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BENJAMIN CRUZ <speaker@senatorbjcruz.com>

MC Fwd: GVB Board Packet: April 26, 2018

1 message

BENJAMIN CRUZ <speaker@senatorbjcruz.com>
To: 34th Guam Legislature Clerks <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>

Fri, Apr 27, 2018 at 8:50 AM

04/27/18	04/27/18	Guam Vistors Bureau	GVB board packet of April 12, 2018.	34-18-1807

GL# 34-18-1807
Speaker Benjamin J.F. Cruz

APR 2 7 2018
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From: **Maura Yi** <maura.yi@visitguam.org>
Date: Thu, Apr 26, 2018 at 9:52 AM
Subject: GVB Board Packet: April 26, 2018
To: BENJAMIN CRUZ <speaker@senatorbjcruz.com>

Håfa Adai Speaker Cruz,

Pursuant to Title 5 Ch 8 Section 8113.1. of the Guam Code Annotated, attached is the board packet of April 12, 2018.

Thank you!

--
Senseramente,
Maura Yi
Executive Secretary

GUAM VISITORS BUREAU
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Go GREEN - keep it on the SCREEN!
Think before you print...

2018 APR 27 PM 2:01

--
OFFICE OF SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication

I Minatrentai Kuatro na Liheslaturan Guahan

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910

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5 attachments

- **Agenda_Apr262018.pdf** 90K
- **Exhibit_A_MINUTES_Apr122018.pdf** 1843K
- **Exhibit_B_CashPostition_Apr232018.pdf** 43K
- **Exhibit_C_KMCMinutes_Apr102018.pdf** 1202K
- **Exhibit_D_JMCMinutes_Apr102018.pdf** 1194K

1807

REGULAR BOARD OF DIRECTORS MEETING
Thursday, April 26, 2018 – 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 April 12, 2018.

III. CHAIRMAN'S REPORT

IV. PRESIDENT & CEO'S REPORT

V. TREASURER'S REPORT Exhibit B

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

MICRONESIA ISLAND FORUM

Motion to ratify travel for the GVB Director of Global Marketing and one (1) Marketing Manager to attend the Micronesia Island Forum (MIF) in Saipan from April 25-27, 2018. The forum will take place simultaneously with the PATA Micronesia Chapter 1st Tri-Annual Membership Meeting from April 24-26, 2018. Guam Visitors Bureau Board of Directors approved the motion for travel to participate in the PATA Micronesia Chapter meeting and therefore, no further expenses required for approval.

Background: The Guam Visitors Bureau (GVB) will be participating in the PATA Micronesia Chapter 1st Tri-Annual Membership Meeting from April 24-25, 2018. GVB Board of Directors has approved the motion for GVB's participation in the tri-annual meetings for 2018 and because the Chapter meetings are taking place around the same time as the Micronesia Island Forum (MIF), there are no additional costs for travel expenses.

The PATA Micronesia Chapter will be participating in the MIF meetings, and more importantly, through the host island, will be presenting on the regional marketing and promotional efforts during the Regional Tourism Council committee meeting on April 26, 2018.

The Micronesia Island Forum brings together the six Governors and three Presidents of Micronesia, as well as policy representatives from the CNMI, Guam, Republic of Palau, Republic of the Marshall Islands and the Federated States of Micronesia, to discuss regional cooperation on a variety of issues that concern the region.

The three-day event will feature presentations from all nine island jurisdictions and several key federal and regional partners. Topics discussed include the state of the region's health care,

telecommunications, renewable energy, regional workforce development, transportation and more.

Issue: Board approval needed.

B. ADMINISTRATION & GOV'T RELATIONS

C. RESEARCH

D. GREATER CHINA

E. RUSSIA & NEW MARKETS

F. KOREA

Committee minutes dated April 10, 2018 Exhibit C

G. JAPAN

Committee minutes dated April 10, 2018 Exhibit D

H. NORTH AMERICA & PACIFIC MARKETS

PATA ANNUAL SUMMIT

Motion to replace the Director of Global Marketing for a GVB Marketing Staff to attend the PATA Annual Summit in Gangneung, Korea from May 17-20, 2018.

Background: The Guam Visitors Bureau Board of Directors had previously approved the PATA Annual Summit motion at the beginning of the fiscal year. The motion is to reflect the change in traveler and does not affect the overall cost of travel.

GVB is an active member of PATA and a former host of the PAS 2016. GVB President & CEO and GVB Director of Global Marketing are active PATA Executive Board Members. The summit normally comprises of a one-day industry conference, with the Association's Annual General Meeting, PATA Youth Symposium, PATA Marketplace, and PATA Chapter Colloquium scheduled. Guam, along with other chapters worldwide also attends the Gala Dinner, committee meetings, workshops and product tours of the destination. In addition, the President/CEO will be attending the Executive/Board meetings.

Issue: Board approval for travel required.

I. DESTINATION MANAGEMENT

J. MEMBERSHIP & COMMUNITY OUTREACH

- Membership Sales Tax Survey Results

K. VISITOR SAFETY & SATISFACTION

L. CULTURAL & HERITAGE

KOTFA 2018

Motion to approve travel for two (2) musicians and four (4) dancers to attend the 2018 KOTFA opening ceremony on June 14, 2018 in Seoul, Korea. Cost is approximately $9,736.00 from Acct# DM-CPO001.

CHC Travel Expenses

Airfare ($800 x 6 pax)	$4,800.00
Seoul Per Diem – Lodging ($230/night x 2 nights x 6 pax)	$ 2,760.00
Seoul Per Diem – M&IE ($148/day x 2 days x 6 pax)	$ 1,776.00
Musicians Prof. Fee - $100 x 1 day x 2 pax	$ 200.00
Dancers Prof. Fee - $50 x 1 day x 4 pax	$ 200.00
Total	**$9,736.00**

Background: The Guam Visitors Bureau Board of Directors had previously approved the KOTFA travel motion at the beginning of the fiscal year. In the motion, GVB approved travel for a GVB Board Member, GVB President & CEO or designee, Director of Global Marketing, one GVB Marketing Staff, GVB Culture & Heritage Officer, and a Miss Guam. GVB requests to send a cultural delegation to perform at the opening ceremony of the KOTFA Show in an effort to gain media coverage and raise Guam's presence at the show.

Issue: Board approval for travel required.

M. SPORTS & EVENTS

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

- Guam Micronesia Island Fair, Wednesday, May 2 – 6, 2018 at 5:00 - 9:00pm, Friday & Saturday 5:00 - 11:00pm, Paseo de Susana, Hagåtña

Upcoming Board Meetings:

- Thursday, May 10, 2018 at 3:30pm, GVB Main Conference Room
- Thursday, May 24, 2018 at 3:30pm, GVB Main Conference Room

XI. ADJOURNMENT

Action Items:

1. Management to work with DRT on extended homestay issue
   → Designing fact sheet, outreach program for B&B/short-term vacation rental owners scheduled for May 22, 2018

2. Management to conduct impact study on Guam sales tax
   → Tourism Economics working on impact study

3. Management to survey membership for opinions on sales tax
   → Membership survey 40 responses received

EXHIBIT A

GUAM VISITORS BUREAU
SETBISION BISITAN GUÅHAN

BOARD OF DIRECTORS REGULAR MEETING

Thursday, April 12 2018 – 3:30pm
Guam Visitors Bureau – Main Conference Room

BOARD OF DIRECTORS PRESENT:

Director Milton Morinaga	Director Monte Mesa
Director Brad Kloppenburg	Director Young Hong
Director Theresa Arriola	Director William Nault
Director Robert Hofmann	Director Samuel Shinohara
Director Bartley Jackson	

BOARD OF DIRECTORS TELEPHONICALLY:

BOARD OF DIRECTORS ABSENT:

Director Eduardo "Champ" Calvo	Director Satoru Murata
Director Tatsuo Takano	Director Katarina Sgro

GVB MANAGEMENT & STAFF PRESENT:

Jon Nathan Denight	Antonio Muna	Maura Yi
Brian Borja	Doris Ada	June Sugawara
Nico Fujikawa	Colleen Cabedo	Meriza Peredo
Breeana Garrido	Mark Manglona	Nakisha Garrido
Gabbie Franquez	Maria San Nicolas	Lisa Linek
Elaine Pangelinan	Sydney Leon Guerrero	Regina Nedlic
Kraig Camacho		

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:
Joseph Mesngon - Office of Senator Dennis Rodriguez
Kevin Kerrigan – The Guam Daily Post
Aurelia "Ore" Castro David – Thai Airways

I. CALL TO ORDER

Chairman Morinaga called the meeting of the board to order at 3:36 pm.

II. MINUTES OF THE PREVIOUS MEETING — Exhibit A

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

III. CHAIRMAN'S REPORT

- Chairman Morinaga reported sister city Kashiwa's Young Entrepreneur Group (YEG) visited over the week and expressed interest in expanding trade missions with Guam. They were introduced to the local Guam Young Professionals (GYP) as well as with UOG and GEDA. YEG is looking to visit Guam again for a trade mission in November of about 40 people. Chairman Morinaga hopes these trade mission can pursue local businesses to also fly out of Guam which will fill airlines seat and create a load factor to positively impact the airline service development efforts. This not only will encourage culture exchange but also trade.

- Chairman Morinaga stated GVB met with the Legislature for an informational brief specific to the Japan market in comparison to other markets (Korea). They discussed statistics and projections for the next fiscal year. It was overall a successful meeting with support from the senators. GVB was able to explain drops in arrival numbers are also largely due to drops in airline seat capacity.
- In regards to sales tax, there is no update as of yet. The impact study is still being conducted by Tourism Economics and the report will be given once the data is collected by the end of the month. Speaker Cruz, as well as the other Senators, asked GVB to make a stance on the issue as soon as possible. The membership survey has been extended another week so that a bigger sample size can be obtained. So far only 30 membership responses have been received.

IV. PRESIDENT & CEO'S REPORT





April 2018

April 1-11, 2018 **Total: 42,613 (-5.0%)**

% Market Mix	Origin	2017	2018	% to LY
37.6%	Japan	19,831	16,015	-19.2%
47.9%	Korea	18,093	20,425	12.9%
0.8%	China	644	357	-44.6%
0.8%	Hong Kong	702	329	-53.1%
2.4%	Taiwan	1,228	1,016	-17.3%
5.4%	US/Hawaii	2,176	2,292	5.3%
1.4%	Philippines	788	583	-26.0%
0.3%	Russia	94	118	25.5%

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

Note: April 2018 Daily Arrivals reflect Civilian Air arrivals only

Calendar Year to Date

January – April 11, 2018 **Total: 439,092 (-3.5%)**

% Market Mix	Origin	2017	2018	% to LY
37.6%	Japan	202,608	165,006	-18.6%
46.1%	Korea	177,005	202,451	14.4%
1.5%	China	8,410	6,620	-21.3%
0.4%	Hong Kong	6,361	1,705	-73.2%
1.9%	Taiwan	11,541	8,390	-27.3%
5.6%	US/Hawaii	22,276	24,664	10.7%
1.0%	Philippines	4,625	4,411	-4.6%
0.4%	Russia	1,117	1,555	39.2%

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

Note: April 2018 Daily Arrivals reflect Civilian Air arrivals only

GUAM VISITORS BUREAU
SETBISION BISITAN GUÅHAN

Fiscal Year to Date

October 2017 – April 11, 2018 **Total: 814,603 (-3.7%)**

% Market Mix	Origin	2017	2018	% to LY
35.9%	Japan	384,197	292,799	-23.8%
47.8%	Korea	329,011	389,468	18.4%
1.3%	China	13,797	10,685	-22.6%
0.5%	Hong Kong	9,859	3,765	-61.8%
1.8%	Taiwan	21,262	14,346	-32.5%
5.3%	US/Hawaii	40,177	43,332	7.9%
1.3%	Philippines	11,652	10,744	-7.8%
0.3%	Russia	2,064	2,703	31.0%

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

Note: April 2018 Daily Arrivals reflect Civilian Air arrivals only

MARKETING

Taiwan Marketing News

UGM 2018 KOL/MEDIA FAM TOUR (APRIL 7-11)

KOL: Fitness & Fashion Blogger Molly (Tiffany) Chiang

- Ran 10K
- Social Media Profile
  - Facebook Followers: 35,596
  - Instagram Followers: 453,800
  - 10,000,000 monthly audience
  - Averages 6,000 likes
- Will provide a minimum of 30 posts on her social media networks



Taiwan Media

- USTV: To provide 3 special news reports
- Apple Daily: To provide full page newspaper article and 2-3 online coverage ETToday: To provide 3 online coverage

✓ Total ROI: $718,000

Japan Marketing News

GVB Informational Briefing at Guam Legislature

Japan team provided update on Japan market status on April 10th



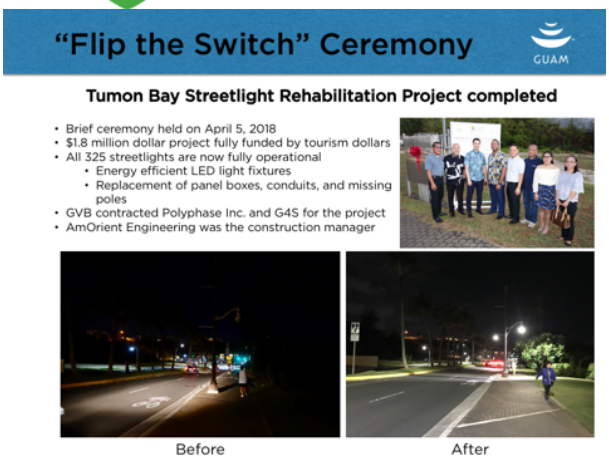
Topics discussed include seat capacity, load factor, visitor profile, air service development initiatives, advertising and PR, and sales and marketing strategies.

Philippines Marketing News

- **Mr. Jeffrey Hidalgo**
  - Media influencer, singer, actor, director, marathoner and triathlete in the Philippines
  - Lifestyle writer of ABS-CBN, which has over 17 million followers on Facebook and more than 200,000 followers on their lifestyle page.
  - Airfare sponsored by UA to attend UGM and run the half marathon (21k)
  - Special thanks to GVB members for in kind:
    - Pacific Islands Club
    - Valley of the Latte
    - Three Squares Restaurant
    - Fish Eye Marine Park Dinner Show
    - Sheraton Laguna Guam BBQ Dinner Show
    - Encore Magic Show
    - Discover Guam
    - RIMS



DESTINATION









- President Denight shared the awards received at the ceremony in San Diego for the House of Chamorro. The project is set to build a permanent structure and be named "the House of Chamorro" in Balboa Park San Diego, California, which is visited by 14 million people every year. With the help of former GM, Joey Cepeda, the project was secured and funded by MVA, GVB, and fundraising efforts of about $250K. The ground breaking will take place at the end of the year. Guam also received a certificate from the Chamorro Optimist Club of San Diego.
- Joey Cepeda passed five days later after the ceremony. President Denight wanted to recognize him and his wife and all their efforts in making a name for Guam. A ceremony will be held in San Diego over the weekend and another one on Guam. The Board asked if GVB can send a wreath for his ceremony.
- Following the ceremony for House of Chamorros, the team headed to the Che'lu Festival, which is dedicated everything to the Chamorro cultural. The festival was well attended, giving great exposure. Master Frank Rabon was also in attendance really showcasing what the Chamorro dance is all about.

GUAM VISITORS BUREAU
SETBISION BISITAN GUÅHAN

V. TREASURER'S REPORT

Exhibit B

EXHIBIT B

FY 2018

	Appropriation	Received to Date		Balance	
Operations	$ 18,750,216.00	$ 8,074,711.17	43%	$ 10,675,504.83	57%
Sustained Marketing - Korea	$ 4,000,000.00	$ 1,454,545.44	36%	$ 2,545,454.56	64%
Destination Development	$ 1,085,000.00	$ 522,083.31	48%	$ 562,916.69	52%
GVB Cruise Ship Industry Development Program	$ 50,000.00	$ 20,833.31	42%	$ 29,166.69	58%
Rainy Day Fund	$ 200,000.00	$ 83,333.31	42%	$ 116,666.69	58%
Cultural & Sports Ambassador Fund	$ 200,000.00	$ 83,333.31	42%	$ 116,666.69	58%
Pass-Thru	$ 790,000.00	$ 329,166.36	42%	$ 460,833.64	58%
TOTAL RECEIVABLES FY 2018	**$ 25,075,216.00**	**$ 10,568,006.21**		**$ 14,507,209.79**	

Accounts	
RESTRICTED	
Bank of Guam - Rainy Day Fund[1]	$ 1,640,607.26
Cultural & Sports Ambassador Fund[2]	$ 258,710.67
GVB Cruise Ship Industry Development Program	$ 10,253.02
TOTAL RESTRICTED	**$ 1,909,570.95**
UNRESTRICTED	
Bank of Guam - Operations	$ 12,429,347.05
First Hawaiian Bank - Membership	$ 70,560.34
Resona	$ 600,419.57
Bank of Guam - TAF	$ 539,567.19
Raymond James - CD value as of 3/31/2018[3]	$ 2,548,374.94
TOTAL UNRESTRICTED	**$ 16,188,269.09**
TOTAL CASH as of 4/9/2018	**$ 18,097,840.04**

Current Payables	
Asatsu Invoices (DEC - FEB)	$ 3,715,581.88
Japan Invoices	$ 436,048.89
Guam Invoices	$ 726,117.77
Pass-Thru	$ 17,499.99
Encumbered Contracts	$ 3,309,804.39
Encumbered Purchase Orders	$ 108,920.81
TOTAL PAYABLES as of 4/9/2018	**$ 8,313,973.73**

NOTES

NOTE 1

$1,640,607.26	Rainy Day Fund
($184,234.64)	Rainy Day expenses Japan - reimburse Operations
$1,456,372.62	

NOTE 2

$258,710.67	Cultural and Sports Ambassador Fund
($26,100.00)	Cultural and Sports Ambassador expenses - reimburse Operations
$232,610.67	

NOTE 3

$2,548,374.94	Raymond James - CD
($1,169,250.98)	PAID - China airline incentive program and market advertising
($300,000.00)	PAID - Sponsorship Guam Football Association
($20,000.00)	PAID - GEDA Imagine Guam Masterplan Overlay
($842,642.84)	PAID - Pale San Vitores Road Bus Shelter Project
($28,783.52)	PAID - Planning, Architectural and Engineering Services for Tumon Bay Improvement
($75,000.00)	PAID - Sponsorship Guam Basketball Federation FIBA U17 Championship
($10,000.00)	PAID - Hagatna maintenance and streetscape project for GMIF
($57,357.16)	BALANCE - Pale San Vitores Road Bus Shelter Project
($45,340.44)	BALANCE - Planning, Architectural and Engineering Services for Tumon Bay Improvement
0.00	

April 9, 2018

- Director Shinohara stated he will have to leave early and reported that accounting is working on reconciling the cash accounts and the outstanding balance should be received by the next board meeting. The team can then appropriately allocate the funds in the spending plans for the balance of this fiscal year. He sees a good opportunity for GVB to hit projects that are meaningful to Guam.
- President Denight reported we are one month behind on allotments, but should be received by next week.

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

TESTIMONY ON BILL 258-34 **Exhibit C**

Director Hofmann made a motion, seconded by Director Kloppenburg, to ratify testimony in support of Bill 258-34.
Motion approved

Issue: Board approval required.

AIR SERVICE DEVELOPMENT MEETING WITH JAPAN AIRLINES

Director Hofmann made a motion, seconded by Director Kloppenburg, to ratify travel for GVB Board Chairman, GVB JMC Chairman, and GVB President & CEO, to meet with Japan Airlines executives in Tokyo, Japan on April 27-28, 2018. Estimated cost: $9,472.50; Account # JA-SMD008.
Motion approved

Airfare:	$1,200 x 3 pax					$3,600.00
Per Diem:	Tokyo	Lodging	Nights	M&IE	Days	
	Board Chairman	$357.50	3	$295.00	3	$1,957.50
	JMC Chairman	$357.50	3	$295.00	3	$1,957.50
	President & CEO	$357.50	3	$295.00	3	$1,957.50
					Total:	$9,472.50

Background: In the coming months, Japan Airlines will critically evaluate the performance of the newly added second daily flight to Guam to determine if it is a lucrative addition to their normal routes. As a showing of good faith and commitment, GVB management will travel to Japan to meet with JAL executives to personally express their gratitude for this additional service to Guam. Delegates will also discuss future flight service opportunities, sales performance, and the possibility of extending the second daily flight into the winter season.

As we continue to battle the decline in the Japan market, it is imperative that we maintain close working relationships with airline partners and that we continue the conversation of regaining air seats out of one of our largest source markets.

Note: *Meeting date is subject to change based on JAL executives' availability.*

Issue: Board approval required for travel.

B. ADMINISTRATION & GOV'T RELATIONS

GVB FY2019 BUDGET

Exhibit D

Director Shinohara made a motion, seconded by Director Hofmann, to approve GVB's FY2019 budget submission to the Legislature as presented by management. Motion approved

Issue: Board approval required.

- Director Shinohara stated he has not had the chance to review the budget in depth and asked if the FY2019 budget needed approval at this board meeting. President Denight stated GVB received an extension to submit the formal budget to the Legislature by May 4, 2018. He asked the board to examine and approve the larger budget as presented and the funds can be programmed within each committee as needed. Administration is asking for $3.8 million to cover increasing costs for increments and benefits, etc. as last year $3.6 million was received from the ask of $3.85 million. Marketing is requesting the amount that is needed but keeping in mind the TAF projection and government financial crisis. The total amount is about 8% higher, a $500K increase from last year's budget request. Majority of the increase is in Japan's budget to support airlines development for charter flights, new and existing. Other markets are below the rollover amounts from FY2018. Research, Sports & Events, Cultural & Heritage are rollover budgets. Visitor Safety & Satisfaction is asking for the amount received two years ago to maintain projects, such as the VSS officers, lifeguards and safety initiatives.
- Vice Chairman Mesa asked to clarify where the $750K will be assigned, President Denight stated the funds will be used towards airlines service development with an allocation of $2 million from the total Japan budget, an increase from the $1 million for airlines service development. Less money is being used in the overall advertising for Japan marketing and $250K will be reallocated from the budget towards airlines efforts. Director Nault added more focus is being put into the airlines because of aggressive campaigns from other destination markets. The team plans to work closer with travel agents and airline companies to make sure marketing efforts drive results. Also, the marketing strategy has more flexibility to meet any unforeseen changes that may come about.
- Director Jackson pointed out it may be prudent to safeguard some of the projects/responsibilities in the event that GVB is asked to take on more roles/tasks in the current government situation. He asked where in the budget can be increased in anticipation of responsibilities currently not foreseen. President Denight reported $1 million was reserved for special projects, CIP, and has not yet been allocated in addition to the increase for Destination Maintenance to $1.3 million. Approval of the preliminary budget is needed, however, changes and adjustments can be made before final submission to the Legislature. Chairman Morinaga asked management to present a detailed list of projects planned for FY2019.
- Chairman Morinaga stated the PowerPoint presentation from the Japan market informational briefing at the Legislature will be shared with the Directors. The briefing ended on a positive note with the Senator Rodriguez, Speaker Cruz, along with Senator Biscoe Lee's support with GVB initiatives.
- Director Shinohara asked if the increase in budget for Destination Management was sufficient enough. Vice Chairman Mesa said there is discussion to put out a $59 million tourism development plan. Director Hofmann asked if there will be additional options for FY2019 island road maintenance for Legislature's consideration. Destination Specialist Ada said this budget does not allow for a sliding scale. President Denight said the information could be looked into and shared at the next board meeting.

C. RESEARCH

D. GREATER CHINA

E. RUSSIA & NEW MARKETS

Committee minutes dated April 3, 2018 **Exhibit D**

PITE 2018

Director Jackson made a motion on the floor, seconded by Director Nault, to amend travel for GVB Director of Global Marketing to GVB Russia & New Markets Committee Vice Chairman to attend the 2018 Pacific International Tourism Expo (PITE) in Vladivostok, Russia in May 18-20, 2018.
Motion approved

- Director Jackson reported the team is preparing for the annual trade show to Vladivostok, Russia taking place in late May. The travel motion has already been approved but a personnel change will be made for one of the delegation traveler. Marketing Director Laguaña will not be attending so Vice Chairman Abraham will take her place and join Chairman Jackson. The delegation will meet with the US Embassy, Russian travel agents, and have prepared a special event aside from the trade show.
- The Russian market is booming, arrivals have increased by 30% due to the connecting flights from Vladivostok by Jeju Air along with the additions of Air Seoul connections from Khabarovsk and Yuzhno-Sakhalinsk via Seoul.

F. JAPAN

Committee minutes dated March 13, 2018 **Exhibit E**

OVERSEAS LGBT TOURISM MARKETING PROMOTIONS (TOKYO RAINBOW PRIDE)

Director Nault made a motion, seconded by Director Hofmann, to approve travel for the following delegates to attend the Tokyo Rainbow Pride event in Tokyo, Japan from May 4-7, 2018. Total Estimated Cost is $9,006.00 from Account # JA-SMD008.
Motion approved

Airfare:	$1,200 x 3 pax					$3,600.00
Per Diem:	Tokyo	Lodging	Nights	M&IE	Days	
	Marketing Manager - Japan	$286.00	3	$236.00	4	$1,802.00
	Miss Guam (2 pax)	$286.00	3	$236.00	4	$3,604.00
					Total:	$9,006.00

Background: Opportunity. With more than 100,000 expected participants, the Tokyo Rainbow Pride event is the most powerful pride event in Japan. GVB delegates will have the opportunity to connect with many travelers, suppliers, and buyers in the LGBT market to promote Guam as a LGBT friendly destination.

Furthermore, as part of a sponsorship agreement, GVB will have the opportunity to create working relationships with key people in Japan's LGBT market and distribute marketing material to a wide range of clients in several cities throughout Japan.

Promotional Channels. Guam will occupy a shared booth space with OUT Japan Co., Ltd. providing direct to consumer communication and promotional opportunities through discussion

and Japanese-translated content to educate potential visitors about getting married in Guam, experiencing our unique selling points, and LGBT offerings. OUT Japan will also assist GVB in developing, printing and distributing Guam promotional collateral in the LGBT areas in the cities of Tokyo, Osaka, Nagoya and Fukuoka – all gateways currently servicing Guam.

Product Development. Through the membership of IGLTA, GVB has developed a relationship with OUT Japan, who is venturing into outbound LGBT travel within the Asia travel arena. GVB will work closely with travel agents who are flexible to create specific LGBT outbound travel packages to Guam.

Promotional Strategy and Activities. Guam would like to invite two Miss Guam's from the local LGBT community to promote Guam and serve these key purposes: (1) promote the beauty and hospitality of Guam, (2) capture the attention at the Guam booth area, (3) participate in the Pride parade, and (4) conduct in-booth performances and in other areas available to the Guam delegation. The two (2) Miss Guam's will serve as beauty representatives and performers. We are maximizing their talents for the previously mentioned promotional activities, which will save costs in lieu of inviting a larger delegation and paying for a Miss Guam and/or Chamorro dancers. In this market segment, GVB would like to differentiate itself by providing unique and interesting marketing collateral, showcasing our people's culture and traditions and capturing the attention of potential visitors from this lucrative market. We must think creatively and innovatively to garner attention and interest for traveling to Guam in this competitive environment.

Issue: Board approval required.

- President Denight stated two years ago the LGBTQ market has been explored as a possible travel market for Guam. With the help of the International Gay and Lesbian Travel Association (ILGTA) contact has been made with the Japan section of ILGTA, about 10 million of the population which makes a high yield segment in the market. GVB will participate in the Tokyo Rainbow Pride event, the biggest in Asia, with over 100,000 participants. GVB will have a booth and partake in the parade. This will be the first consumer promotion for the LGBTQ market, particularly focusing on civil marriage/wedding on Guam. Chairman Morinaga suggested having local wedding companies be involved in promotion at the event. Vice Chairman Mesa asked what is the marketing strategy to capture the 10 million LGBTQ population in Japan for FY2019-2020. President Denight mentioned this event will help build the knowledge and connections for this specific market to make it successful. Marketing Manager Borja has set meetings with travel agents specific to this market and Director Nault reported the team has been working closely with companies to get their participation in wedding promotions to bring back the numbers.

NIIGATA FRIENDSHIP ASSOCIATION 15TH ANNIVERSARY RECEPTION

Director Kloppenburg made a motion, seconded by Director Hofmann, to approve travel for the GVB Chairman of the Board, two (2) GVB Board Directors, and the GVB President & CEO to attend the Niigata Friendship Association 15th Anniversary Reception on September 5, 2018 in Niigata, Japan. Estimated cost: $7,635.00; Account #JA-SMD008.

Director Kloppenburg moved to amend the motion to remove GVB President & CEO from attending the Niigata Friendship Association 15th Anniversary Reception. Motion passed as stated and amended

Airfare:	$1,200 x 4 pax					$4,800.00
Per	Niigata	Lodging	Nights	M&IE	Days	

Diem:	GVB Board Chairman	$106.25	3	$130.00	3	$708.75
	GVB Board Director: JMC Chairman	$106.25	3	$130.00	3	$708.75
	GVB Board Director: Representative of the Mayor's Council of Guam	$106.25	3	$130.00	3	$708.75
	GVB President & CEO	$106.25	3	$130.00	3	$708.75
					Total:	$7,635.00

Background: To commemorate the 15th anniversary of friendship between the city of Niigata and Guam, the Niigata Friendship Association will be hosting a dinner reception on September 5, 2018. Members of the Niigata Friendship Association have personally requested for the above listed protocol to join the reception. Furthermore, the Chairman and Vice Chairman of the Niigata Friendship Association, Mayor of Niigata City, Chairman of Niigata Chamber of Commerce and over 70 members of the Niigata Friendship Association will be in attendance.

A strong presence, reciprocating Niigata's level of participation, from GVB will show Guam's continued commitment of friendship and will build upon the relationship created since 2003 with the city of Niigata. Moreover, close relationships with cities in Japan are highly valued as they provide many opportunities to promote travel to Guam out of one of our largest source markets.

Note: *Delegation is subject to change based on availability of funds and scheduling.*

Issue: Board approval required for travel.

- Director Shinohara asked if all the delegations listed have to attend the reception in Niigata. President Denight responded the request was based on the invitation from the Niigata Friendship Association, in the past Lieutenant Governor Tenorio, Chairman Moringa and Director Hofmann attended the 5th and 10th anniversary reception. The Mayor of Niigata will be attending this year's event, which is will be good to have Guam's protocol join too. President Denight stated he can be removed from the delegation list and just have the four members attend the reception. Niigata Friendship Association, made up of the Chamber of Commerce, Government Office, and a wedding company. They are one of the most active friendship groups with yearly visits and help promote Guam in Niigata.

- Director Nault reported the United Airlines Guam Marathon (UAGM) was an overall successful event and hopes to grow for next year with the anticipation of no threats to the island. Vice Chairman Mesa asked how much GVB put into UAGM, President Denight answered $50K from Sports & Events' budget and another $50K from Japan's budget.
- The Japan team has been working with a local media group called GIMCA to collaborate with overseas non-asking groups. Recently a WiFi rental company called Emoto-WiFi filmed a commercial on Guam showcasing activities we would normally promote.
- Reminder for the AKB48 Fan Tour taking place at The Beach at Gun Beach on Saturday April 21, 2018. The fan tour will bring a 16 member girl group for a private event to about 400 Japanese participants that will be traveling from Japan (event is only open to those who purchased tour packages in Japan through travel agents). AKB48 are ambassadors for GVB's #instaGuam campaign. Some members joined the launch of #instaGuam at the Mega Fam Tour back in November and filmed their fan tour commercial on Guam which is featured on our #instaGuam website. They are also currently the faces for all GVB Japan advertising, with heavy social media influences.

- The Treasure Hunt promotion is being finalized with local partners and businesses to be launched for the summer.
- JAL started their double daily flights starting March 25, 2018. The team had a follow up meeting with United Airlines Japan sales team. UA is aggressive but cooperative in discussion on how to work closer with GVB in promoting travel from Japan. UA will add 20 extra flights for the summer servicing from Narita and Nagoya. Vice Chairman Mesa asked with the lost of flights from Sapporo and Sendai, if GVB has reached out to ANA. Chairman Morinaga answered ANA and UA have an agreement together stating ANA will not overrun UA jurisdiction with their temporary withdrawal of flights. ANA and UA are under the same alliance. Vice Chairman asked what the team is doing to get flights from cities that UA pulled out from, Chairman Morinaga stated the team has been meeting with non-domestic LCC's for possible flights out of those cities. For the sake of time, Chairman Morinaga directed board members to talk to Director Nault individually should they have more questions regarding airlines services.
- Director Nault informed the board there will be a new hotel project for the space next to Tumon Sands Plaza.

G. KOREA

Committee minutes dated March 27, 2018 **Exhibit F**

- Director Jackson informed the board 581 participants from Korea ran for UAGM including some celebrities. Due to some flight maintenance and plane downgrade issues the participation number from Korea actually declined.

H. NORTH AMERICA & PACIFIC MARKETS

Committee minutes dated April 4, 2018 **Exhibit G**

MICRONESIA ISLAND FORUM

Director Jackson made a motion, seconded by Vice Chairman Mesa, to approve travel for GVB Vice President, to attend the Micronesia Island Forum in Saipan from April 25-27, 2018. Cost is approximately $1,690.00 and will come out of Acct. No. PA-SMD024.

Director Jackson moved to amend the motion to change the dates from April 25-27, 2018 to April 25-28, 2018 and the approximate cost of $1,690.00 to $1,810.00. Motion passed as stated and amended

Airfare: $500.00	$ 500.00
Per Diem: $238 + 25% x 4 days	$ 1,310.00
Total estimated expenses:	**$1,810.00**

Background: The Micronesia Island Forum brings together the six Governors and three Presidents of Micronesia, as well as policy representatives from the CNMI, Guam, Republic of Palau, Republic of the Marshall Islands and the Federated States of Micronesia, to discuss regional cooperation on a variety of issues that concern the region.

The three-day event will feature presentations from all nine-island jurisdictions and several key federal and regional partners. Topics discussed include the state of the region's health care, telecommunications, renewable energy, regional workforce development, transportation and more.

Issue: Board approval needed for travel.

- President Denight stated the Micronesia Island Forum is a joint effort between Governor Calvo and Saipan Governor Torres to work closely together on economic development, tourism, and other issues. Vice President Muna attended back in February 2018, this will be the follow-up meeting.
- President Denight corrected the amount reflected on the motion will be $1,810.00 not $1,690.00. And Vice President Muna clarified the forum will be held over four days.

OVERSEAS LGBT TOURISM MARKETING PROMOTIONS (IGLTA CONVENTION)

Director Jackson made a motion, seconded by Director Arriola, to approve travel for (1) Government Protocol to attend the IGLTA Annual Global Convention in Toronto, Canada from May 7-13, 2018. Total Estimated Cost is $5,603.10 from Account # US-SMD023.
Motion approved

Airfare:	$2,500 x 1 pax					$2,500.00
Per Diem:	Toronto, Canada	Lodging	Nights	M&IE	Days	
	Protocol (1 pax)	$289.90	7	$153.40	7	$3,103.10
					Total:	$5,603.10

Note: A travel motion was approved on November 9, 2017 for the Director of Global Marketing and one (1) GVB Management to attend the IGLTA Annual Global Convention. The above motion presented for approval would add a Protocol representative to attend this annual conference. A speaking role has been secured to provide more Guam promotional power to attending LGBT tourism professionals.

Background: The IGLTA Annual Global Convention is the world's premier educational and networking event for LGBT tourism professionals. The conference connects gay, lesbian and gay-friendly travel and tourism suppliers and buyers through its hosted buyer and scheduled appointment program, numerous educational workshops and networking receptions. GVB plans to attend the convention to better understand the LGBT market and to promote Guam as a LGBT-friendly destination.

The Guam Visitors Bureau is a member of IGLTA and attended the travel show for the first time in 2017. With Guam's passage of the Same Sex Marriage law, GVB is actively promoting Guam as an ideal destination for travel to the LGBTQ market. Guam's location in Asia and status as a U.S. Territory that is LGBTQ friendly should attract visitors from all over the world, especially Asia.

LGBT Travel and its Impact on Travel Destinations. LGBT travellers represent a diverse and burgeoning segment of consumers that respond with increased brand awareness and loyalty when destinations carry out specific marketing actions targeted at LGBT consumers that are backed with positive LGBT-relevant practices in human resources, according to the UNWTO's Second Global Report on LGBT Tourism.

Increased brand awareness and loyalty are two marketing effects that will positively contribute to the growth of Guam's tourism market diversification. In the United States the buying power of LGBT consumers was forecasted to exceed USD 917 billion in 2016. This forecast is based on an estimate that as many as 7% of adults identify as LGBT, and on a calculation of this group's disposable income, as opposed to actual annual expenditure.

Outcomes of Participation. A powerful and positive brand image works to the benefit of any tourism destination. Particular to the LGBT tourism market, traditional labels used to categorize LGBT individuals are becoming less relevant. Sexual orientation and gender identity are less telling of consumer target markets than consumer attitudes, gender and generation. By

attending the IGLTA Annual Global Convention, GVB will accomplish the following: (1) how to successfully reach, capture and retain visitors in the LGBT travel market segment, (2) gain invaluable education about this evolving market, and (3) develop and maintain relationships with sales, public relations and overall marketing partners across the United States and Asia Pacific.

Issue: Board approval required for travel.

- President Denight explained IGLTA is the Annual Global Convention, as attended last year in Florida, where all the LGBT tourism market will gather. Marketing Director Laguaña received request for Guam Protocol Speaker Cruz attend this year's convention and have a speaking role to represent Guam. It is a great opportunity to network globally and build a presence in the LGBT tourism market.

I. DESTINATION MANAGEMENT

- Vice Chairman reported DMC met on April 5, 2018. The committee is working with the current Legislature to promote the HOT Bond projects and move it forward. The committee appreciates the approval for capital improvement project of $1.3 million, inclusive of maintenance and insurance on current projects such as the bus shelters and streetlights.
- Chairman Morinaga asked the team to reach out to H.I.S, there have been issues with parking at bus shelters. All bus companies should be respectful of each other and use the bus shelters in the proper manner. Also, to reach out to hotels and businesses to see if they would like to adopt a bus shelter for maintenance purposes.

J. MEMBERSHIP & COMMUNITY OUTREACH

- Director Kloppenburg informed the board membership surveys have been extended and will be collected after the deadline.

K. VISITOR SAFETY & SATISFACTION

- Director Hong reported GVB with DRT met with Senator San Agustin to actively work on legislation to tax B&B/short-term vacation rentals. Senator San Agustin has made the commitment to bring to the table GVB's feedback and concerns.
- GVB participated in the Island Sustainability Conference on March 23-30, 2018 put together by UOG that is a broker for information for public policy on issues as climate change, renewable and efficient energies, food security, and recycling.
- GVB will participate in the Ocean Planning meetings with the Bureau of Statistics and Planning and the Pacific Islands Regional Planning on April 16-17, 2018.
- The Tour Guide Certification at GCC will take place April 30 – May 7, 2018.
- President Denight shared the rough draft of the Transient Accommodation Business License Overview FAQ and asked for any comments upon review. The team hopes to have an outreach program for B&B/short term vacation rental owners soon. Director Jackson stated B&Bs (home owner lived) are a part of GHRA but not short-term vacation rentals (vacation stay). Chairman Morniaga asked the team to met with GHRA and discuss the FAQ.

L. CULTURAL & HERITAGE

GUAM FOOD FESTIVAL 2018

Director Jackson made a motion, seconded by Director Arriola, to approve travel for GVB Culture & Heritage Officer, Miss Guam, two Musicians, and four Dancers to attend the Guam Food Festival in Seoul, Korea on June 12, 2018. Cost is approximately $6,548.00 from Acct# DM-CPO001.
Motion approved

CHC Travel Expenses

Per Diem:	Seoul, South Korea	Lodging	Nights	M&IE	Days	
	GVB CHC Officer	$230.00	2	$148.00	2	$756.00
	Miss Guam	$230.00	2	$148.00	2	$756.00
	Musicians (2 pax)	$230.00	2	$148.00	2	$1,512.00
	Dancers (4 pax)	$230.00	2	$148.00	2	$3,024.00
Miss Guam, Musicians, Dancers Professional Fee:						$500.00
					Total:	$6,548.00

Background: Following the Hana Tour International Show, GVB will also host the 2nd Annual Guam Food Festival by inviting Guam chefs that specialize in authentic Chamorro and/or Guam delicacies to participate in the event and provide industry partners a taste of Guam and its delicious Chamorro food. During the event, GVB will promote its signature event Guam BBQ Block Party with travel trade partners, conduct a press conference with national and regional media, as well as invite digital influencers to post on their social media platforms.

Issue: Board approval for travel required.

- Director Jackson explained the Guam Food Festival hosted by GVB is the bridge between the two major Korea trade shows in June. The travel was already approved and the current motion is for approval on two day per diems for eight Guam participants who already will be attending the trade shows. The event is well attended with good coverage from national and regional media.

M. SPORTS & EVENTS

VII. OLD BUSINESS

VIII. NEW BUSINESS

- Director Hong stated Japan market takes a lot of discussion time in board meetings. She asked Directors to attend the JMC meeting should they have any questions in regards to smaller scale items to reduce time spent deliberating in board meetings. Vice Chairman said transparency on information is needed, Chairman Morinaga would like the board meetings to be efficient as possible by sticking to the important matters and discussing other issues in each respective committee meetings.

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

- AKB48 Fan Tour - Saturday, April 21, 2018 at 3:00pm, The Beach at Gun Beach (RSVP)
- Chairman Morinaga reminded the members of the board under Governor appointees to fill out the 2018 Statement of Disclosure of Conflict of Interest for the Guam Election Commission.

- Director Jackson shared the Tourism Education Council will host their annual wine tasting fundraiser at the Guam Museum. The purpose of this event is to educate Guam's youth on the benefit of tourism. It will be the 30th anniversary of the TDC, former Guam Visitor Industry Education Council.

Upcoming Board Meetings:

- Thursday, April 26, 2018 at 3:30pm, GVB Main Conference Room
- Thursday, May 10, 2018 at 3:30pm, GVB Main Conference Room

XI. ADJOURNMENT

Director Hofmann made a motion, seconded by Director Kloppenburg, to adjourn the meeting. Meeting adjourned at 5:15pm.
Motion unanimously approved

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

Board Minutes respectively submitted by Maura Yi, Executive Secretary

Action Items:

1. Management to work with DRT on extended homestay issue
   ~~→ Fact sheet created and up for review with DRT, no response from DRT~~

2. Management to conduct impact study on Guam sales tax
   ~~→ Management reached out to "Tourism Economics" to begin work on the sales tax impact study, task order implemented on April 4, 2018 and a preliminary report will be provided within 3 weeks~~

3. Management to survey membership for opinions on sales tax
   ~~→ Membership survey distributed on April 2, 2018 with a follow up on April 6, 2018~~
   ~~→ Only 28 responses received~~

FY 2018

	Appropriation	Received to Date		Balance	
Operations	$ 18,750,216.00	$ 8,074,711.17	43%	$ 10,675,504.83	57%
Sustained Marketing - Korea	$ 4,000,000.00	$ 1,454,545.44	36%	$ 2,545,454.56	64%
Destination Development	$ 1,085,000.00	$ 522,083.31	48%	$ 562,916.69	52%
GVB Cruise Ship Industry Development Program	$ 50,000.00	$ 20,833.31	42%	$ 29,166.69	58%
Rainy Day Fund	$ 200,000.00	$ 83,333.31	42%	$ 116,666.69	58%
Cultural & Sports Ambassador Fund	$ 200,000.00	$ 83,333.31	42%	$ 116,666.69	58%
Pass-Thru	$ 790,000.00	$ 329,166.36	42%	$ 460,833.64	58%
TOTAL RECEIVABLES FY 2018	**$ 25,075,216.00**	**$ 10,568,006.21**		**$ 14,507,209.79**	

Accounts	
RESTRICTED	
Bank of Guam - Rainy Day Fund[1]	$ 1,640,607.26
Cultural & Sports Ambassador Fund[2]	$ 258,710.67
GVB Cruise Ship Industry Development Program	$ 10,253.02
TOTAL RESTRICTED	**$ 1,909,570.95**
UNRESTRICTED	
Bank of Guam - Operations	$ 12,031,272.85
First Hawaiian Bank - Membership	$ 67,007.82
Resona	$ 388,516.22
Bank of Guam - TAF	$ 520,640.24
Raymond James - CD value as of 3/31/2018[3]	$ 2,548,374.94
TOTAL UNRESTRICTED	**$ 15,555,812.07**
TOTAL CASH as of 4/23/2018	**$ 17,465,383.02**

Current Payables	
Asatsu Invoices (DEC - MAR)	$ 3,756,915.19
Japan Invoices	$ 160,768.40
Guam Invoices	$ 515,096.18
Pass-Thru	$ 17,499.99
Encumbered Contracts	$ 3,070,056.00
Encumbered Purchase Orders	$ 133,712.89
TOTAL PAYABLES as of 4/23/2018	**$ 7,654,048.65**

NOTES

NOTE 1

$1,640,607.26	Rainy Day Fund
($184,234.64)	Rainy Day expenses Japan - reimburse Operations
$1,456,372.62	

NOTE 2

$258,710.67	Cultural and Sports Ambassador Fund
($26,100.00)	Cultural and Sports Ambassador expenses - reimburse Operations
$232,610.67	

NOTE 3

$2,548,374.94	Raymond James - CD
($1,169,250.98)	PAID - China airline incentive program and market advertising
($300,000.00)	PAID - Sponsorship Guam Football Association
($20,000.00)	PAID - GEDA Imagine Guam Masterplan Overlay
($842,642.84)	PAID - Pale San Vitores Road Bus Shelter Project
($28,783.52)	PAID - Planning, Architectural and Engineering Services for Tumon Bay Improvement
($75,000.00)	PAID - Sponsorship Guam Basketball Federation FIBA U17 Championship
($10,000.00)	PAID - Hagatna maintenance and streetscape project for GMIF
($57,357.16)	BALANCE - Pale San Vitores Road Bus Shelter Project
($45,340.44)	BALANCE - Planning, Architectural and Engineering Services for Tumon Bay Improvement
0.00	

April 23, 2018

Doc. No. 34GL-18-1807.*

KOREA MARKETING COMMITTEE MEETING MINUTES
11:00AM - Tuesday, April 10, 2018
GVB Main Conference Room

