kind of conversations can be started with governments in our source markets?
- According to Nadine, a separate app is currently being worked on to document between vaccines and testing
- Guam will have an app if Office of Technology accepts the server cost associated with it
- Chairman Morinaga asked if it was known whether an Immigration officer is stationed and assigned in Japan to conduct the immigration process, so upon entering, there won't be a need to go through Customs & Immigrations? Director Sam does not think there is one.
- Director Eun asked if there was a possibility for GVB and the new Destination Committee can have a meeting with airline companies and find out if they are willing to take the responsibility relevant to the identification vaccine card. Director Sam mentioned that the conversation could be had in the Re-Opening Task Force meeting with DPHSS.

XI. EXECUTIVE SESSION

- No Executive Session

XII. ANNOUNCEMENTS

Upcoming Board Meetings:

- April 8, 2021
- April 22, 2021

XIII. ADJOURNMENT

Director Shinohara made a motion, seconded by Vice-Chairman Shimizu, to adjourn the Board of Directors regular board meeting at 3:05 p.m. **Motion Approved.**



Mr. Stephen Gatewood, Secretary of the Board of Directors



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary