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GVB Board Packet: August 24, 2017

BENJAMIN CRUZ <speaker@senatorbjcruz.com> Thu, Aug 24, 2017 at 11:38 AM
To: 34th Guam Legislature Clerks <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>

8/24/2017	8/24/2017	Guam Visitors Bureau	GVB board packet of August 24, 2017.*	34-17-920

[Quoted text hidden]

OFFICE OF SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication

I Minatbentai Kuattro na Liheslaturan Guahan

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GL#34-17-920
Speaker Benjamin J.F. Cruz

AUG 24 2017
Time: 1136 [] AM [] PM File No.
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5 attachments

- **Agenda_August242017.pdf** 91K
- **Exhibit_A_MINUTES_August102017.pdf** 2201K
- **Exhibit_B_CASH POSITION_Aug212017.pdf** 20K
- **Exhibit_C_GCMC_Minutes_Aug142017.pdf** 997K
- **Exhibit_D_JMC_Minutes_Aug082017.pdf** 1323K

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REGULAR BOARD OF DIRECTORS MEETING
Thursday, August 24, 2017 – 3:30pm
Guam Visitors Bureau Main Conference Room

A G E N D A

I. CALL TO ORDER

II. MINUTES OF THE PREVIOUS MEETING Exhibit A

Approval of minutes of the previous Board of Directors meeting dated August 10, 2017.

III. CHAIRMAN'S REPORT

IV. PRESIDENT & CEO'S REPORT

V. TREASURER'S REPORT Exhibit B

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

Motion to ratify Executive Committee's travel approval for the Lieutenant Governor of Guam and GVB Public Information Officer to conduct a press conference in Tokyo, Japan from August 21-22, 2017. Estimated cost of travel is $3,919.20.00 to be paid from JA-SMD008.

Airfare:	$1,000 x 2 pax					$2,000.00
Per Diem:	Tokyo	Lodging	Nights	M&IE	Days	
	Lt Governor	$345.80	1	$284.70	2	$915.20
	Public Information Officer	$266.00	1	$219.00	2	$704.00
Miscellaneous:	Business communication costs					$300.00
					Total:	$3,919.20

Background: GVB Japan will coordinate a press conference with respective tourism partners in Japan to discuss travel and safety to Guam in light of the recent North Korea threats. Negotiations are underway to utilize the resources of the Foreign Press Club in Japan. GVB has also activated its Japan PR agency to invite media to the conference. The Lieutenant Governor will lead the conference along with the GVB President & CEO (previously approved travel) and GVB Public Information Officer to reassure Japan audiences that Guam remains a safe tourism destination, with an array of family-friendly and unique travel experiences. This is part of GVB Japan's efforts to address the PR situation and provide more positive messaging to the Japan market.

Issue: Board approval required for all travel.

B. KOREA

C. MEMBERSHIP & COMMUNITY OUTREACH

D. NORTH AMERICA & PACIFIC MARKETS

GUAM-CEBU PRODUCT UPDATE IN CEBU, PHILIPPINES

Motion to approve travel for GVB President & CEO or his designee and one GVB Marketing Staff to attend the Guam-Cebu Product Update in Cebu, Philippines in partnership with Cebu Pacific on September 4-6, 2017. Total cost is approximately $4,509.75 from the Philippine Market Acct. No. PI-SMD023.

Marketing Budget Breakdown:

Airfare:	$1,000 x 2 pax	$ 2,000.00
President & CEO Per Diem:	Manila: $291 x 1 days + 25% Cebu: $190 x 2 days + 25%	$ 363.75 $ 475.00
Marketing Staff Per Diem	Manila: $291 x 1 days x 1 pax Cebu: $190 x 2 days x 1 pax	$ 291.00 $ 380.00
Unanticipated Expenses:	Communications, excess baggage, meetings, etc.	$ 1,000.00
Estimated Total:		$4,509.75

Background: In an effort to strengthen the relationship between GVB and its industry partners, GVB has organized a Guam Product Update seminar in Cebu, Philippines. The seminar will include media partners and travel trade professionals to promote Guam as the nearest US destination to the Philippines.

Cebu is one of the most developed provinces in the Philippines and the main center of industry, commerce, trade, and education in the central and southern parts of the archipelago. The goal of this mission is to increase flight bookings of Cebu Pacific to Guam not only from Manila, but also from the south of the Philippines. Cebu Pacific's current flight schedule to Guam is 3 times a week.

E. RESEARCH

F. RUSSIA & NEW MARKETS

G. VISITOR SAFETY & SATISFACTION

H. CULTURAL & HERITAGE

I. SPORTS & EVENTS

J. ADMINISTRATION & GOV'T RELATIONS

K. DESTINATION MANAGEMENT

L. GREATER CHINA

Committee minutes dated August 14, 2017 Exhibit C

M. JAPAN

Committee minutes dated August 8, 2017 Exhibit D

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

Upcoming Board Meetings:

- Thursday, September 14, 2017 at 3:30pm, GVB Main Conference Room
- Thursday, September 28, 2017 at 3:30pm, GVB Main Conference Room

XI. ADJOURNMENT

Action Items:

1. Assignment of the Chairperson for the Administration and Government Relations Committee

2. Management to facilitate meeting with GVB, GIAA, and GEDA regarding the current situation in the Japan market
   → President Denight and Director of Global Marketing Laguana participate in a weekly call with GIAA and ASM World Route Development Consultants
   → Chairman Morinaga, President Denight, and Vice President Muna met with GIAA Chairman Ricardo Duenas and Executive Manager Charles Ada on August 2

GUAM VISITORS BUREAU
SETBISION BISITAN GUÅHAN

BOARD OF DIRECTORS REGULAR MEETING

Thursday, August 10, 2017 – 3:30pm
Guam Visitors Bureau – Main Conference Room

BOARD OF DIRECTORS PRESENT:

Director Milton Morinaga	Director Monte Mesa
Director Brad Kloppenburg	Director Satoru Murata
Director William Nault	Director Katarina Sgro
Director Bart Jackson	Director Tak Takano
Director Young Hong	Director Robert Hofmann

BOARD OF DIRECTORS TELEPHONICALLY:

BOARD OF DIRECTORS ABSENT:

Director Theresa Arriola	Director Eduardo "Champ" Calvo
Director Sam Shinohara	

GVB MANAGEMENT & STAFF PRESENT:

Jon Nathan Denight	Antonio Muna	Karida Brennan
Brian Borja	Doris Ada	Josh Tyquiengco
Lisa Linek	Nico Fujikawa	Colleen Cabedo
Rose Cunliffe	Elaine Pangelinan	Nakisha Onedera Garrido
Meriza Peredo	Regina Nedlic	Nadine Leon Guerrero
Sydney Leon Guerrero	June Sugawara	Mark Manglona
Gabbie Franquez	Pilar Laguana	Kraig Camacho

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:
Joe Mesngon – Senator Dennis Rodriguez's Office

I. CALL TO ORDER

Chairman Morinaga called the meeting of the board to order at 3:35pm.

II. MINUTES OF THE PREVIOUS MEETING **Exhibit A**

Vice Chairman Mesa made a motion, seconded by Director Kloppenburg, to approve the minutes of the previous board of directors meeting dated July 27, 2017.
Motion unanimously approved (Subject to minor revisions)

III. CHAIRMAN'S REPORT

- Chairman Morinaga congratulated President Denight and the team on the new connection between Nagoya and Guam. The Japan Marketing Committee (JMC) will report on this further. He also announced that we lost one flight from Delta but he assured the board that Air Seoul will begin their service to Guam soon and we will continue our efforts to attract other airlines.
- He stated that we will discuss the North Korea threat under New Business, as we should have a common stance on how we will deal with the situation across all markets.

IV. PRESIDENT & CEO'S REPORT

GUAM VISITORS BUREAU
SETBISION BISITAN GUÅHAN

GUAM VISITORS BUREAU

PRESIDENT'S REPORT 08-10-2017

July 2017

July 1-31, 2017 **Total: 132,952 (+8.1%)**

% Market Mix	Origin	2016	2017	% to LY
39.0%	Japan	54,625	51,811	-5.2%
46.0%	Korea	48,883	61,097	25.0%
1.5%	China	2,062	2,015	-2.3%
0.6%	Hong Kong	734	822	12.0%
1.8%	Taiwan	3,883	2,443	-37.1%
5.8%	US/Hawaii	6,617	7,761	17.3%
0.9%	Philippines	1,651	1,192	-27.8%

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

Fiscal Year-to-Date 2017

October 2016–July 31, 2017 **Total: 1,298,236 (+5.3%)**

% Market Mix	Origin	2016	2017	% to LY
43.3%	Japan	608,285	562,133	-7.6%
41.0%	Korea	428,336	532,141	24.2%
1.5%	China	22,371	20,108	-10.1%
1.2%	Hong Kong	7,226	14,951	106.9%
2.4%	Taiwan	34,580	31,625	-8.5%
5.0%	US/Hawaii	62,826	65,210	3.8%
1.3%	Philippines	15,614	17,107	9.6%

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

RESEARCH

Calendar Year-to-Date 2017

January–July 31, 2017 **Total: 907,307 (+4.8%)**

% Market Mix	Origin	2016	2017	% to LY
41.9%	Japan	419,619	380,533	-9.3%
41.9%	Korea	301,861	380,135	25.9%
1.6%	China	17,726	14,721	-17.0%
1.3%	Hong Kong	4,707	11,453	143.3%
2.4%	Taiwan	25,554	21,904	-14.3%
5.2%	US/Hawaii	45,899	47,309	3.1%
1.1%	Philippines	11,540	10,080	-12.7%

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

August 2017

August 1-8, 2017 **Total: 38,115 (+6.9%)**

% Market Mix	Origin	2016	2017	% to LY
47.4%	Japan	18,617	18,060	-3.0%
41.7%	Korea	12,806	15,893	24.1%
1.3%	China	698	481	-31.1%
0.6%	Hong Kong	186	212	14.0%
1.7%	Taiwan	656	660	0.6%
3.9%	US/Hawaii	1,268	1,491	17.6%
0.4%	Philippines	322	147	-54.3%

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

Note: August 2017 Daily Arrivals reflect Chilean Air arrivals only

GUAM VISITORS BUREAU
SETBISION BISITAN GUÅHAN

Calendar Year-to-Date 2017

January–August 8, 2017 **Total: 945,422 (+4.8%)**

% Market Mix	Origin	2016	2017	% to LY
42.2%	Japan	438,236	398,593	-9.0%
41.9%	Korea	314,667	394,028	25.9%
1.6%	China	18,424	15,202	-17.5%
1.2%	Hong Kong	4,893	11,665	138.4%
2.4%	Taiwan	26,210	22,564	-13.9%
5.2%	US/Hawaii	47,167	48,800	3.4%
1.1%	Philippines	11,862	10,227	-13.8%

Fiscal Year-to-Date 2017

October 2016–August 8, 2017 **Total: 1,336,351 (+5.4%)**

% Market Mix	Origin	2016	2017	% to LY
43.4%	Japan	626,902	580,193	-7.5%
41.0%	Korea	441,142	548,034	24.2%
1.5%	China	23,069	20,589	-10.8%
1.1%	Hong Kong	7,412	15,163	104.6%
2.4%	Taiwan	35,236	32,285	-8.4%
5.0%	US/Hawaii	64,094	66,701	4.1%
1.3%	Philippines	15,936	17,254	8.3%

MARKETING

North Korea threatens Guam

- Guam makes national and international headlines on August 9, 2017 about North Korea threatening to bomb Guam
- Message from GVB: "Guam is a safe and protected island destination"
- Governor Calvo reassured there is no threat to Guam or the Marianas
- Invitation to all travelers to continue their plans to Guam

North Korea threatens Guam

- **Japan Response to North Korea Threat**
  - Reports issued online, in print and TV
  - Interviews were conducted with Japanese residents headed to Guam

    "We are worried a bit because we will bring small children but we will go. Staying in Japan is the same situation so we will go to Guam"



North Korea threatens Guam

- **South Korea's NSC**
  - August 10, South Korea's presidential office called for an emergency meeting of the National Security Council at 3 p.m. to discuss North Korea's new missile threat against the U.S.



GUAM VISITORS BUREAU
SETBISION BISITAN GUÅHAN

Japan Marketing News

- **Kashiwa Festival**
  - July 29-30, 2017 | Kashiwa
  - Meetings held with Reysol Soccer team, Mayor of Kashiwa, Kashiwa International Relations Association, and Kashiwa Chamber of Commerce
  - People of Kashiwa remain committed to continued exchanges of tourism and culture with the people of Guam









Japan Marketing News

HK Express Announces Nagoya-Guam Service

- On August 2nd, HK Express announced it will operate direct flights from Nagoya Chubu to Guam beginning October 31, 2017
- Flight schedule: UO056 NGO GUM 1300 1750
  UO057 GUM1 NGO 1910 2210
- Frequency: 3 times a week (Tue, Thu, Sat)
- Capacity : 180 seats
- Memorial Campaign :
- Sales period : August 1st - 31st .
- Travel period : October 29th - March 24th
- Price : ¥ 3,980 for OW.
- Capacity growth : 28,080 (12 months)
- Will be the carrier's first service not originating to and from Hong Kong



Hong Kong Marketing News

- ✓ ITE 2017Award: Most Romantic Destination
- ✓ Macao Travel Expo: July 7-10, 2017
  Increasing awareness in Macao and Linking Southern China
- ✓ Joint Video Production With United Vacations
  50 short video clips being procued for social media
- ➢ HK Marketing and PR Representative RFP to be issued this month





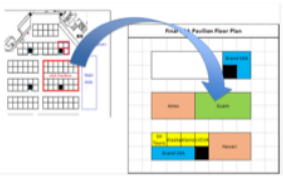


Taiwan Marketing News

- **Taichung International Travel Fair**
  - Date: 11-14 Aug.
  - Biggest travel fair in Taichung, held annually
  - Guam obtained a comp booth to promote Guam
  - 2 travel agencies, Star Travel & Sunny World, will be present to promote Guam packages
- **Fantast Tours' Double Tenth Holiday Charter**
  - Date: 7-11 Oct.
  - Fantast Tours applied for a charter flight (total of 155 pax) with CI for the Double Tenth Holiday. The flight will arrive Guam on 7 Oct. and depart to Taiwan on 11 Oct.
  - GVB will sponsor a welcome greeting service at the airport, provide a gift bag for each passenger, and host a Hafa Adai Welcome Dinner on 7 Oct.
  - Hope this will be a success case and attract more travel agents to apply for charter flights in the future

Taiwan Marketing News

- **ITF Preparation**
  - Date: 26-30 Oct.
  - The 2017 Taipei International Travel Fair will be held at Taipei World Trade Center from October 26 to 30. Guam will have 8 booths in the USA Pavilion.
  - Market strategy development
  - Booth design draft
  - Itinerary arrangement
  - AD/PR/SM/Incentive prom



Aviation Service Situation

- Due to Taiwan's Labor Law amendments, the shortage of pilots and flight attendants results in difficulty in allocation air crew. Many routes even do not have summer charter flights, and it's mainly why EVA Air suspended the GUM-TPE flight as they do not have enough manpower to operate daytime flights. However, if they continue to fly nighttime flights, they cannot compete with China Airlines' daytime flights.
- Through constant courtesy meetings with airlines and trade partners recently, besides China Airline recognizing the growth in MICE tours, many also hope for GVB to provide a MICE incentive program.
- As for SGeF, China Airlines hopes that we can start promoting earlier than the past years. EVA Air, on the other hand, mentioned that even though they suspended their GUM-TPE regular flights, there are still chances for charter flights in the near future.

GUAM VISITORS BUREAU
SETBISION BISITAN GUÅHAN

Strategies

- **In response to the current situation, two strategies will be taken:**
  - Airlines: Assist China Airlines to increase L/F and regular flights and charter opportunities to elevate volume
  - Market: From quantity to quality. Reposition Guam as a high-end tourism destination by targeting MICE and Golf Tours.
- **Advertised on the Direct Selling Century Magazine and the Risk Management, Insurance & Finance Magazine. Also attended the awarding ceremony of Faith, Hope & Love Awards of Insurance.**
- **Plan to produce Golf promotion pamphlets/DM soon**
  - If GVB could provide Guam golf course contact windows, it would be a plus for future co-op opportunities.

73rd Guam Liberation





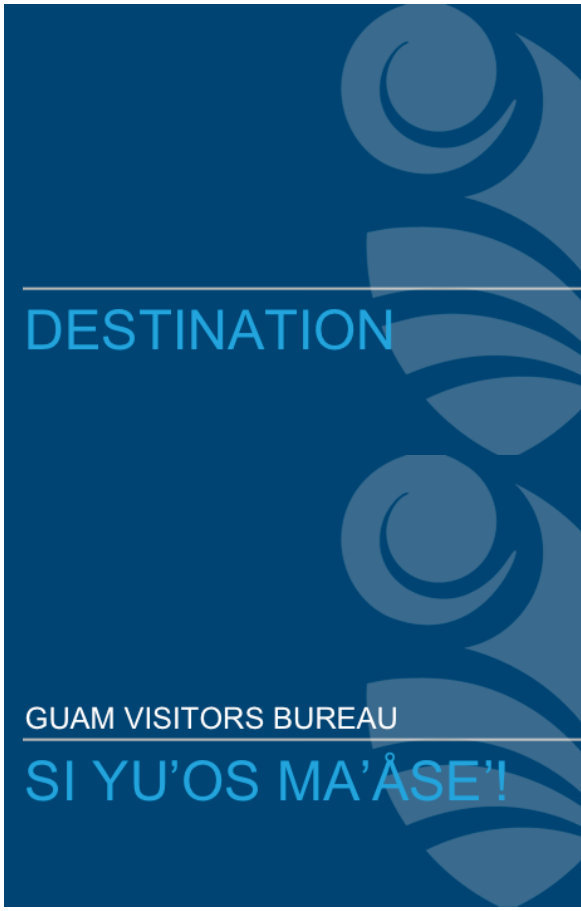

Guam Visitors Bureau hosted this year's Guam Liberation Grand Marshals Mr. Donald Hughes and WWII Guam Liberator Mr. Gene Bell. Clockwise from top-left: WWII Guam Liberator, Mr. Gene Bell arrives on Guam and greeted with the warm "Håfa Adai" Spirit; Grand Marshals with the Honorable Governor Eddie B. Calvo during the Guam Liberation; Courtesy visit with Honorable Governor Eddie B. Calvo and the Grand Marshals in attendance at the Queen's Breakfast at the Guam Museum.

Battle of Guam Video Series

HERO Awards 2017



GVB and GHRA hosted its annual Hospitality Employees aRe Outstanding (HERO) Awards ceremony at the Hilton Guam Resort and Spa on July 29, 2017. Out of 79 total nominees, 14 winners were selected from seven different categories- Håfa Adai Spirit, Rookie of the Year, Middle Management, Supervisory, Non-Supervisory, Life Saving and Integrity.



- Vice Chairman Mesa inquired whether Governor Calvo met with Secretary of State Rex Tillerson while he was on island. President Denight stated that Secretary Tillerson was returning from a meeting in Malaysia and just stopped by to refuel in the early morning, so the Governor did not meet with him. While here however, the Secretary made a statement that Guam is a safe destination.
- Vice Chairman Mesa stated that a CNN reporter is on island he asked if anyone has reached out to him to arrange for an interview. President Denight shared that he was interviewed by a local reporter for CNN, Robert Santos. Another CNN reporter is staying at the Hilton,

but an interview has not been arranged yet. President Denight added that he will be interviewed by Good Morning America at 9pm tonight and Al Jazeera tomorrow morning.

- President Denight reported the our Japan and Korea offices have been reaching out to media. He asked that they use this opportunity with Guam in the spotlight to showcase Guam not just as a hub for military bases, but as a tourist destination. He also shared that he has been reaching out to local Japanese media companies and the Consul General of Japan.
- Vice Chairman Mesa suggesting reaching out to the Consul General of Korea as well. Director Jackson feels that it is hard to stay in front of this situation as it changes so frequently. He thinks we should let the situation subside instead of creating an opportunity for bad publicity.
- Vice Chairman Mesa asked if there has been a drop in reservations as a result of the North Korea threat. Director Jackson, Chairman Morinaga, and Director Murata reported that we have not had cancellations yet. Chairman Morinaga stated that we need to continue to monitor the situation. Director Hong added that most people will choose to travel to Guam because it is a US territory and it is safe.
- Vice Chairman Mesa directed the board to item 4 under Action Items. He feels we need to continue to work closely with the Guam International Airport Authority (GIAA). President Denight reported that he and Pilar take part in a weekly conference call with the airport and their route development team to discuss airline strategies.
- Chairman Morinaga added that he recently met with GIAA Chairman Ricardo Duenas and GIAA Executive Manager Charles Ada, along with President Denight and Vice President Muna, where they shared their concerns regarding operational issues at the airport. Chairman Morinaga also invited the GIAA team to Japan to present their plans for airport improvement themselves.

GUAM VISITORS BUREAU
SETBISION BISITAN GUÅHAN

V. TREASURER'S REPORT

Exhibit B

FY 2016

	Appropriation	Received to Date		Balance	
Pass-Thru	$ 750,000.00	$ 712,500.00	95%	$ 37,500.00	5%
TOTAL RECEIVABLES FY 2016				**$ 37,500.00**	

FY 2017

	Appropriation	Received to Date		Balance	
Operations	$ 21,282,472.00	$ 17,735,528.32	83%	$ 3,546,943.68	17%
Destination Development	$ 1,085,000.00	$ 904,166.66	83%	$ 180,833.34	17%
Rainy Day Fund	$ 200,000.00	$ 166,666.66	83%	$ 33,333.34	17%
Cultural & Sports Ambassador Fur	$ 200,000.00	$ 166,666.67	83%	$ 33,333.33	17%
Pass-Thru	$ 1,085,000.00	$ 953,333.27	88%	$ 131,666.73	12%
TOTAL	**$ 23,852,472.00**	**$ 19,926,361.58**		**$ 3,926,110.42**	
TOTAL RECEIVABLES FY 2017				**$ 3,926,110.42**	
TOTAL RECEIVABLES				**$ 3,963,610.42**	

Accounts

RESTRICTED	
Bank of Guam - Rainy Day Fund[1]	$ 2,252,217.33
Cultural & Sports Ambassador Fund[2]	$ 511,143.82
TOTAL RESTRICTED	**$ 2,763,361.15**
UNRESTRICTED	
Bank of Guam - Operations	$ 14,295,721.27
First Hawaiian Bank - Membership	$ 110,227.12
Resona	$ 213,804.65
Bank of Guam - TAF	$ 787,149.36
Raymond James - CD value as of 06/30/2017[3]	$ 2,534,831.14
TOTAL UNRESTRICTED	**$ 17,941,733.54**
TOTAL CASH as of 08/07/2017	**$ 20,705,094.69**

Current Payables

Asatsu invoices MAR - JUN	$ 1,787,066.02
Japan Invoices	$ 116,234.14
Guam Invoices	$ 802,418.56
Pass-Thru	$ 29,166.67
Encumbered Contracts	$ 2,225,878.88
Encumbered Purchase Orders	$ 137,919.77
TOTAL as of 08/07/2017	**$ 5,098,684.04**