Members Present:	**Members Absent:**
Akihiro Tani – Fish Eye Marine Park Jason Joo – Lotte Hotel Jae Yu – Tumon Bay Lobster & Grill Katsutoshi Kabasawa – Lam Lam Tours & Transport Soohyun Lee – Tumon Aquarium LLC Tae Oh – Baldyga Group Yoshinori Oshita – Guam Reef & Olive Spa Resort Bonnie Lee Alig – Anthology	Ayisha McKinnon – Red Door Productions Chris Yang – Westin Guam Resort Daisuke Sato – Watabe Guam Inc. Do Hyung Kim – Zeus Tours Esther Kim – Hyatt Regency Gun Park – Dusit Thani Resort Guam Jason Lee – Sheraton Laguna Guam Resort Jennifer McFerran – International Dining Concepts Jenny Cheon – Hotel Nikko Guam Jennifer Chae – Onward Beach Resort John Ko – Net Enterprises Jenny Song – Outrigger Guam Beach Resort Stephen Gatewood – Alupang Beach Club Sunardi Li – Sentry Hospitality Susan Fryer – Tumon Sands Plaza Terry Chung – T Galleria
Guests/Alternate Members:	**GVB Korea Office/GVB Chairs/Mgmt. /Staff Present:**
Kaori Sablan – Fish Eye Marine Park Cindy Chang – HIS Guam Inc. Olga Tonkikh – HIS Guam Inc. Kiyoko Kamohara – Lam Lam Tours & Transport Edward Um – Royal Orchid Guam Hotel Julia Kondo – Guam Plaza Hotel Annie Joo – Balydyga Group Youngmin Kim – Pacific Islands Club Ji Eun Kim – Pacific Islands Club Kyu Sik Kim – Pacific Star Resort & Spa Russell Ocampo – University of Guam	Bartley Jackson – KMC Chairman Young Sook Hong – KMC Vice Chairwoman Brad Kloppenburg – KMC Vice Chairman Colleen Cabedo – Korea Marketing Manager Nakisha Garrido – Korea Marketing Coordinator Jay Park - GVB Korea Account Director

I. CALL TO ORDER
Chairman Bart Jackson called the meeting to order at 11:02AM.

II. APPROVAL OF COMMITTEE MINUTES
Chairman Bart Jackson called for the approval of the minutes from the last committee meeting held on March 27, 2018. Mr. Tae Oh motioned to approve and was seconded by Vice-Chairman Brad Kloppenburg. With no oppositions the committee unanimously approved the minutes.

III. REPORT OF THE CHAIRMAN

Chairman Bart Jackson introduced GVB Account Director Jay Park and encouraged KMC members to interact and introduce themselves as it is important to have good communication with what goes on on-island and what goes on in the source market.

Reports will show that Korea visitor arrivals have slowed; this is not due to a lack of interest but due to airline reconfiguration with smaller planes being used while aircrafts undergo maintenance. Chairman Jackson stated that this is temporary and will return back to normal after May and June and we should see a strong Korean summer. There is also hope that a strong Korean summer will coincide with a strong Japan summer. We are seeing more flights from the Japan market with increased flights from Japan Airlines. They have also received news that T'way and Jeju Air are adding seats to the Japan market.

Chairman Jackson added that it is great to have the Korean Low Cost Carriers (LCCs) supporting Guam and we are waiting for the Japan LCCs to begin flying direct from Japan. The wait is due to a lack of equipment not a lack of interest. Japan LCCs do not have the same kind of systems that the Korean LCCs do and these systems are needed to fly to the United States and get Federal Aviation Authority (FAA) approval. It is our understanding that sometime in 2019 or 2020 there will be new aircrafts introduced in Japan LCC companies. We should then begin to see additional seats on Japanese owned LCC's to Guam, which will be a positive development.

Chairman Jackson also expressed the need for the Korea office and individual businesses to work on how to better benefit from the enormous increase in Korea visitor arrivals. He reminded committee members of the upcoming marketing activities in June: Hana Tour, the Guam Food Festival and KOTFA. It will be a good ten-day stretch of sales and marketing activities in the source market and if there is an interest to participate please speak to GVB marketing staff.

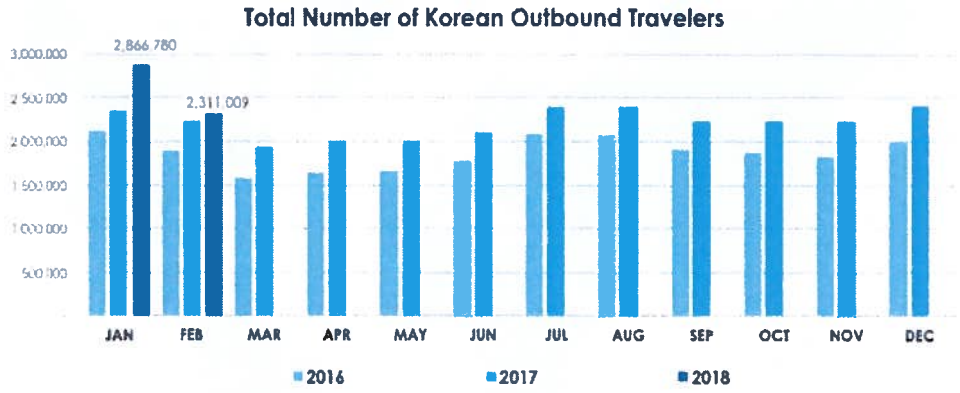
IV. REPORT OF MANAGEMENT

Nothing to report

V. KOREA MARKETING NEWS

a. GVB Account Director Mr. Jay Park presented Korea market's latest projects, promotions and developments.

Korea Outbound Market Trend
Overall Market Trend



- Total number of Korean outbound travelers: 2.3 million (2018 FEB) -> 3.6% increased vs. 2017 FEB
  2017 FEB YTD: 5.2million -> 13.2% increased vs. 2017 YTD

* Reference: Korea Tourism Organization http://kto.visitkorea.or.kr/kor/notice/data/statis/profile.kto

Korea Outbound Market
Airline Capacity to Guam in MAR

Incheon – Guam

Airline	Flight No.	DEP. Time	Days	2018 March	2017 March
Korean Air	KE113	09:15	Daily	10,478	8,432
	KE111	19:35	Daily	8,432	8,432
Jeju Air	7C3102	10:05	Daily	5,859	5,859
	7C3106	20:10	Daily	5,859	5,859
	7C3108	21:50	Daily	NA (aircraft maintenance)	NA
Jin Air	LJ641	09:35	Daily	6,267	12,183
T'Way Air	TW301	18:00	Daily	5,859	5,859
Air Seoul	RS102	20:45	Daily	6,045	NA
TOTAL SEAT CAPACITY				48,799	46,624

- Jeju Air was not operating 7C3108 flight due to the aircraft maintenance.
- Jin Air replaced LJ641 aircraft from B772 (393 seats) to B738 (189 seats) due to the aircraft maintenance.
- Outbound seat capacity from ICN to GUM = 48,799 seats (2,175 seats more than 2017 MAR)

Korea Outbound Market
Airline Capacity to Guam in MAR

Busan – Guam

Airline	Flight No.	DEP. Time	Days	2018 March	2017 March
Korean Air	KE2115	22:05	4times/week	2,484	2,484
Jeju Air	7C3154	22:00	Daily	5,859	5,859
Jin Air	LJ647	08:00	Daily	5,859	5,481
Air Busan	BX612	22:05	4times/week	3,510	3,510
TOTAL SEAT CAPACITY				17,712	17,334

- Outbound seat capacity from PUS to GUM = 17,712 seats (378 seats more than 2017 MAR)

Daegu – Osaka – Guam

Airline	Flight No.	DEP. Time	Days	2018 March	2017 March
T'Way Air	TW311	08:35	Daily	5,859	5,859
TOTAL SEAT CAPACITY				5,859	5,859

- Outbound seat capacity from TAE to GUM = 5,859 seats (same as 2017 MAR)
  - It includes a certain portion of Japanese traveler's

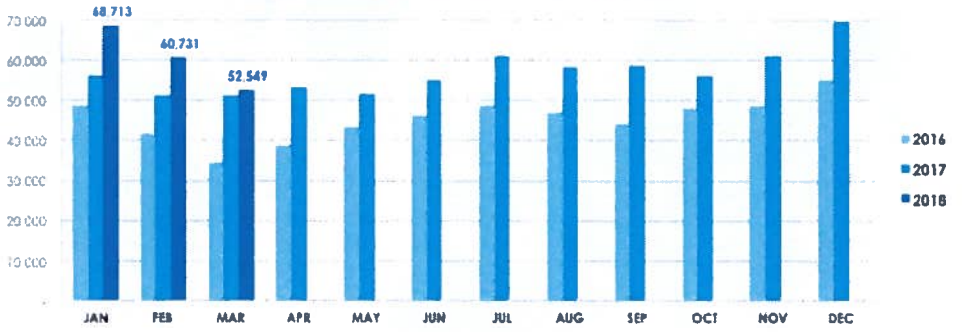
Korea Outbound Market
Airline Capacity to Guam in MAR



Total Outbound Seat Capacity (March)		
Origin	2018	2017
ICN – GUM	48,799 seats	46,624 seats
PUS – GUM	17,712 seats	17,334 seats
TAE – GUM (via KIX)	5,859 seats	5,859 seats
TOTAL	72,370 seats (max) +3.7%	69,817 seats (max)

Korea Outbound Market Trend
Korean Visitors to Guam

Number of Korean Outbound Travelers – to Guam



Guam Arrival	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2018	68,707	60,768	52,549										182,030
2017	56,341	51,181	51,383	53,517	51,576	55,033	61,097	58,411	58,880	56,292	61,093	69,632	158,905
Growth Rate (%)	21.9%	18.7%	2.3%										14.6%

