



## REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, May 13, 2021, at 1:30 p.m.

GVB Conference Room and Teleconference - GoToMeeting

<https://www.gotomeet.me/GUAMVISITORSBUREAU/gvb-board-meeting>

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### I. CALL TO ORDER

- A quorum being present, Chairman Morinaga called the Board's regular meeting to order at 1:32 p.m.

### II. ROLL CALL

### III. MINUTES OF THE PREVIOUS MEETING

Director Gatewood made a motion, seconded by Director Quinata, to approve the minutes of the previous Board of Directors meeting dated April 22, 2021, subject to minor corrections. **Motion Approved.**

### IV. CHAIRMAN'S REPORT

- Chairman Morinaga reported vaccination tourism is Guam's current topic
- Source Markets are interested in our development and curious to know how Guam will pursue
- Encouraged everyone to get vaccinated

### V. MANAGEMENT'S REPORT

#### Air V&V - GVB's Marketing Concept

- Gutierrez reported Guam made the news in the Manila Bulletin
- Thailand government interested in sending multinational corporation employees to the US for vaccination
  - Strategic plan to divert them to Guam instead
- GVB to brand "Guam's Air V&V"
- Would like to form a relationship bubble with CNMI; in communication with CNMI's governor

#### Governor's Reopening Task Force Update

##### **May 1st reopening postponed**

- Disappointing spike in positive cases
- CAR Score 0.8 and still below ideal 2.5 benchmark
- Still optimistic on new Public Health arrival protocols
- Path to 50 has been achieved, but next 25% more difficult
- Need major focus to achieve 80% goal by July

##### **TECO World Health Day May 16, 2021 Observance**

- Building a Fairer, Healthier World Theme
- Director General Paul Chen, Let Taiwan Help Clean-up, Sunday 09:00 am
- Governor Flores Ypao Beach and Acho Latte Park

##### **Air V&V PROGRAM**

- Jump starting and scaling up tourism economy ahead of volume driven arrivals from Japan, Korea, Taiwan, and the Philippines
- Governor LG supports the concept, but local vaccinations still a priority
- Non-competitive with local population allocation
- GVB request initial 1,500 doses to do "Proof of Concept" pilot test
- Private sector is driven, discussing operational details with travel agents, GHRA, clinics, tour operators and ground handlers

- Creating price-stratified packages (budget, mid and high end) to include ground handling arrangements, from arrival to departure
- Meeting this afternoon with Surgeon Cell to discuss/develop Public Health approved operating model

**Immediate Benefits**

- Jump starting island tourism value chain atrophied by long shut down
- More business in hotels and restaurants beyond local staycations
- More room nights sold from extended duration
- Incremental revenues from non-federal subsidies
- Weaning away from government paid quarantine facility
- Good optics for economic recovery and U.S. regional geopolitical image

**Language assistance concierge**

- Having difficulty getting responsive interest
- None of three vendors met qualification in initial RFP May 1<sup>st</sup>
- Have reverted to simple RFQ's for personal services but only one respondent (Chinese)
- Will advertise again and use personal contacts to expand the reach
- Lack of interest possibly tied to the current state of business

**Community Messaging**

COMMUNITY MESSAGING

**VACCINATION CAMPAIGN  
RELEASE SCHEDULE**

- **Athlete Testimonials**  
Launch: Week of April 26
- **Young Professional Testimonials  
(Business Owner / Athlete / Student)**  
Launch: Weeks of May 3, May 10, & May 17





- **Artist & Musicians Testimonials**  
Launch: Week of May 24
- **Family/Pediatrician**  
Planning stage

**Let's Go Guam Vlog**

- GVB group of coworkers explore Guam's efforts to revitalize the island's tourism industry.
- Episodes every Friday on GVB's Youtube, Facebook, and IG
  - Episode 1: Electronic Declaration Form
  - Episode 2: Guam Safe and WTTC Safe Travels Stamp
  - Episode 3: Valley of the Latte
  - Episode 4: Primo Pizzakaya
  - Episode 5: #GUAM Earth Month Cleanup (5/7)
  - Episode 6: Vaccination Guam (5/14)

## Financial Highlights

### **Projected Cash Position (May 11, 2021) \$331,100**

- Balance less payroll, restricted or committed funds, payables, encumbrances and fixed administrative operating expenses
- Funds from reallocation of Matapang - Ypao Park upgrades, lighting improvement and maintenance \$3.0 million
- Disbursements over \$24,999 threshold (PL 35-99) FYI
- Except salaries, new law requiring board approval for ALL expenditures
- Board already pre-approved FY 21 budget by categories:
  - Marketing reps, VSO, Culvert, lighting, employee ins benefits, website, EDF, survey research, etc.Detail listing of 21 disbursements in Board packet.
- Disbursements 10/17/22 - 05/11/21 total \$1,326, 019.07

### **FY 2022 Operating Budget Request \$22.7 million**

- GVB Board Approved April 9, 2021
- Management allocations, subject to board approval / adjustments after budget signed into law
  - 71% Marketing (67) and Research (4) \$19.6 M
  - 15% Destination Development \$4.2 M
  - 14 % Administration \$3.8 M
- **FY 2022 Marketing Allocation**
  - Japan \$5.5 M
  - Korea \$8.0 M
  - Taiwan \$2.5 M
- Korea low hanging fruit, maximize reopening campaign

### **NOTES:**

1. Japan still mired down with COVID containment difficulties and focused on Olympics priority
2. More optimism in Korea recovery trajectory, best vaccination rates and advanced government thinking on overseas travel policies
3. Taiwan officially recognizing Guam travel bubble opportunity, one of five destinations (Malaysia, Singapore, Vietnam, Hawaii) so designated, possibility of charter flights late summer

## Taiwan News

### **MOFA & TECO on Guam – Register and Verification**

- Current GVB marketing representative office – VEDA, expanded representation beyond tourism to include economic development, medical assistance, agriculture, and investment opportunities.
- Name change to Guam Taiwan office - elevated stature like other U.S. states, TECO recommendation.
- MOFA then will file Guam Taiwan Office with a state certificate and announce the change formally in Taiwan.

### **American Institute in Taiwan**

Informed AIT of the expansion of GVB Taiwan's scope of work to include:

- Economic developments (agriculture, aquaculture, medical, pharmaceutical, light manufacturing, etc)
- Cultural promotional
- Airline route development (EVA Airlines and Starlux Airlines)

Guam Taiwan Office to join:

- SelectUSA
- American State Office's Association (ASOA)

## Digital Training Academy

### **Fourth in GVB Webinar Series May 13**

- Over 100 participants
- Guest Speaker, Asami Lee, Senior Regional Manager of Expedia Japan
- The Japanese and Asian Pacific traveler mindset and expectation during COVID
- The insights into the domestic tourism trends in Japan today
- Tips and advice for Guam to welcome the Japanese visitors again
- Supported vaccination tourism

## **EDF/HDF Update**

### **Electronic Declaration Form (EDF)**

- EDF – Kiosks only method still being deployed with UA 197 from Narita
- Mobile Link - is currently being updated to identify and validate for only “English” character entries into the text fields of the form
  - Mobile User Acceptance Testing (UAT) identified foreign languages being able to publish on the form, which creates readability issues for customs officers
  - Anticipating a fix by mid-next week
  - Roll out live mobile link by the week of May 24

### **Health Declaration Form (HDF)**

- The User Acceptance Testing (UAT) has been put on hold due to modifications being made based on new guidance
  - Once modifications are complete testing will begin again

## **VI. TREASURER'S REPORT**

- No updates

## **VII. REPORT OF THE BOARD COMMITTEES**

### **A. EXECUTIVE COMMITTEE**

- Nothing to report

### **B. ADMINISTRATION & GOVERNANCE**

**Director Quinata made a motion, seconded by Director Gatewood, to eliminate the quorum requirement for committee meetings. Motion withdrawn.**

**Director Gatewood made a motion, seconded by Vice Chairman Shimizu, to withdraw the policy approved by the previous board of directors on May 9, 2019 establishing that committees can have up to eleven voting members with a six-member quorum requirement. Motion approved.**

**Background:** During a GVB Board Meeting on May 9, 2019, a motion establishing a policy where committees can have up to 11 voting members with a six-member quorum requirement was approved. Board members were of the opinion that limiting membership to 11 and implementing a quorum requirement would foster more fruitful discussions and improve meeting efficiency. Since the motion was approved, this policy has presented unique challenges, some contrary to the Board's discussion.

- In recent years, Committee's role has merged; it functions as both a board and management committee
- Issues with Open Government Law
- Committees to function as a management tool; consensus building tool that complies with legal counsel's guidance
- Recommendations by the committee will be brought to the Board for final approval
- Currently strained by a quorum; board approved quorum in the past
- Regardless of numbers in a committee, recommendations made are still subject to Board approval
- Structure system discussed with legal counsel
- Chairman of each committee to gather information from members and brief the board at the board meeting
- Unofficial meetings were conducted with committees that had less individuals than the quorum required
- Vice President Perez and Nadine Leon Guerrero are working on a Committee operating model
- Committees to be reconstituted based on the Bureau's needs
- Committee is not required to have a quorum to make recommendations
- Each Committee can have an unlimited amount of members; no need to differentiate members and non-voting members
- The Board member in the committee is the advocate at the board meeting for any decisions
- Motion is a management issue, not Open Government Law issue

- Current committees functions are confusing
- Final guidelines to how the committees will process work moving forward

### C. REOPENING TASK FORCE

Director Quinata made a motion, seconded by Director Gatewood, to approve funding for the Air V&V program in the amount of \$3,000,000. Funding source to be identified by management. **Motion Tabled.**

**Background:** GVB will soon launch the Air V&V campaign, an initiative to attract American expatriates to get their COVID-19 vaccine while vacationing and/or working remotely on Guam. Research shows over 560,000 expats are living in nearby Asian countries (namely about 78,635 in Japan, 350,000 in the Philippines, 128,000 in South Korea, and 4,697 in Taiwan). Surges in positive cases coupled with low vaccination rates are forcing expats living in these areas to look for nearby alternatives to get inoculated. GVB aims to capture this market to improve vaccination efforts from a global perspective and to stimulate green shoots of economic recovery for the island.

Working closely with our marketing representatives and travel agents in-country, GVB will promote packages for expats to travel to Guam to get vaccinated and vacation. As the closest U.S. territory to these countries, Guam has a prime opportunity to appeal to this niche market.

The immediate benefits of this program include:

- Jump starting the tourism value chain in atrophy from more than a year shutdown.
- Expanding current business activity at hotels and restaurants beyond weekends and promoting longer stays.
- Generating incremental revenue from non-government funding sources.
- Creating a positive geopolitical impact on Americans living in Asia.
- Generating good public relations optics for island economic recovery.

In addition to sales and marketing expenses and clinic operations, a portion of funds will cover testing supplies, procedures, and staffing for departing passengers (a negative test result is required to enter these countries).

**Issue:** Board approval required.

#### Discussion:

- Director Gatewood supports the program but questioned the high funding request
- Director Ferguson concerned that the current quarantine protocol does not allow the program to distribute program benefits and cost to the industry as a whole
  - New protocols to be announced in a few days
- President & CEO Gutierrez shared that Management plans to market and make vaccinations available
  - Partner with private clinics who do not have a large investment to bring vaccinations in for incoming tourists
  - Availability of funds makes it easier to pay for things needed during the program process
  - Would like to explore testing and vaccine
  - Vaccinations will not be given for free
  - Management to prepare a plan for the Board's review
  - Vice President Perez noted the direction is unknown until the plan is finalized with the Surgeon Cell
- \$3M is for Marketing costs for US and Non-US travelers
- GVB funds will not be spent on US expats

- GVB willing to spend upfront cost for non-US travelers vaccinations; shall be reimbursed on cost basis
- Motion to include non-US citizens
- Chairman Morinaga called for the vote but had to call for a recess because there was a lack of quorum after some board members logged out of the meeting.

**Chairman Morinaga recessed the regular board meeting at 3:45 p.m. to be reconvened Friday, May 14<sup>th</sup> at 11:00 a.m.**

## **REGULAR BOARD OF DIRECTORS MEETING MINUTES (RECONVENE)**

**Friday, May 14, 2021, at 11:00 a.m.**

### **CALL TO ORDER**

- There being a quorum, Chairman Morinaga called the meeting back to order at 11:04 a.m.

### ***Continuation of discussion under Reopening Task Force***

- Director Shinohara requested to continue discussion on the Air V&V motion put forth during yesterday's board meeting for those members not present during the discussion. With no objections:

**Motion made by Director Shinohara, seconded by Director Ada, to continue the discussion on the motion to approve funding for the Air V&V program in the amount of \$3,000,000. Funding source to be identified by management. **Motion approved.****

### **Discussion:**

- Vice President Perez shared yesterday's discussion on the merits of advocating \$3M for the Air V&V campaign.
  - There was still uncertainty yesterday on the protocols so after further discussion a consensus was reached and came up as to how the money should be spent.
  - No details yet because GHRA, the travel agents, Guam handlers are still working together to package the 3 different products.
  - Budget, mid-range and high-end product and all would involve whole package from arrival to departure, different responsibility from different players.
  - Whether it's the hotel, travel agent, Guam handler and so forth. Those details aren't quite ready yet. We've been meeting with GHRA. It is their recommendation that we keep the quarantine hotel in place for convenience. At the end of the day, nothing has been put together because we're still waiting for travel agents to package all the details of the hotel fees, Guam handling fees, and responsibility of the Guam public health supervising the whole process.
  - Then the issue came up on the possibility of expanding it beyond just US citizens because there are US citizens married to non-citizens who might want to participate.
  - It is also a game changer in terms of possibility of getting our source markets interested and coming and taking advantage of the program since in their countries it is not ranking up as quickly as much of them would like to see. The issue expanded to the not just the U.S. citizens, but enough funding for us to take care of non-U.S. who would like to take advantage of the program that we have.
  - Some discussion on whether it should be Pfizer, Moderna or J&J or whether we should front load the vaccination expense and get reimbursed back.



- The idea is to approve this in principal but it doesn't mean we are going to spend the whole thing because we're still waiting to pull together the different packages and how it might work out.
- Director Shinohara questioned the amount being requested.
  - There is no need to pay for the vaccination for the U.S. citizens.
  - President Gutierrez made it clear that the Governor does not want the people to come to Guam on the government's expense.
- Governor L.G. will be holding a press conference this afternoon and depending on what they announce, the packages can be quickly put together.

**Original motion to approve funding for the Air V&V program in the amount of \$3,000,000 was withdrawn by Director Quinata, seconded by Director Ada. With no objections, motion approved.**

**Motion made by Director Ada, seconded by Director Quinata, to approve up to \$1,000,000 for the Air V&V program to market for the U.S. Citizens only. Motion approved.**

**D. AIR SERVICE DEVELOPMENT**

- Chairman Morinaga reported there are no changes in Japan and South Korea. The only change is the China Airlines cancelling their flights.
- Japan just announced that they are closed their borders for people from Scandinavia no matter if you have Japan residency.

**E. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION**

- Nothing to report.

**F. CULTURAL HERITAGE, COMMUNITY OUTREACH & BRANDING**

- Director Cepeda reported that the Virtual GMIF has been postponed to a later date.
- Suggested to brand across our source markets.

**G. RESEARCH / MEMBERSHIP**

- Director Jones reported that the EDF were not being used from the Japan flights UA197.
- They were still handing out custom forms.

**H. SPORTS & EVENTS**

- Director Gatewood reported that the tennis tournaments have been postponed.
- Seeking waivers for athletes and officials for the latter tournament.

**I. JAPAN**

- Director Bell reported that the Japanese government extended the current state of emergency all the way to May 31.
- Targeting to vaccinate 1M per day.
- Group on working session with Expedia - when it comes to outbound Japanese travelers, research now happens 3 weeks before the trip.
- The top destination remains for Japan are Hawaii, Seoul, Taiwan, & China. 1/3 wants to travel in the next 12 months and 2/3 needs more reassurance.
- Bulk of Japanese demand will remain domestic all the way to 2022.

**J. KOREA**

- Nothing to report.

**K. TAIWAN**

- Nothing to report.

**L. NEW MARKETS**

- Nothing to report.

**M. NORTH AMERICA, PACIFIC & PHILIPPINES**

- Nothing to report.

**VIII. OLD BUSINESS**

- No old business.

**IX. NEW BUSINESS**

- No new business.

**X. EXECUTIVE SESSION**

- No executive session.

**XI. ANNOUNCEMENTS**

Upcoming Board Meetings:

- May 27 2021
- June 10, 2021

**XII. ADJOURNMENT**

Director Shinohara made a motion, seconded by Director Quinata, to adjourn the Board of Directors regular board meeting at 12:16 p.m. **Motion Approved.**



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**Mr. Stephen Gatewood, Secretary of the Board of Directors**



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**Board Minutes respectively submitted by Valerie Sablan, Executive Secretary**