NOTES

NOTE 1

$2,252,217.33	Rainy Day Fund
($257,300.91)	Reimbursable Rainy Day Expenses - Japan
$1,994,916.42	

NOTE 2

$511,143.82	Cultural and Sports Ambassador Fund
($49,600.00)	Cultural and Sports Ambassador expenses - reimburse Operations
$461,543.82	

NOTE 3

$2,534,831.14	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
($471,902.53)	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
($10,295.00)	PAID - Hagatna maintenance and streetscape project for GMIF
($338,382.63)	BALANCE - Pale San Vitores Road Bus Shelter Project
($121,216.48)	BALANCE - Planning, Architectural and Engineering Services for Tumon Bay Improvement
0.00	

August 08, 2017

Director Hofmann made a motion, seconded by Vice Chairman Mesa, to approve the Treasurer's Report.
Motion approved

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

TESTIMONY ON SBILL 22-34 Exhibit C

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify Executive Committee's approval of GVB's testimony on SBill 22-34, "An act making appropriations for the operations of the executive, legislative, and judicial branches of the Government of Guam for fiscal year ending September 30, 2018 and for fiscal year ending September 30, 2019, making other appropriations, and establishing miscellaneous and administrative provisions."
Motion approved

- President Denight updated the board on SBill 22-34. Speaker Cruz's bill basically gives the entire government a rollover budget. In addition, he proposed a two year biennial budget. President Denight stated that we will continue to work with our oversight chair, Senator Rodriguez, on our budget. He added that he met with the Speaker along with the legislative appointees (Director Hong, Director Jackson, and Director Arriola), to advocate for our budget. Lastly, he shared that the TAF projection has been raised, but in order to achieve those numbers, we need the proper resources.

B. JAPAN

- Vice Chairman Mesa asked for an update on the board working session regarding the Japan market as discussed during the last board meeting. Chairman Morinaga and President Denight stated that the working session is slated for the afternoon of Friday, August 18.

Director Nault made a motion, seconded by Director Jackson, to approve travel for the Governor of Guam, his Security Officer, and the GVB President & CEO or his designee to participate in meetings in Tokyo, Japan from September 8-10, 2017. Estimated cost of travel is $8,942.70 to be paid from JA-SMD008.
Motion approved

Airfare:	$1,000 x 3 pax					$3,000.00
Per Diem:	Tokyo	Lodging	Nights	M&IE	Days	
	Governor of Guam	$345.80	3	$284.70	4	$2,176.20
	GVB President & CEO / Designee	$332.50	3	$273.75	4	$2,092.50
	Governor's Security Officer	$266.00	3	$219.00	4	$1,674.00
Total:						$8,942.70

Background: The Honorable Eddie B Calvo Governor of Guam will travel to Tokyo, Japan to participate in meetings with Japan travel trade industry to address the continue to address the concerning situation of Japan visitor arrivals. While in town, Governor Calvo will once again connect with airline executives to discuss the business case for sustaining, developing or starting service from Japan to Guam. It is the aggressive goal of GVB to directly tackle the

challenges of the Japan market and to maintain and grow air seat capacity from this important source market.

Issue: Board approval required for all travel.

- The Governor will be meeting with Japan Airlines, United Airlines, and other key partners.
- Vice Chairman Mesa stated that it would be beneficial for GIAA to attend as well. President Denight said he would reach out to the airport.

Director Nault made a motion, seconded by Director Jackson, to approve travel for the GVB President & CEO to participate in meetings in Tokyo, Japan from August 20-21, 2017. Estimated cost of travel is $1,880.00 to be paid from JA-SMD008.
Motion approved

Airfare:	$1,000 x 1 pax					$1,000.00
Per Diem:	Tokyo	Lodging	Nights	M&IE	Days	
	GVB President & CEO	$332.50	1	$273.75	2	$880.00
					Total:	$1,880.00

Background: The GVB President & CEO will travel to Tokyo to meet with Guam's key airline partner, United. Discussions will take place about how to strengthen Guam's promotions in the declining Japan market in order to increase demand and awareness. In addition, GVB President & CEO will participate in a media interview with Wing Travel to discuss GVB's upcoming programs and promotions to attract more Japanese visitors to our island paradise. While in town, continued follow-up discussions will also take place with GVB Japan and ADK about the aggressive marketing approach for Japan in the upcoming fiscal year.

Issue: Board approval required for all travel.

- President Denight announced that the Director of the GVB Japan Office, Satomi Yamamoto, submitted her letter of resignation, which will be effective September 19. President Denight wanted to conduct the following meetings prior to her departure:
  - United Airlines to talk about next year's plan and to give reassurances that the team will continue the hard work in Japan
  - Interview with travel media to discuss GVB's upcoming plans in conjunction with JATA
- Director Nault asked when we will be hiring a replacement. President Denight stated that we are currently working with a recruiting company to gather proposals. In the mean time, Kaneko Hiroshi, the Sales Manager for GVB Japan Office, will serve as Acting Director.

C. KOREA

- Director Jackson reported that business is strong in the Korea market.
- A new airline, Air Seoul, will begin servicing Guam four times a week in September.
- The team will be very busy during the fall with road shows (Busan on October 17, Gwangju on October 18, and Daegu on October 19), the new airline, and Mode Tour in November.
- Arrivals continue to be strong.

- David Gossack, Minister Counselor for Commercial Affairs of the US Commercial Service based in Seoul, Korea will be visiting Guam next week and speaking at GVB's quarterly membership meeting.
- Contrary to what was shared during a recent Korea Marketing Committee (KMC) meeting, Director Jackson reported that the China visa waiver program will continue in the CNMI.

D. MEMBERSHIP & COMMUNITY OUTREACH

- Director Kloppenburg reported that the next quarterly membership meeting is scheduled for Tuesday, August 15. It will be held at the Westin Resort & Spa from 11:30am to 1pm. As mentioned earlier by Director Jackson, David Gossack will be the guest speaker.
- The team is planning to hold the fourth quarter membership meeting on October 5 or 6 with guest speaker Barbara Wold who is an international speaking professional in retail and consumer authority. Director Kloppenburg will update the board as the date nears.
- 2018 membership renewals are now being accepted.

E. NORTH AMERICA & PACIFIC MARKETS

Committee minutes dated August 2, 2017 **Exhibit D**

73RD GUAM LIBERATION

Director Hofmann made a motion, seconded by Vice Chairman Mesa, to approve airfare support for two (2) visiting WWII Liberators who are also the Grand Marshals for this year's Guam Liberation event in July 2017. Cost is $2,000.00 per Liberator totaling up to $4,000.00 from the FY2017 U.S. Sales Marketing Development Acct# SMD023.
Motion approved

Background: Governor Eddie B. Calvo selected Mr. Gene Bell and Mr. Donald Hughes as this year's Grand Marshals. The visiting liberators participated in official ceremonies and festivities for the commemoration of the 73rd Liberation events. Both over 90 years of age, this may serve as their last visit to Guam.

Mr. Bell was apart of the replacement force following the first wave of Marines in 1944 and helped to alleviate enemy forces. Mr. Hughes was a Seaman First Class in the Navy aboard the USS Magoffin APA-199 and piloted a landing craft mechanized during the invasion of Okinawa.

To show support for their WWII contributions in liberating Guam, and as a gesture of goodwill and prosperity of historical preservation, the North America Marketing Committee recommends extending up to $2,000.00 per Liberator to help off-set the cost of their airfare to Guam.

Issue: Board approved for travel required.

- Director Hofmann reported that arrivals are up in both North America and Pacific markets.
- Upcoming events for the markets: IMEX in October, DEMA in November, PATA Travel Mart in September, and PATA Executive Board Meeting in September.

F. RESEARCH

- President Denight announced that Senior Tourism Research Analyst Nico Fujikawa will serve as Acting Director of Tourism Research during Ana Cid's absence.

- He also reported that we received good media coverage from the press release on the STAR report.
- The next major project the team will be working on is the new customs forms. The target date for implementation is October.
- Vice Chairman Mesa asked for an update on the Visitor Industry Professional (VIP) program. President Denight reported that the videos are in production right now. The next step will be to develop the online platform to download the videos. The target date is November.

G. RUSSIA & NEW MARKETS

Committee minutes dated August 1, 2017 **Exhibit E**

- Director Jackson reported that Air Seoul beginning its service to Guam is good news for Russia. The same airline will be able to link through two airports in Russia. Previously, travelers had to switch airlines which is much more expensive.
- Additionally, Jeju Air, a Korean LCC, will be flying from Vladivostok to Seoul. This is another low cost alternative for Russian visitors who want to connect through Seoul.
- As long as the price of oil remains stable, we should see a nice increase of Russian visitors, however, it will be difficult to see a significant increase in arrivals without a direct flight.

H. VISITOR SAFETY & SATISFACTION

- Director Hong reported on the drowning incident that occurred on August 9 near Hyatt. VSO lifeguard Fletcher Persinger was called to assist. He contacted Guam Police Department (GPD) and Guam Fire Deparment (GFD) and conducted CPR until medics arrived. VSO Supervisor Sonja Sanchez also responded and flagged down medics to the scene. GFD medics arrived around 11:10am and transported the victim to Guam Regional Medical City (GRMC). The victim was unresponsive when medics departed. The victim is 91-year-old Chinese visitor Shang-Yun Wu. GVB China has been in contact with Golden Travel Agency who is handling the travel arrangements for the victim and his family. The family is grateful for our efforts.
- The recent HERO Awards was a success.
- Chairman Morinaga asked if we will be adding numbers to bus shelters so people can identify them better. President Denight reported that we are working with bus companies on this and to develop consistent signage with all bus routes.
- Chairman Morinaga brought up the ashtray issue that was recently the subject of a Pacific Daily News article. President Denight stated that the no smoking law applies to bus shelters so we will be removing the ashtrays. Vice Chairman Mesa insisted on keeping them as a receptacle for people to extinguish cigarettes and dispose of them. President Denight, Director Hong, Director Takano, and Chairman Morinaga were in agreement that ashtrays send a message that smoking is permitted. Placing an ashtray in a no smoking zone sends a mixed message and may confuse visitors. Vice Chairman Mesa feels we need to educate visitors better and we can avoid confusion and misperception by adding universal no smoking signs to all bus shelters. Moreover, having these ashtrays in bus shelters will help with our no littering initiative. President Denight said he would work with the bus companies, but they are lobbying to have the ashtrays removed. Chairman Morinaga decided that the ashtrays should be removed and if littering becomes an issue, we will deal with it then.

I. CULTURAL & HERITAGE

Director Hofmann made a motion, seconded by Vice Chairman Mesa, to authorize the President and Chief Executive Officer as Chief Procurement Officer of GVB to enter into negotiations with the highest-ranking qualified Offeror in response to GVB

RFP 2017-011 COMMUNITY BRAND BUILDING SUPPORT SERVICES, and if successful, to enter into a contract.
Motion approved

Background: GVB requires assistance from professional consulting services ("Offeror") to provide full service public relations communications and graphics services for GVB with emphasis on strengthening Guam's brand identity, coordinating and unifying marketing themes used by GVB and advancing Guam's destination image through community participation, strategic brand marketing and public relations activities.

Issue: Board approval required.