- Total number of Korean travelers to Guam: 52,549 (2018 MAR) -> 2.3 % increased vs. 2017 MAR
  2018 MAR CYTD 182,030 -> 14.6% increased vs. 2017 MAR CYTD

Korea Outbound Market Forecast
Airline Capacity to Guam in APR

Incheon – Guam

Airline	Flight No.	DEP. Time	Days	2018 April	2017 April
Korean Air	KE113	09:15	Daily	8,730	8,280
	KE111	19:35	Daily	8,280	8,730
Jeju Air	7C3102	10:05	Daily	5,670	5,670
	7C3106	20:10	Daily	5,670	5,670
	7C3108	21:50	Daily	4,914	NA
Jin Air	LJ641	09:35	Daily	5,670	11,790
T'Way Air	TW301	18:00	Daily	5,670	5,670
Air Seoul	RS102	20:45	Daily	5,850	NA
TOTAL SEAT CAPACITY				50,454	45,810

- Jeju Air is re operating 7C3108 flight after the aircraft maintenance
- Jin Air replaced LJ641 aircraft from B772 (393 seats) to B738 (189 seats) due to the aircraft maintenance
- Outbound seat capacity from ICN to GUM = 50,454 seats (4,644 seats more than 2017 APR)

Korea Outbound Market Forecast
Airline Capacity to Guam in APR

Busan – Guam

Airline	Flight No.	DEP. Time	Days	2018 April	2017 April
Korean Air	KE2115	22:05	4times/week	2,346	2,484
Jeju Air	7C3154	22:00	Daily	5,670	5,670
Jin Air	LJ647	08:00	Daily	5,670	3,213
Air Busan	BX612	22:05	5times/week	4,095	3,510
TOTAL SEAT CAPACITY				17,781	14,877

- Air Busan (BX612) increased number of flight to 5 times per week.
- Outbound seat capacity from PUS to GUM = 17,781 seats (2,904 seats more than 2017 April)

Daegu – Osaka – Guam

Airline	Flight No.	DEP. Time	Days	2018 April	2017 April
T'Way Air	TW311	08:35	Daily	5,670	5,670
TOTAL SEAT CAPACITY				5,670	5,670

- Outbound seat capacity from TAE to GUM = 5,670 seats (same as 2017 APR)
  - It includes a certain portion of Japanese traveler's

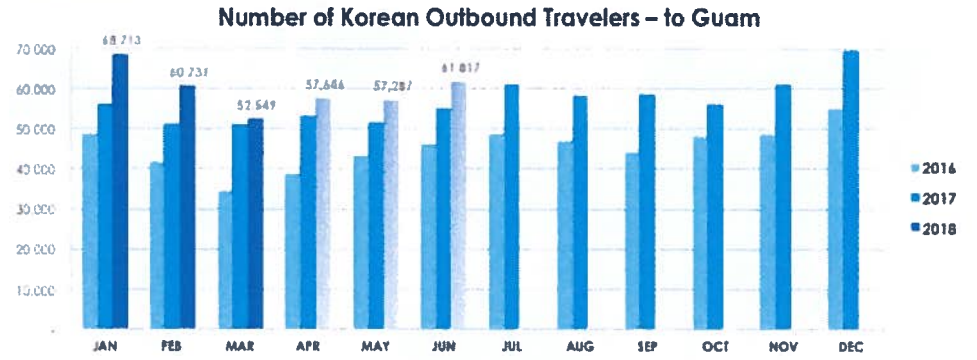
Korea Outbound Market Forecast
Airline Capacity to Guam in APR



Total Outbound Seat Capacity (April)		
Origin	2018	2017
ICN – GUM	50,454 seats	45,810 seats
PUS – GUM	17,781 seats	14,877 seats
TAE – GUM (via KIX)	5,670 seats	5,670 seats
TOTAL	73,905 seats (max) +11.3%↑	66,357 seats (max)

Korea Outbound Market Forecast

Korean Visitors 3months Forecast



Guam Arrival	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2018	68,707	60,768	52,549	57,646	57,287	61,817							
2017	56,341	51,181	51,390	53,517	51,576	55,033	61,097	58,411	58,880	56,292	61,093	69,632	107,522
Growth Rate (%)	21.9%	18.7%	2.3%	7.7%	11.1%	12.3%							

- Mr. Jay Park shared marketing environment information regarding the recent closure of Boracay, Philippines. Boracay is a famous and popular travel destination for Koreans. The shut down will start on April 26th for 6 months.

Boracay Closure Impact on GUAM

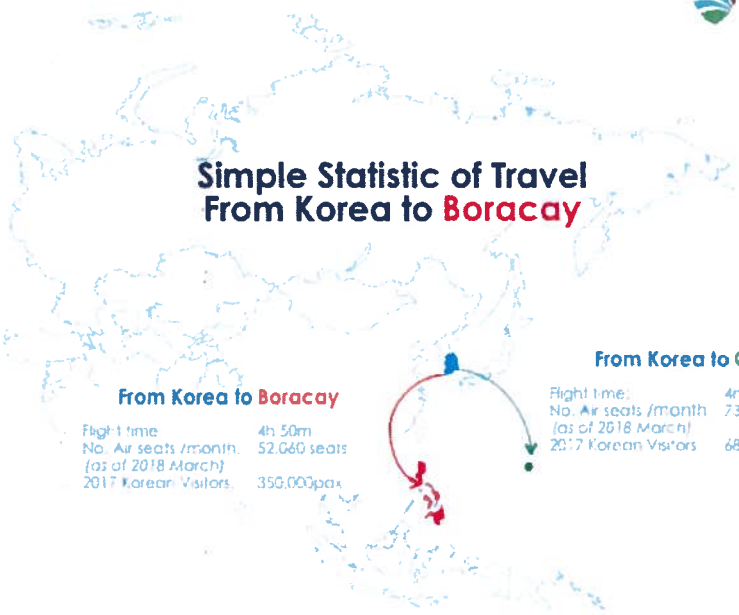
As of April 10, 2018

Prepared by GVB KOREA

GUAM VISITORS BUREAU

Philippine President Rodrigo Duterte approved
the closure of the country's most famous tourist island, Boracay
from April 26 to October 25, 2018

Simple Statistic of Travel From Korea to Boracay



From Korea to Boracay

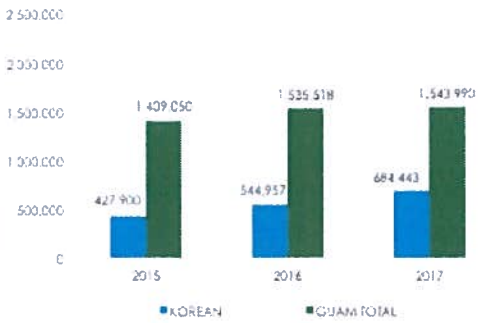
Flight time	4h 50m
No. Air seats /month (as of 2018 March)	52,060 seats
2017 Korean Visitors	350,000pax

From Korea to Guam

Flight time	4hours
No. Air seats /month (as of 2018 March)	73,000 seats
2017 Korean Visitors	680,000pax

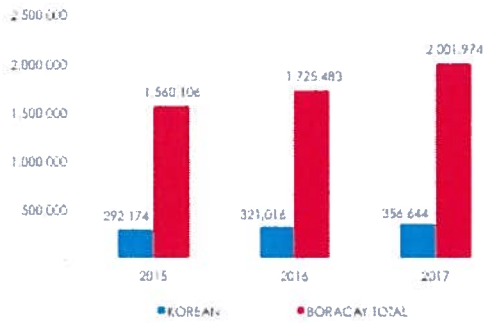
Number of Travelers to Boracay

Guam



In 2017,
684,443 Korean visited Guam.
Which is 44% of the total number of tourists

Boracay



In 2017,
356,644 Korean visited Boracay.
Which is 17% of the total number of tourists and is the second largest after China.

Price comparison - Package tour

By Airlines (March-April)

ICN to GUM

Route	Description	Airline	Price (Approx.)
Incheon-Guam	4 nights	Korean Air	$597 ~ $2,101
Incheon-Guam	4 nights	Jin Air	$829 ~ $1,773
Incheon-Guam	4 nights	Jeju Air	$595 ~ $1,389
Incheon-Guam	4 nights	T'way	$421 ~ $1,386
Incheon-Guam	4 nights	Air Seoul	$393 ~ $1,656

Approx. USD 800 ~ 1,300 per person

By Airlines (March-April)

• ICN to KLO

Route	Description	Airline	Price (Approx.)
Incheon-Kalibo	4 nights	Cebu pacific	$401 ~ $1,515
Incheon-Kalibo	4 nights	Pan Pacific	$297 ~ $1,074
Incheon-Kalibo	4 nights	Jin Air	$322 ~ $1,1930
Incheon-Kalibo	4 nights	Philippines Airlines	$186 ~ $869
Incheon-Kalibo	4 nights	Air Seoul	$266 ~ $1,043
Incheon-Kalibo	4 nights	Air Asia	$260 ~ $1,141

Approx. USD 400 ~ 800 per person

Market Reaction & Projection



- ✓ Most of Koreans agree to the decision to close the Boracay and share the experience about damaged environment of Boracay during their last visit.
- ✓ Hana Tour is making a refund to about 1,600 Boracay customers without a cancellation fee. Mode Tour is also returning the travel expenses to about 1,000 reservation customers. For travelers who want to rebooking other travel destination, they can make a reservation change.