J. SPORTS & EVENTS

- Director Sgro reported that the team approved funds for Tour of Guam, the biggest cycling event in the Marianas.
- The Sports & Events Committee also approved funds for the 2nd Annual Thanksgiving Day Dragon Boat Festival.
- We will also be sponsoring a Jack Events concert featuring Boyz II Men, Brian McKnight, and New Edition.
- The committee is working on restructuring the rules and regulations for the ambassador grant so we can provide more funds to the community and avoid conflicts between age groups. Currently, a group can only apply for one grant per fiscal year.
- Chairman Morinaga asked the committee to share information on upcoming events further in advance so other committees can promote them in their respective markets.

K. ADMINISTRATION & GOV'T RELATIONS

RESOLUTION NO: 2017-003 Attachment A

Vice Chairman Mesa made a motion, seconded by Director Jackson, to approve Resolution No: 2017-003 relative to recognizing Regina "Gina" Kono for her thirty-three years of dedication and service to the Guam Visitors Bureau and the people of Guam, and honoring her on her retirement.
Motion approved

Vice Chairman Mesa made a motion, seconded by Director Jackson, to approve up to $10,000 to host a retirement appreciation reception for Ms. Gina Kono on August 18, 2017, up to $5,000 to come from FY2017 Membership Account and up to $5,000 to come from Marketing, of which accounts will be identified by Management.
Motion approved

Background: From Marketing Secretary to Marketing Officer I to Marketing Manager, Ms. Gina Kono has risen through the ranks of the Bureau's marketing department since 1983. She was responsible for the planning development, implementation and coordination of the Bureau's local and overseas travel trade related promotional programs and activities in the various markets she served.

Her contributions to the growth of tourism has been exceptional and has supported the bureau and the marketing department's mission with unwavering commitment and leadership beyond her call of duty. During her 33 years at the Bureau, she has been instrumental in the development of emerging markets of the Russia, China, Philippines, Korea, North America, Taiwan, and Hong Kong.

- President Denight shared that this will also serve as a membership mixer.

L. DESTINATION MANAGEMENT

Committee minutes dated July 11, 2017 **Exhibit F**

- Vice Chairman Mesa reported that a public hearing was held for a signage law for the entire island. The Destination Management Committee (DMC) submitted a proposal for the hotel zone only. He will continue to work with Senator Ada's office to facilitate its inclusion, if possible.
- As a reminder, he asked the team to report any areas along Tumon that are not well lit to a member of DMC. Director Kloppenburg reported a dark area across Matapang beach, near the new Tumon mall. Destination Specialist (Infrastructure and Maintenance) Doris Ada reported that the mall developers had the streetlight removed because they wanted to install their own lights at their entrance. Chairman Morinaga wants to request that they put their lights up as soon as possible. President Denight reported that the mall developers are also requesting for a traffic light at their entrance.
- Doris Ada also reported that brackets for lights have been installed from Kmart to DPW, but we are still lacking lighting at the corner near JFK.

M. GREATER CHINA

2017 INTERNATIONAL ISLANDS TOURISM CONFERENCE IN ZHOUSHAN, CHINA & IMG COLOR RUN SHANGHAI

Director Kloppenburg made a motion, seconded by Vice Chairman Mesa, to approve travel for (1) GVB Board Director and (1) GVB Marketing Staff to participate in the Zhoushan City International Islands Forum in Zhoushan City, China and the IMG Color Run in Shanghai, China from September 21-25, 2017. Estimated cost is $9,248.75. Account: CI-SMD023: $4,555.00 and Account: AS-ESP001: $4,693.75.
Motion approved

Airfare:	$1,500 x 2 pax					$3,000.00
Per Diem:	Shanghai	Lodging	Nights	M&IE	Days	
	GVB Board Director	$323.75	6	$178.75	7	$3,193.75
	Marketing Staff	$259.00	6	$143.00	7	$2,555.00
Misc. Expenses:	Business communication costs & excess baggage fees					$500.00
					Total	$9,248.75

Background: The 2017 International Island Tourism Conference is an important platform for strengthening the civil diplomacy and establishment of friendly relations with the island countries and coastal cities. It is an important platform to learn and share the advance experiences of island tourism while enhancing international exchanges.

Known as the happiest 5K on the planet the Shanghai Color Run is a unique paint race that celebrates healthiness, happiness and individuality. This IMG organized event attracts over 40,000 people and provides us with a unique opportunity to promote the United Guam Marathon in celebration of United Airlines 3rd Anniversary of flights from Shanghai. United Airlines and agents will be invited to participate with GVB at the color run and have an opportunity to sell packages to Guam. The Color Run continues to draw affluent international travelers to over 200 events held globally. While there a meeting with IMG will be conducted.

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

Announcements:

- Quarterly membership meeting: Tuesday, August 15, 2017 (Tentative)
- President Denight reported that Colleen Cabedo has been promoted to Marketing Officer II, and Gabryel Franquez has been promoted to Marketing Officer I.

Upcoming Board Meetings:

- Thursday, August 24, 2017 at 3:30pm, GVB Main Conference Room
- Thursday, September 14, 2017 at 3:30pm, GVB Main Conference Room

XI. ADJOURNMENT

Director Kloppenburg made a motion, seconded by Director Kloppenburg, to adjourn the meeting. Meeting adjourned at 5:06pm.
Motion unanimously approved

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

Board Minutes respectively submitted by Karida Brennan, Executive Secretary

Action Items:

1. VSS Committee to find solution for lighting issue along beaches
   - Lighted sidewalks
   - Lights provided by hotels, but not projected over water

   → Included in HOT Bond projects

2. Assignment of the Chairperson for the Administration and Government Relations Committee

3. Management to facilitate meeting with GVB, GIAA, and GEDA regarding the current situation in the Japan market

   → President Denight and Director of Global Marketing Laguana participate in a weekly call with GIAA and ASM World Route Development Consultants

   → Chairman Morinaga, President Denight, and Vice President Muna met with GIAA Chairman Ricardo Duenas and Executive Manager Charles Ada on August 2

FY 2016

	Appropriation	Received to Date		Balance	
Pass-Thru	$ 750,000.00	$ 712,500.00	95%	$ 37,500.00	5%

TOTAL RECEIVABLES FY 2016 **$ 37,500.00**

FY 2017

	Appropriation	Received to Date		Balance	
Operations	**$ 21,282,472.00**	**$ 19,509,000.15**	**92%**	**$ 1,773,471.85**	**8%**
Destination Development	**$ 1,085,000.00**	**$ 994,583.32**	**92%**	**$ 90,416.68**	**8%**
Rainy Day Fund	$ 200,000.00	$ 183,333.32	92%	$ 16,666.68	8%
Cultural & Sports Ambassador Fu	$ 200,000.00	$ 183,333.34	92%	$ 16,666.66	8%
Pass-Thru	$ 1,085,000.00	$ 1,021,249.88	94%	$ 63,750.12	6%
TOTAL	**$ 23,852,472.00**	**$ 21,891,500.01**		**$ 1,960,971.99**	

TOTAL RECEIVABLES FY 2017 **$ 1,960,971.99**

TOTAL RECEIVABLES **$ 1,998,471.99**

Accounts

RESTRICTED

Bank of Guam - Rainy Day Fund[1]	$ 2,269,112.59
Cultural & Sports Ambassador Fund[2]	$ 527,860.88
TOTAL RESTRICTED	**$ 2,796,973.47**

UNRESTRICTED

Bank of Guam - Operations	$ 14,745,511.11
First Hawaiian Bank - Membership	$ 116,722.89
Resona	$ 142,818.05
Bank of Guam - TAF	$ 787,149.36
Raymond James - CD value as of 07/31/2017[3]	$ 2,535,259.20
TOTAL UNRESTRICTED	**$ 18,327,460.61**

TOTAL CASH as of 08/21/2017 **$ 21,124,434.08**

Current Payables

Asatsu invoices MAY - JUN	$ 845,130.24
Japan Invoices	$ 52,451.83
Guam Invoices	$ 784,080.35
Pass-Thru	$ 32,500.00
Encumbered Contracts	$ 2,192,377.96
Encumbered Purchase Orders	$ 155,998.05
TOTAL as of 08/21/2017	**$ 4,062,538.43**

NOTES

NOTE 1

$2,269,112.59	Rainy Day Fund
($257,300.91)	Reimbursable Rainy Day Expenses - Japan
$2,011,811.68	

NOTE 2

$527,860.88	Cultural and Sports Ambassador Fund
($57,350.00)	Cultural and Sports Ambassador expenses - reimburse Operations
$470,510.88	

NOTE 3

$2,535,259.20	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
($548,802.84)	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
($10,295.00)	PAID - Hagatna maintenance and streetscape project for GMIF
($261,910.38)	BALANCE - Pale San Vitores Road Bus Shelter Project
($121,216.48)	BALANCE - Planning, Architectural and Engineering Services for Tumon Bay Improvement
0.00	

MINUTES OF THE GREATER CHINA MARKETING COMMITTEE MEETING
Mainland China | Taiwan | Hong Kong
Monday, August 14, 2017 | 11:00AM, GVB MAIN CONFERENCE ROOM

GCMC MEMBERS IN ATTENDANCE: Samuel Shinohara, Joann Camacho, Charlene Chen, Letitia Law-Byerly, Soohyun Lee, Sunardi Li, Echo Man, Jessica Chan, Sarah Zhang

GCMC PROXIES: Olga Tonkikh, Neil Urbano

GCMC OBSERVERS: Eilis Baldevia

GVB: Pilar Laguaña, Nadine Leon Guerrero, Elaine Pangelinan, Nakisha Garrido

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I. CALL TO ORDER

The meeting was called to order at 11:10AM.

II. APPROVAL OF MINUTES

Letitia Law-Byerly made a motion to approve the previous committee meeting held on July 14, 2017. The motion was seconded by Charlene Chen and was unanimously approved by the committee.

III. REPORT OF THE CHAIRMAN

Chairman Samuel Shinohara opened the floor to committee members to share any updates on business developments resulting from the recent threats from North Korea. He shared that United Airlines currently has no cancellations outside of their norm and that business has been status quo. They are continuing to monitor the situation closely.

Mr. Sunardi Li shared that he had spoken with Expedia management and reported that there has been booking cancellations mainly from the Japan market. On a positive note he has received numerous military bookings as a result of the recent military mobilization. Ms. Charlene Chen from the Pacific Islands Club reported that they have received many cancellations from the Korea market. She noted that her hotel does not waive cancelation fees as there has been no official notice from the Government regarding a state of emergency. Ms. Echo Man of the Hilton Guam Resort & Spa also affirmed this. Mr. Neil Urbano further added that they have also received cancellation requests mainly from Japan.

The committee members expressed appreciation for the letter released by the Guam Visitors Bureau and the Governor of Guam regarding the situation.

III. REPORT OF GVB MANAGEMENT

- ❖ Visitor Arrivals Update

Ms. Nadine Leon Guerrero reported the visitor arrival updates as of August 2, 2017. Taiwan market is showing a -8.5% in fiscal year to date arrivals while Hong Kong is still displaying triple digit increases at 106.0%. China continues to see a -10.2%, Ms. Leon Guerrero explained that this is the result of less charter flights received this year.

Visitor Arrival Update

GUAM

Arrival Report as of August 2, 2017						
	CYTD 2016 January – July	CYTD 2017 January – July	% from LY	FYTD 2016 October– July	FYTD 2017 October– July	% from LY
Taiwan	25,554	21,904	-14.3%	34,580	31,625	-8.5%
Hong Kong	4,707	11,453	143.3%	7,226	14,951	106.9%
China	17,225	14,694	-17.1%	22,370	20,081	-10.2%

IV. Greater China Marketing Updates

- Taiwan

GVB Taiwan office representative Ms. Joyce Wu presented the Taiwan market updates.

Taiwan Market Update

GUAM

3 Month Comparison

Month	Forecast Pax	Actual Seats
May	3,682	3,395
June	2,058	2,395 *accumulated up to 29 June
July	1,976	2,443

Taiwan Market Update

3 Month Forecast

Month	Forecast Pax	Last Year	%Change	Seat Forecast '17	Seat Data '16	% Change Seats
August	2,093	3,464	-39.6%	2,790	5,678	-50.9%
September	1,953	3,490	-44%	2,790	5,271	-47.1%
October	2,093	3,499	-40.2%	2,790	5,678	-50.9%

Flights

August
Taipei
- China Airlines : 4 per week = 2,790
(B737-800,738)

Total 2,790

September
Taipei
- China Airlines : 4 per week = 2,790
(B737-800,738)

Total 2,790

October
Taipei
- China Airlines : 4 per week = 2,790
(B737-800,738)
*there is a charter for Double Tenth Holiday

Total 2,790

Taiwan Market Update

Taichung International Travel Fair

- Taichung International Travel Fair will be held from 8/11-8/14
- Biggest travel fair in Taichung, held annually
- Guam obtained a complimentary booth to promote Guam
- 2 travel agencies, Star Travel & Sunny World, will be present to promote Guam packages



Discussion: Vice-Chairwoman Joann Camacho inquired if the two travel agencies, Star Travel & Sunny World would be providing their post sales report from this event. GVB Taiwan office said the sales report would be ready at the conclusion of the fair.

Taiwan Market Update

GUAM

Fantast Tours' Double Tenth Holiday Charter

- Fantast Tours applied for a charter flight (total of 155 pax) with CI for the Double Tenth Holiday. The flight will arrive on Guam on October 7th. and will depart to Taiwan on October 11th.
- GVB will sponsor a welcome greeting service at the airport, provide a gift bag for each passenger, and host a Hafa Adai Welcome Dinner on October 7th.
- Hope this will be a successful case and attract more travel agents to apply for charter flights in the future

芬達旅遊 FANTAST TOUR

Discussion: GVB Taiwan office reports that this charter flight is now facing cancellation. Currently only half of the seats have been sold and the situation from North Korea is resulting in cancellations to include a 30 pax group. There is only one agent selling this flight and the agent faces financial burden if this flight is not successful. Chairman Shinohara inquired if there was anything we could do to incentivize the charter flight to continue to which GVB Taiwan office responded that they were working hard to keep the charter flight active and will continue to update GVB.

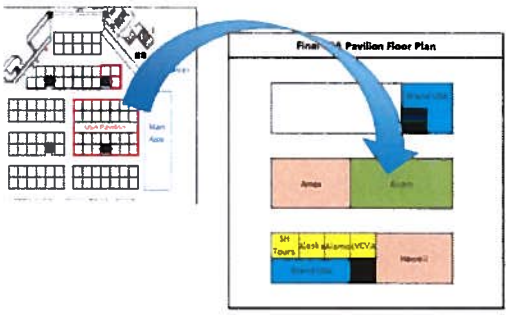
Taiwan Market Update

GUAM

ITF Preparation

The 2017 Taipei International Travel Fair will be held at Taipei World Trade Center from October 26th to 30th. Guam will have 8 booths in the USA Pavilion.

- Market strategy development
- Booth design draft
- Itinerary arrangement
- AD/PR/SM/Incentive promotions



❖ Hong Kong

GVB Hong Kong office representative Mr. Stephen Petith presented the Hong Kong market updates.

Hong Kong Market Update

GUAM

3 Month Visitor Comparison

2017	Forecast			Actuals		
Month	Forecast Pax	Last Year	%Change	Actual Pax	Last Year	% Change
May	1355	616	+120%	1679	616	+173%
Jun	1117	604	+85%	1,239	604	+105%
Jul	770	734	+5%	822	734	+12%

Hong Kong Market Update

GUAM

3 Month Visitor Forecast

Month	Forecast Pax	Last Year	%Change	Seat Forecast '17	Seat Data '16	% Change Seats
Aug	727	633	+15%	2822	2822	0%
Sep	690	538	+22%	2822	2822	0%
Oct	716	651	+10%	2822	2822	0%

Air Capacity HKG - GUM		
May	June	July
Airline United	Airline United	Airline United
Aircraft Boeing 737-800	Aircraft Boeing 737-800	Aircraft Boeing 737-800
Seats 2822 (4 flights per week)	Seats 2822 (4 flights per week)	Seats 2822 (4 flights per week)

Discussion: The committee inquired if the Hong Kong market was seeing adverse affects as a result of the North Korea incident. Mr. Petith responded that the general sentiment is business as usual. Travel agents and United Airlines' Hong Kong office are not reporting any cancellations but all partners are monitoring the situation closely.

EXHIBIT

JAPAN MARKETING COMMITTEE MEETING – TUESDAY, AUGUST 8, 2017

JMC MEMBERS PRESENT: Milton Morinaga, Tak Takano, Toshio Akigami Bill Nault, Satoru Murata, Mike Lee, Kiyoshi Kawano, Monte Mesa, George Johnson, Bunichi Yamashita,

OFF-ISLAND: Akiko Futakami

OBSERVERS/GUESTS PRESENT:
Kenji Sekine, Yoshihisa Otani, Kazu Atsuta, Mari Oshima, Eilis Baldevia, Mark Anderson, Ayisha McKinnon, Koji Nagano, Masayo Ibay, Yoshiaki Kanemitsu, Shizuyo Okabe, Katsuhiko Yoshida, Yusuke Imazu, Dave Duenas, Kimi Passeur, Akihiro Tani, Sachiyo Tanimoto

ABSENT: Mitsunori Takahashi, Suzanne Perez, Chie Takase, Miwa Bravo, Simon Odoca, Terry Debold, Kazunori Hotta, Bonnie Lee, Mai Perez, Kyoichi Aoki

GVB: Nathan Denight, Brian Borja, June Sugawara

ADK: Koichi Hoshino, Yumi Yabe

SKYPE: Satomi Yamamoto

CALL TO ORDER

The meeting was called to order at 1:35 PM.

APPROVAL OF MINUTES

Motion made by Mr. Murata and seconded by Mr. Nault to approve the minutes of July 11, 2017. Minutes approved.

REPORT OF CHAIRMAN

Chairman Morinaga reported his recent trip to Sister City - Kashiwa Festival with a delegation headed by Lt. Governor, Mayor Hofmann and Ms. Guam. We participated at the parade and for next year, we would like to have our booth for serving Guam food. A courtesy call to the Mayor of Kashiwa and Chamber of Commerce Chairman took place. The Kashiwa International Relations Association (KIRA) every year brings students to Guam every year for student exchange program. As the numbers of students participations has been decreasing, they are looking into promoting the senior market since they have the time and money. Guam is senior friendly and most of the places have specials for seniors in place.

REPORT OF MANAGEMENT & DIRECTOR OF JAPAN MARKET

Mr. Denight and Ms. Yamamoto reported on the following:

- Three Month Forecast
- Charter Flight Update
- Group Market
- Air Service Development
- Kanto Sales
- Hokkaido
- Tohoku
- Chubu/Hokuriku/Koshinetsu
- Osaka
- Kyushu
- Homepage & SNS 1
- Japan Market Update
- Japan Market Update – Research from AB-Road

REPORT OF ADK

Report by Mr. Hoshino of ADK:

FY2017 Current Activities

- Marketing Calendar

PR Activities for July

- Dosanko Wide 179 – Sapporo TV
- Sando no Bonyari-nu – Tohoku Hoso

AD

- 50th Anniversary FB Ad
- GCDA FB Ad

-Upcoming Activities

PR Upcoming for August

- Kyokan News
- Zexy Magazine
- Running Style Magazaine

PR Upcoming for September

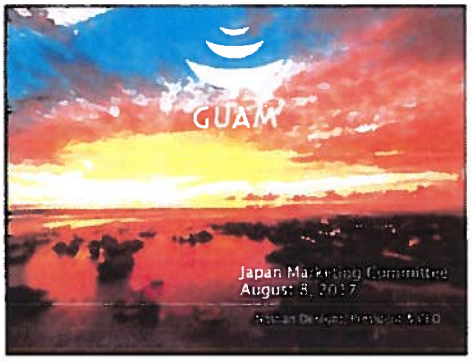
- Style Plus – Tokai TV

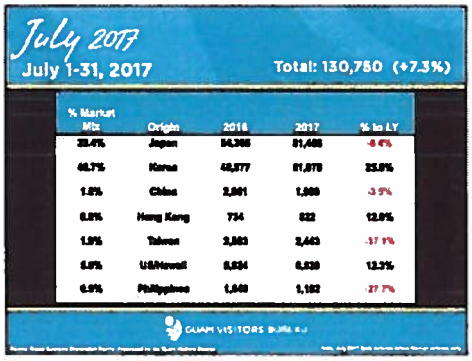
PR Upcoming for November

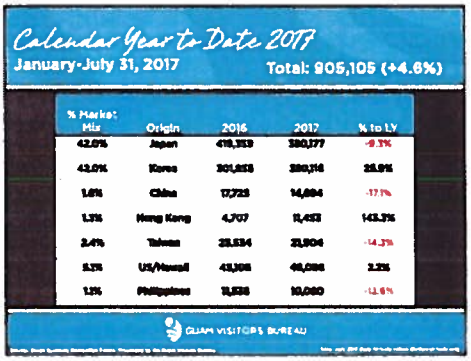
- Pittanko Kankan – TBS JNN Network

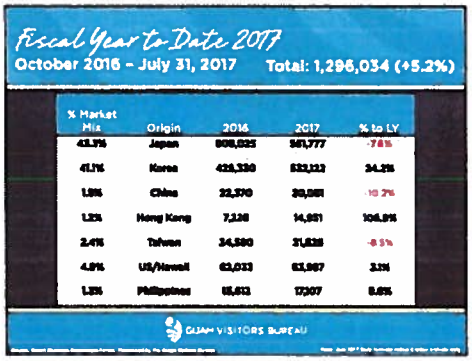
Report of Changes in Current Japanese Attitudes & Behavior regarding Beach / Ocean
Competitive Ad Expenditure (NTO, TA and Airlines)
Japan & the Sea Survey Results
Competitive TV Commercials

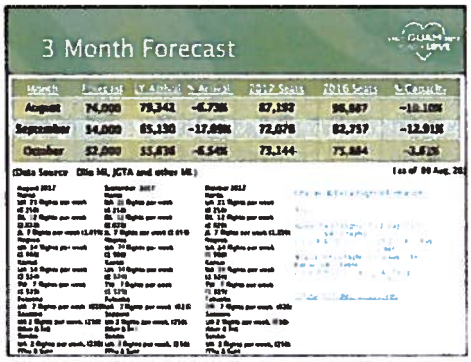
8/16/17

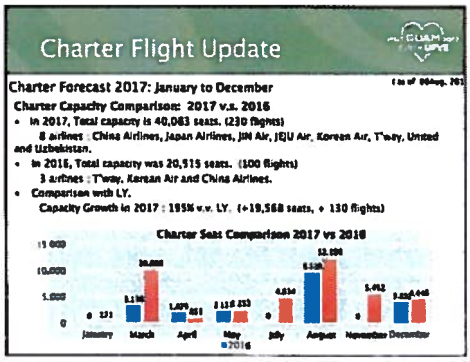

GUAM
Japan Marketing Committee
August 8, 2017


July 2017
July 1-31, 2017
Total: 130,750 (+7.3%)
% Market Mix
Origin
2016
2017
% to LY
Japan
Korea
China
Hong Kong
Taiwan
US/Hawaii
Philippines
GUAM VISITORS BUREAU


Calendar Year to Date 2017
January-July 31, 2017
Total: 905,105 (+4.6%)
% Market Mix
Origin
2016
2017
% to LY
Japan
Korea
China
Hong Kong
Taiwan
US/Hawaii
Philippines
GUAM VISITORS BUREAU


Fiscal Year to Date 2017
October 2016 - July 31, 2017
Total: 1,296,034 (+5.2%)
% Market Mix
Origin
2016
2017
% to LY
Japan
Korea
China
Hong Kong
Taiwan
US/Hawaii
Philippines
GUAM VISITORS BUREAU


3 Month Forecast
August
September
October
(Data Source: Dlio MI, JCTA and other MI)


Charter Flight Update
Charter Forecast 2017: January to December
Charter Capacity Comparison: 2017 v.s. 2016
In 2017, Total capacity is 40,083 seats. (230 flights)
8 airlines : China Airlines, Japan Airlines, JIN Air, JEJU Air, Korean Air, T'way, United and Uzbekistan.
In 2016, Total capacity was 20,515 seats. (100 flights)
3 airlines : T'way, Korean Air and China Airlines.
Comparison with LY.
Capacity Growth in 2017 : 195% v.s. LY. (+19,568 seats, + 130 flights)
Charter Seat Comparison 2017 vs 2016
January
March
April
May
July
August
November
December
2016
2017

Charter Flight Update

Guam Summer Charter : Sales update in August

Narita (NRT)	Aug	T'way	Guam	01Aug – 27Aug 17 (daily)	5076	JTB
Nagoya (NGO)	Aug	Uzbekistan	Guam	01Aug – 26Aug 17 (daily)	1924	HIS
Nagoya (NGO)	Aug	Uzbekistan	Guam	01Aug – 26Aug 17 (daily)	1924	JTB
Narita (NRT)	Aug	United	Guam	01Aug – 26Aug 17 (12 times)	1848	-
Kansai (KIX)	Aug	United	Guam	02Aug – 20Aug 17 (11 times)	1394	-

Forecast :

- T'way 98% uplift against 5,076 capacity.
- Uzbekistan 92% against 3,848 capacity.
- United (NRT) : 88% against 1,848 capacity.
- United (KIX) 85% against 1,394 capacity.

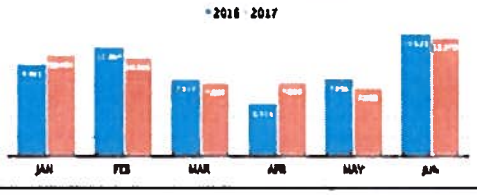
Group Market

Group forecast :

Group Volume for Jan – Jun.17 period

- Total 5,5000 group customer (17% share of total arrival)
- Comparison with LY : 101.4%
- Group pax number : 93,000 (Oct.16–Jun.17)

Group Arrival : 2017 v.s. 2016



Air Service Development

NGO–GUM Launch : HK Express

- The company has announced on August 2nd that HK Express will operate 3 times a week from Nagoya Chubu – Guam on October 31st this year. This route will be the carrier's first service not originating to/from Hong Kong.
- Flight schedule : UO056 NGO GUM 1300 1750
  UO057 GUM1 NGO 1910 2210
- Frequency : 3 times a week (Tue, Thu, Sat)
- Capacity : 180 seats
- Memorial Campaign :
  Sales period : August 1st – 31st .
  Travel period : October 29th – March 24th
  Price : ¥ 3,980 for OW.
- Capacity growth : 28,080 (12 months)



Kanto Sales

- Summer Resale Activity – update

HIS : Target : 107% v.v. LY (Jul to Sep period)
KNT : Target : 115% v.v. LY (Jul to Sep period)
JTB : Target : 136% v.v. LY (Jul to Sep period)



Major Wholesalers ■2016



Kanto Sales

- School Trip
  - Takagi Gakuen visited as school outing to Guam since 2013.
  - 190 students has participated in UOG English study program and Senator Mary Torres made a presentations this year.
  - Next Year, the school has decided to travel to Guam

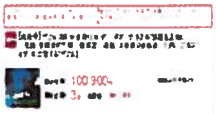




Kanto Sales

- GUAM KO'KO' Half Marathon
- JTB, HIS, NTA and TOBU Top create the exclusive tours.
- Two major booking sites for runners– JTB Sports station and RUNNET are opened for KOKO Marathon.
- 61 Japanese runners have registered so far.





Hokkaido

- 3 UA flights on Aug.21, 25, 28 were cancelled due to lower demand in Hokkaido.
- JTB selling products to GUAM with JPY 49,800 which sold well in September.
- Right after the most popular local TV program "Dosanko Wide" featuring Guam and 15secods live ad on HIS was on air, 57 bookings was made.
- Products to Hawaii and Thailand were sold well

Hokkaido

- Seminars conducted by JATA
  - Kushiro on Aug. 22
  - Obihiro on Aug. 23
  - Sapporo on Aug. 24
- Travel Fair in Hokkaido
  Aug. 25, 26, 27



Tohoku

- July and August are the same business volume as last year. Very slow in September.
- Conducted seminars in 5 prefectures in Tohoku in July. Akita, Aomori, Sendai, Morioka, Fukushima
- The products introduced in the popular local TV program "Bonyalinu" were booked gradually.
- A public high school from Iwate prefecture chosen Guam for their school trip in the fist time ever.

Chubu/Hokuriku/Koshinetsu

- Aug is the same level as last year due to Uzbekistan airlines charter program. 92% of seats was sold, however, the revenue from this charter programs were much lower than those in the past.
- September is slow booking pace.
- Hong Kong Express will launch new service from Nagoya – Guam on Oct. 31.
- UA Guam seminar was held in Niigata on July 7th and in Nagoya on 12th.

Chubu/Hokuriku/Koshinetsu

- UA Guam seminar was held in Niigata on July 7th and in Nagoya on 12th.
- Planning to organize seminars in Hokuriku and sales calls in Shizuoka, Yamanashi, Nagano

Osaka

- Scoot announced that new service from KIX to Honolulu will be launche by June 2018.



- Kansai Airport Consortium was selected as a management of Kobe Airport.
- The number of school outings to Guam in Kansai market is finally the same level as those in last year due to Tway's rescuer flights.
- How to support for UA's new morning flight schedule from Oct. 31 is under discussions with major wholesalers.

Kyushu

- The products with Jin Air charter programs are on sale by JTB, HIS and Nishitetsu in the Market. Sold well by only JTB so far.
- JTB world vacation Kyushu liked local TV program "Momochihana Station" featuring GUAM in June so that JTB World vacations Kyushu is planning to do the same program dedicated to JTB World with GVB's co-op program.

Homepage & SNS 1

GVB Website JULY 2017
Unique User Total 65,994 (62,447)
Page View Total 182,159 (172,191)

TOP5 pages
1 Immigration To Guam
2 Q&A
3 Weekly Guam
4 Currency
5 Basic of Guam

GVB SNS Fans
Facebook Total 15,691 (929up)
Twitter Total 3,744 (320up)
[illegible] posts (98up)

NEW page
KOKO HALF MARATHON
YEAR OF LOVE CAMPAIGN

1 Plumeria
771 likes
19,905 reach

2 Sunset
831 likes
16,930 reaches

3 Vietnamese Restaurant
448 likes
16,408 reaches

Japan Market Update

The most Popular overseas destination in 2017 summer

	HIS	JATA	AB road
1.	Hawaii	Hawaii	Hawaii
2.	Seoul	Taiwan	Taiwan
3.	Guam	Guam	Bali
4.	Taipei	Singapore	Cebu
5.	Bangkok	Vietnam	Rome

Japan Market Update
Research from AB-ROAD

- The Ratio of Japanese overseas LEISURE travelers in 2016 : 13% of total overseas travels (the same ratio from those in 2014)
- Motivation for overseas travel : taking a longer vacation, appreciation of the yen and friends' stories are more than the last year. In reverse, the ratio of invitation from family declined from last year.
- Travel purposes : walking a town and escaping from daily life than the last year and fewer answers of shopping, visiting tourist and historic spots, spa or massage and cultural experiences than the last year.
- Keywords for the outbound travel : 'smart traveler,' 'new world' and 'diversity.' Today the market is boosted by romantic travels by senior travelers. It will, however, be led by consumption travels by the bubble generation five year later and diversity travelers by the millennium generation ten years later.

Japan Market Update
Research from AB-ROAD

■ Destinations whish to travel to overseas

Those who have never been to overseas	Those who traveled to overseas in 2016	Those who intend to overseas in 2017
1. Hawaii (Oahu)	1. Italy	1. Hawaii (Oahu)
2. Italy	2. France	2. Taiwan
3. Australia	3. Spain	3. Korea
4. France	4. Hawaii (Oahu)	4. Western Europe
5. England	5. Australia	5. Hawaii (other islands)
6. U.S. East Cost	6. UK	6. Australia
7. Guam	7. U.S. East Cost	7. Italy
8. Germany	8. Germany	8. France
9. Western Europe	9. Western Europe	9. Spain
10.U.S. West Coast	10. Northern Europe	10.UK and U.S. west cost

Japan Market Update
Research from AB-ROAD

■ Guam's ranking in popular destinations by segments

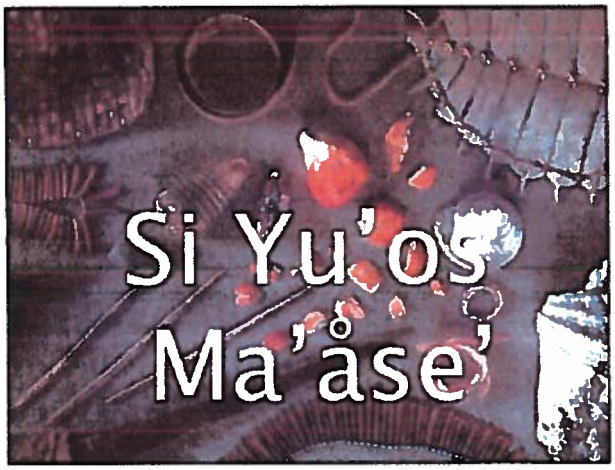
- Family Segment with small children : No. 4
- Family with parents : Not in top 10
- Married Couple : No.8
- No-Married Couple : No.4
- With Friends : No.5
- Alone : Not in top 10

Japan Market Update
JTB report on Japanese Overseas travelers

- Share of FIT for the total of tourism-purpose travelers is 51.3% (45.3% of package tour travelers and 2.3% of group travelers.)
- Share of FIT for Overall, including honeymoon, visiting friend or family, business trip, training or inspection, MICE and school trip or overseas study, a share of FIT was 58.5%. (36.6% for package tours and 3.2% for group tours.)
- purpose, only honeymoon travelers preferred package tours (74%) to FIT (24%).
- For overseas travel experiences of two to three times, a share of package tours (48.7%) was higher than a share of FIT (40.1%). For frequent overseas travelers with ten times or more, a share of FIT was 60% or higher.

Japan Market Update
JTB report on Japanese Overseas travelers

- The top travel purpose was gourmet sampling (a share of 63.2%), exceeding natural and scenic attractions, which was the top for a long time. The second was shopping (a share of 61.7%). It is analyzed that it resulted from an increase in casual overseas travels by 20's females for short-range destinations like Korea or Taiwan.



GUAM

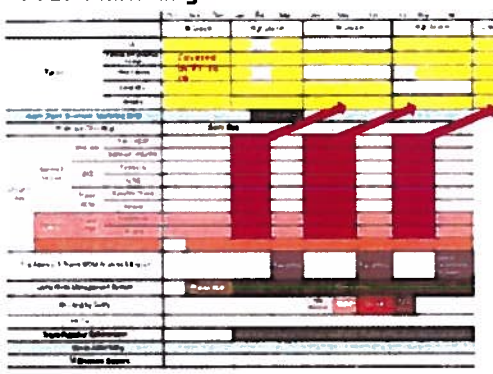
JMC Meeting – August
FY 17 Plan for Japan Market

ADK

August 8, 2017
ASATSU-DK INC.

FY17 Marketing Calendar

GUAM



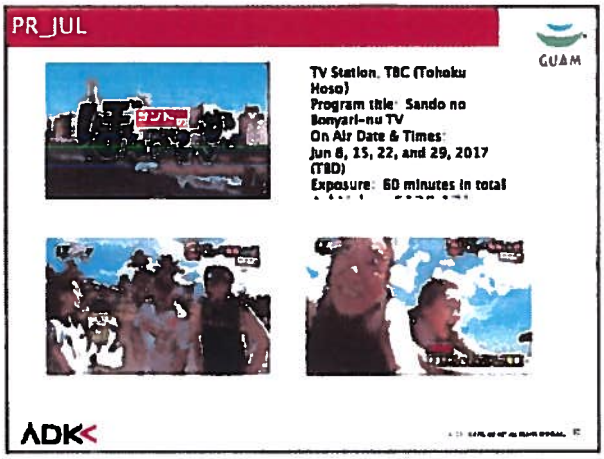
ADK

GUAM

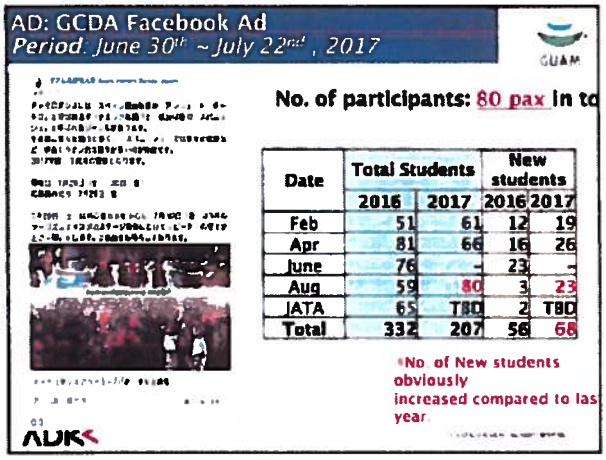
Current Activities

ADK


PR : Past _ JUL
GUAM
●TV
n STV Sapporo TV)
title: Dosanko Wide 179
ate & Times: Jul. 14, 2017
1 time / 15 min + 30 sec.
le: $34,554
LOVE
ADK


PR_JUL
GUAM
TV Station, TBC (Tohoku Hoso)
Program title: Sando no Bonyari-nu TV
On Air Date & Times:
Jun 8, 15, 22, and 29, 2017 (TBD)
Exposure: 60 minutes in total
ADK


AD: 50th Anniversary Facebook Ad
- Post your own activities you want to do on
GUAM
●1st campaign period (Apr. 1 – Jun. 30)
●Campaign prize
✓ 3-nights, 4 days Guam vacations 13 couples / 26 Pax
✓ Spike coffee 25 Pax
●Over 5,000 applications for each category (as of June 30)
ADK


AD: GCDA Facebook Ad
Period: June 30th ~ July 22nd , 2017
GUAM
No. of participants: 80 pax in to
Date
Total Students
New students
2016
2017
2016
2017
Feb 51 61 12 19
Apr 81 66 16 26
June 76 - 23 -
Aug 59 80 3 23
JATA 65 TBD 2 TBD
Total 332 207 56 68
*No. of New students obviously increased compared to last year
ADK


AD: 50th Anniversary Facebook Ad
GUAM
● 9 new creatives below have been added from June
● No. of SNS followers as of Aug 1st
- Facebook : 19,935, Instagram : 6,556


GUAM
Upcoming Activities
ADK

PR : Upcoming _ AUG

GUAM

●TV





TV Station RKB (Fukuo
Program Title Kyokan News
On-air Time: Weekday, 6:15 pm-
Exposure Time: 5-8 minutes x 2 tim
Ad Value: $145,201

ADK

PR : Upcoming _ AUG

GUAM

●MG



ZEXY
Issue date: Aug
Exposure 4C4P
Ad Value: $26,65



RUNNING Style
Issue date: Aug.
Exposure: 4C2P
Ad Value: $27,171

● AD Value: TV(0) & MG(2): $53,864

ADK

PR : Upcoming _ SEP

GUAM

●TV



TV Station TOKAI TV (Aichi, Gifu, Mie)
Program title STYLE PLUS
Category Information Variety Program
On Air Date. September 2017 (TBD) total of 20 minutes VTR + Studio
AD VALUE $ 230,366.49

ADK

PR : Upcoming _ NOV (FY18)

GUAM

●TV







Program title: Pittanko Kankan
TV station: TBS+JNN network (27 local TV stations)
Category: TBS Variety Program
Audience rate: Approx. 13.6%
On air Time: Friday 19:56 p.m. - 20:54 p.m.
Exposure: Nov. (TBC)
Duration Approx. about TTL/30mi
AD VALUE $9,183,246.07

ADK

GUAM

Report of Changes in Current Japanese Attitudes and Behavior regarding Beach/Ocean

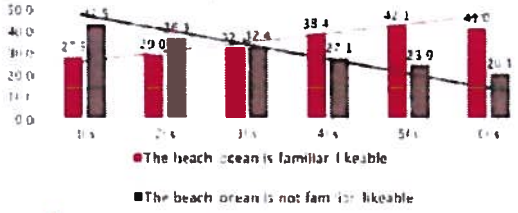
ADK

The Beach/Ocean is Familiar/Likeable

GUAM

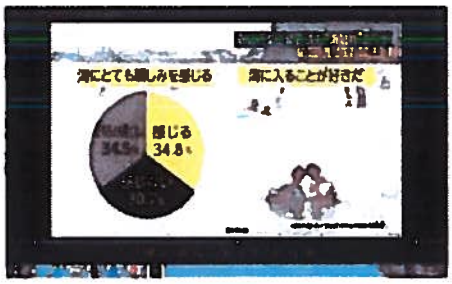
- 40% of teens (one in 2.5) do not feel that the beach/ocean is familiar/likeable.
  - "The beach/ocean is not familiar/likeable" responses increase among younger respondents: 42.5% of teens
  - 42.5% of teens, 36.3% of 20s, younger segments do not feel affinity for the beach/ocean.

The beach/ocean is familiar/likeable



ADK

Young People Increasingly Distancing Themselves from the Seaside – CX Your Time July 17, 2017



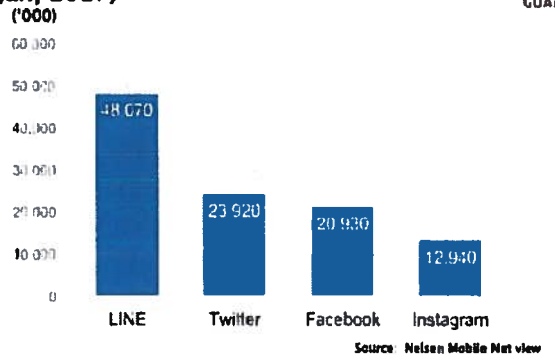
Whitening Boom Affects Attitudes regarding Beach/Ocean



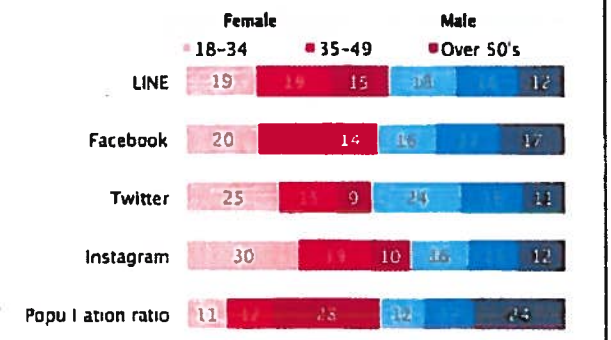
Night Pool & Instagram – Ex Super J Chanel July 19, 2017



No. of SNS or Communication App Users (Jan, 2017)

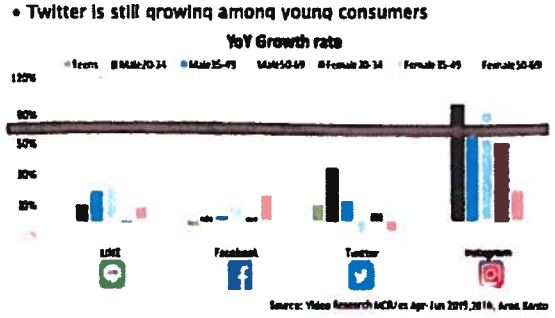


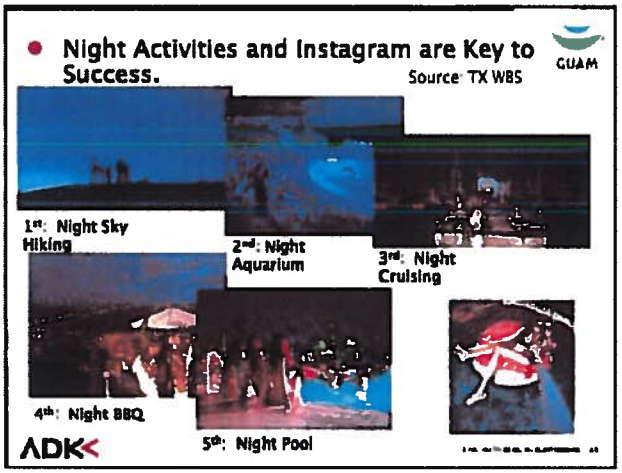
Demographic Comparison of SNS / Communication App Users (Jan. 2017)

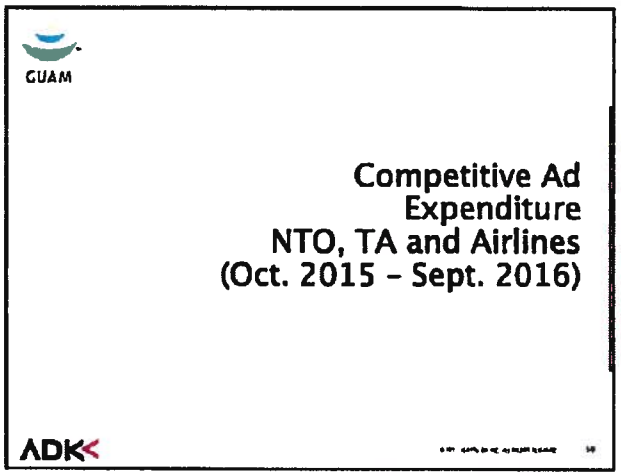


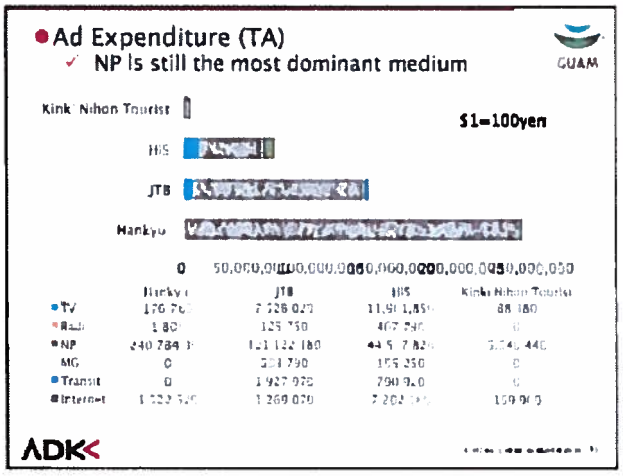
Growth of Major Social Media in Japan

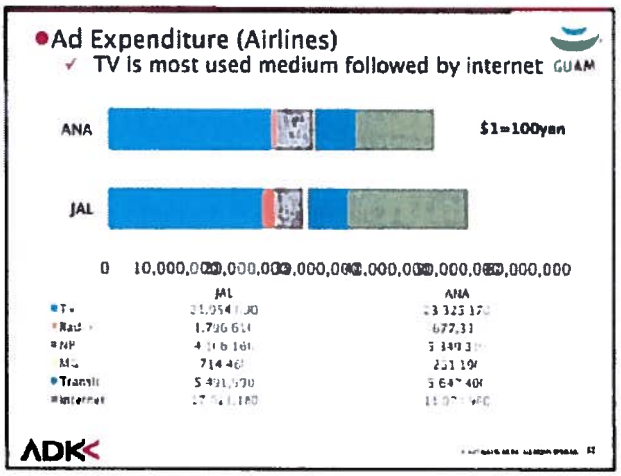
- Instagram increased user greatly and among some age ranges users doubled
- Twitter is still growing among young consumers

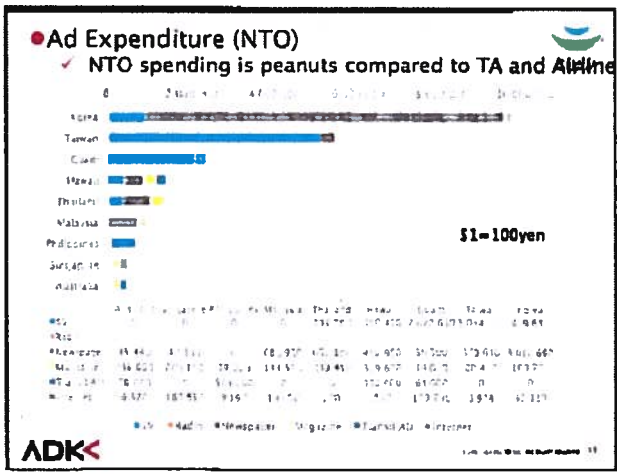


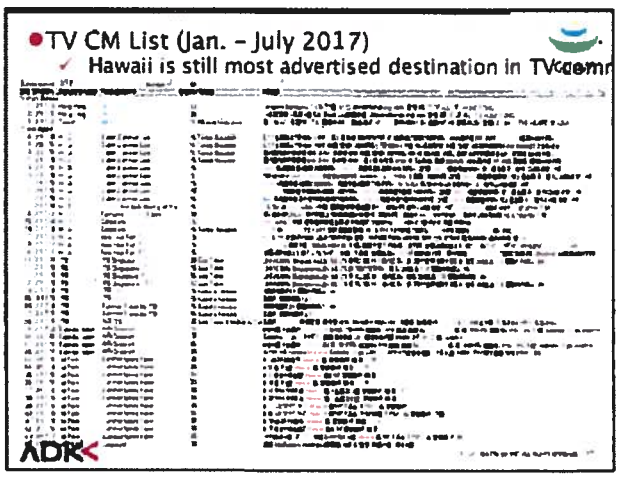

Night Activities and Instagram are Key to Success.
Source: TX WBS
GUAM
1st: Night Sky Hiking
2nd: Night Aquarium
3rd: Night Cruising
4th: Night BBQ
5th: Night Pool
ADK


GUAM
Competitive Ad Expenditure
NTO, TA and Airlines
(Oct. 2015 – Sept. 2016)
ADK


Ad Expenditure (TA)
NP is still the most dominant medium
GUAM
$1=100yen
Kinki Nihon Tourist
HIS
JTB
Hankyu
TV
Radio
NP
MG
Transit
Internet
ADK


Ad Expenditure (Airlines)
TV is most used medium followed by internet
GUAM
$1=100yen
ANA
JAL
ADK


Ad Expenditure (NTO)
NTO spending is peanuts compared to TA and Airline
$1=100yen
ADK


TV CM List (Jan. – July 2017)
Hawaii is still most advertised destination in TV comm
ADK

GUAM

Appendix

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GUAM

Japan & the Sea Survey Results
The Nippon Foundation

ADK

"Japan & the Sea" Opinion Survey 2017: Survey Overview

GUAM

Survey Objective:	Clarify current Japanese attitudes and behavior regarding beach/ocean
Respondents:	Males & females, 15 to 69, nationwide *Residing in current area for three years or more; temporary postings excepted
Valid Responses:	11,600
	10s (15–19) 2,200
	20s–60s 9,400 (1,200 from each prefecture/ metropolis)
Survey Period:	April 28 – May 19, 2017
Survey Method:	Online survey

ADK

I Like the Beach/Ocean

GUAM

- 50% of respondents (one in two) claimed to "like the beach/ocean"
- However, among those in their 10s – 30s, approx. one in five have a negative impression of the beach/ ocean. This makes it difficult to believe that one in two really do "like the beach/ocean."

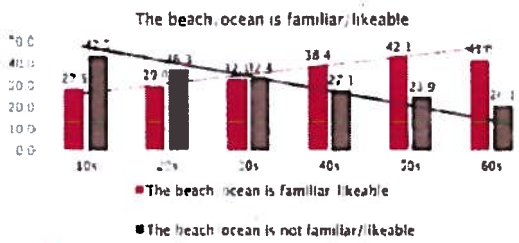


ADK

The Beach/Ocean is Familiar/Likeable

GUAM

- 40% of teens (one in 2.5) do not feel that the beach/ ocean is familiar/likeable.
  - "The beach/ocean is not familiar/likeable" responses increase among younger respondents: 42.5% of teens
  - 42.5% of teens; 36.3% of 20s; younger segments do not feel affinity for the beach/ocean.

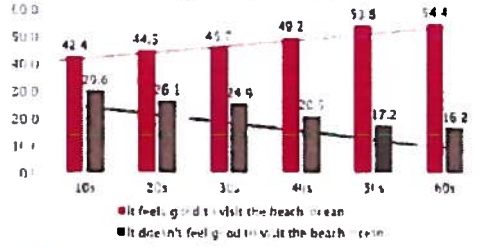


ADK

It Feels Good to Visit the Beach/Ocean

GUAM

- 30% of teens do not necessarily feel good when visiting the beach/ocean
  - "It doesn't feel good" responses increase among younger respondents: 29.6% of teens, approx. twice the ratio of 50s & 60s segments



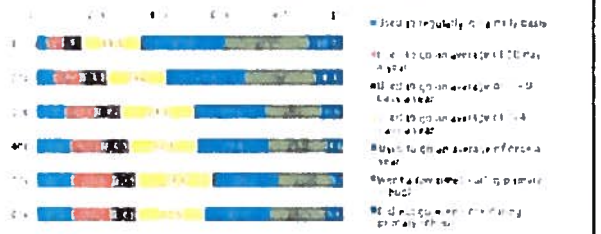
ADK

Beach/Ocean Experiences as a Child (primary school student)

GUAM

- The number of days spent at the beach/ocean during primary school is few among those in their teens and 20s
  - In response to the query "how often did you visit the beach/ocean when you were a kid (in primary school)" the ratio who visited "on a regular/daily basis" or "more than twice a year" declined among younger respondents. Approx. 60% of those in their teens and 20s visited "less than once a year."

Q. Please tell us about your beach/ocean experiences as a child (primary school student). How often did you visit the beach/ocean?



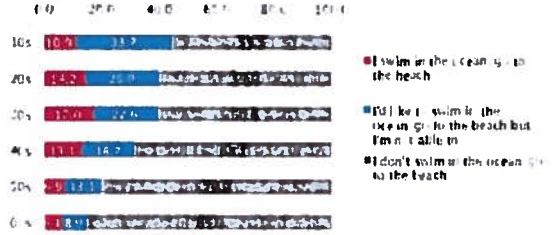
ADK

Relevance (experience) of Beach/Ocean: Swimming in the Ocean/Going to the Beach

GUAM

- At present, the highest ratio of those who swim in the ocean/go to the beach are in their 30s (17.0%); among teens, the ratio is 10.9%

Q. Select the phrase that applies to swimming in the ocean/going to the beach currently.



ADK

GUAM

Competitive TV Commercials Jan. - July 2017

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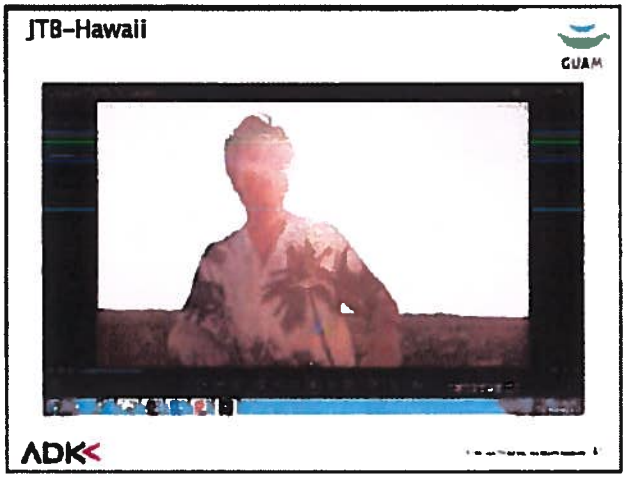
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JTB- Singapore

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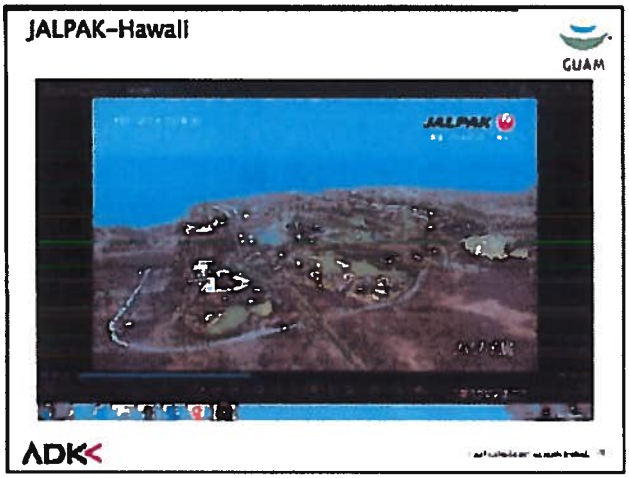


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OLD BUSINESS

Mr. Murata reported that there's a new sub-committee putting together a rough budget for a proposal that will be presented when finalized. The sub-committee members consists of Mr. Takano and Mr. Akigami plus five other members.

Mr. Mesa made a comment regarding a letter from UA if this was distributed to the JMC members. He stressed that Japan market is in dire need for help in the arrival numbers. He would like to see if any strategic plan is in place? Also, we need to push the initiative for pre-clearance out of Narita from Congress Woman's Office. From Mr. Mesa's point-of-view, the security pre-clearance at Narita needs more political push. Lastly, Mr. Mesa asked why the special United airfare to attend this year's JATA Tourism Expo was not shared with members.

Chairman Morinaga stated that a response for UA's letter will be discussed at the board meeting. A follow-up with the Congress Woman's office will be made regarding the Narita pre-clearance. An inquiry will be made as to why the United special airfare for JATA Tourism Expo has not yet been shared with members.

NEW BUSINESS

Chairman Morinaga mentioned that he received information regarding 21 flights cancellation of Delta from October to September 2017. (PM-AM flight)

ANNOUNCEMENTS

Next JMC meeting is scheduled on September 12, 2017.

ADJOURNMENT

Moved by Mr. Murata seconded by Mr. Nault to adjourn the meeting at 3:30 p.m. Motion approved.

Minutes prepared by: _____
June Sugawara, Marketing Officer II

Approved by: _____
Brian Borja, Marketing Officer II