Market Reaction & Projection



- ✓ There are inquiries on the Internet about the recommend travel destination to go instead of Boracay.
- ✓ Cebu, Bali, Phuket etc. located in South East Asian countries are most mentioned travel destination on online instead of Boracay

- Mr. Park explained that although Boracay is not a direct competitor this presents an opportunity for Guam to capture a small portion of market demand that will result from the closure.

- Hana Tour has already cancelled about 1,600 reservations and Mode Tour has 1,000 cancellations. Most of the cancelations are looking for an alternative destination. Mr. Park added that Air Seoul and Jin Air are also operating direct flights from Boracay and Mr. Park will have a meeting with them to discuss opportunities and will update the committee accordingly.

- Chairman Jackson inquired if we should shift our focus in a delicate way to re-empathize the positives that Guam has over a destination such as Boracay, such as our clean air and water. Mr. Park answered that he is currently planning a sustainable tourism project for Guam.

- Chairman Jackson further elaborated to the committee that Boracay had such heavy environmental and trash issues that the President closed it to tourists. This was an enormous step. Mr. Young Min Kim shared that in February 2018 one of the top key words in search engines was "microdust". This could generate more of a shift for visitors to choose destinations with a clean environment and we should promote more of our clean environment accordingly.



March 2018 Update
Travel Trade Support

Hana Tour – TMON Super Avengers Promotion (Korean Air & Jin Air & Air Seoul & T'way + Sheraton Hotel



Interpark Tour – CJ TV Home Shopping (Jin Air & Air seoul + PIC Guam)



March 2018 Update
Travel Trade Support

Mode Tour - Incentive Group Support

- Period: March 20 – March 25, 2018
- Travelers: ATOMY Company (260pax)
- Venue: Hilton Hotel Guam
- GVB's support: Welcome shell lei with Miss Guam



March 2018 Update

2018 United Airlines Guam Marathon

2018 United Guam Marathon

- Date: April 8, 2018
- Total no. of pax (Korean): 572pax (online registration only)



Ongoing & Upcoming Projects

2018 GMIF Media Project with Olympus & AB Road

- ✔ Period: May 1 ~ 5, 2018
- ✔ Co-Partner: Olympus / AB Road / Digital Influencer
- ✔ Objective: to introduce Guam signature event, Guam Micronesia Island Fair to the Korean visitors and bring actual visit to the fair by generating as many as high quality contents by influencers.



ISLAND FAIR

OLYMPUS

Digital Influencers Recruitment
(through Olympus website & SNS channels)

- Period: April 5-10, 2018
- No. of pax: 7pax
- Announcement: April 12, 2018

Ongoing & Upcoming Projects
New Balance Kids Photo Shooting

- ✔ Period: May 8 ~ 11, 2018
- ✔ Co-Partner: New Balance Kids
- ✔ Objective: to promote Guam as a family friendly destination through pictorial, offline & online exposure co-op with one of the biggest consumer / sport global brand, New Balance Kids targeting the 2018 season.
- ✔ Promotion: the photos will be exposed in time for 2018 summer season from May to July through New Balance offline stores (120ea in Korea) and online (website, blog, SNS etc.)



Major Upcoming Projects

2018 Hana Tour International Travel Show

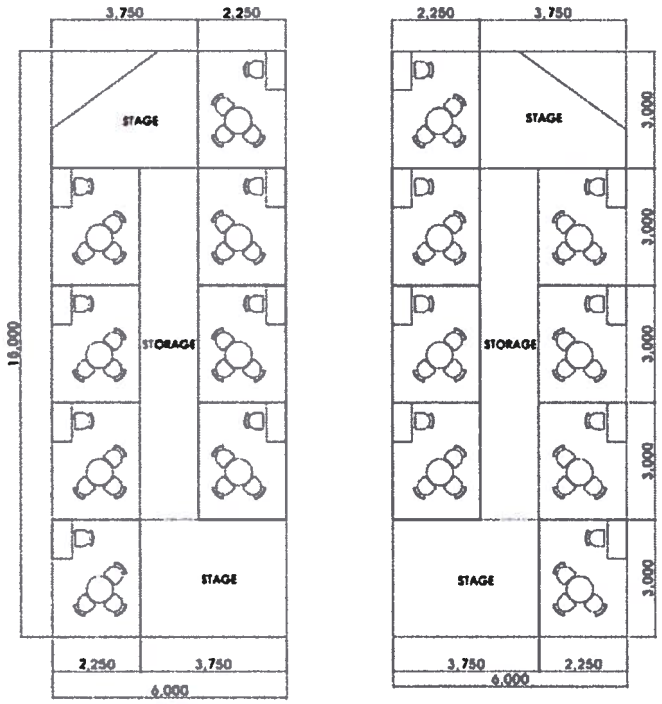
- ✔ Period: June 7 ~ 10, 2018
- ✔ Concept: Guam Pavilion
- ✔ Process
  - Confirm the participating Guam local partners
  - Develop & finalize the Guam pavilion design
  - Operational logistics



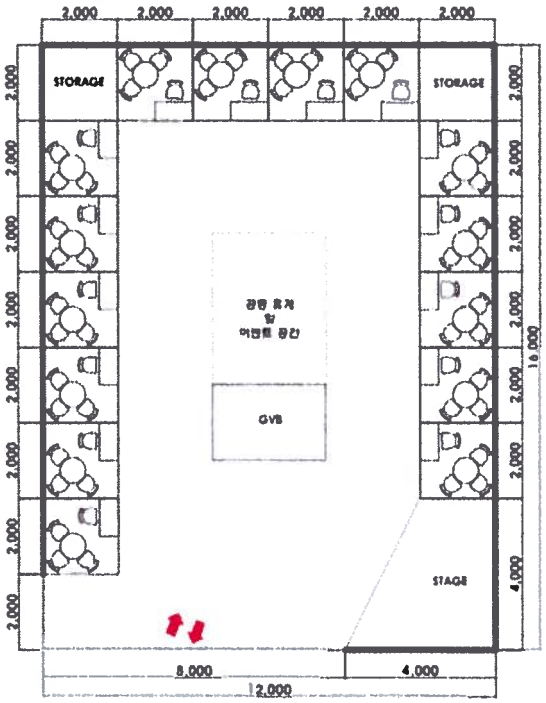
- ✔ Current Registered Guam Partners

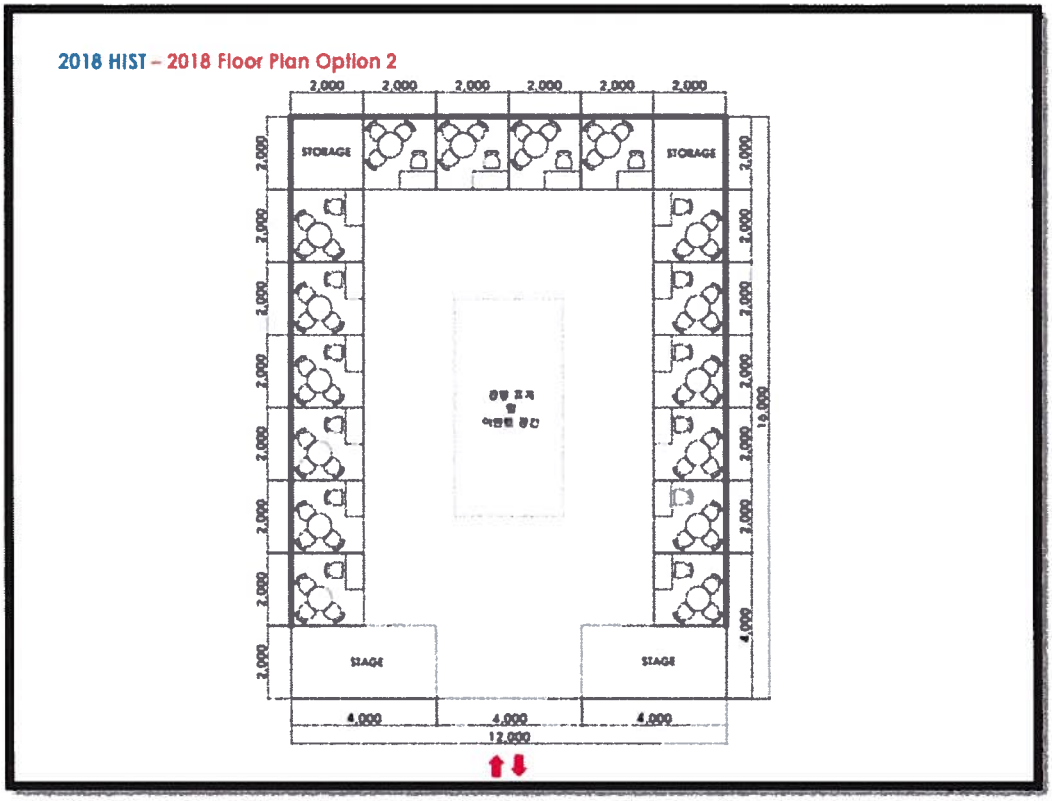
1. PHR (Hilton / Sheraton / Nikko)
2. PHR (Hilton / Sheraton / Nikko)
3. Dusit Thani
4. Hyatt
5. Lotte
6. Guam Reef
7. Onward
8. Guam Plaza
9. Pacific Star
10. Fiesta
11. Outrigger
12. Westin
13. Bayview & Oceanview
14. Royal Orchid
15. Pleasure Island

2018 HIST – 2017 Floor Plan

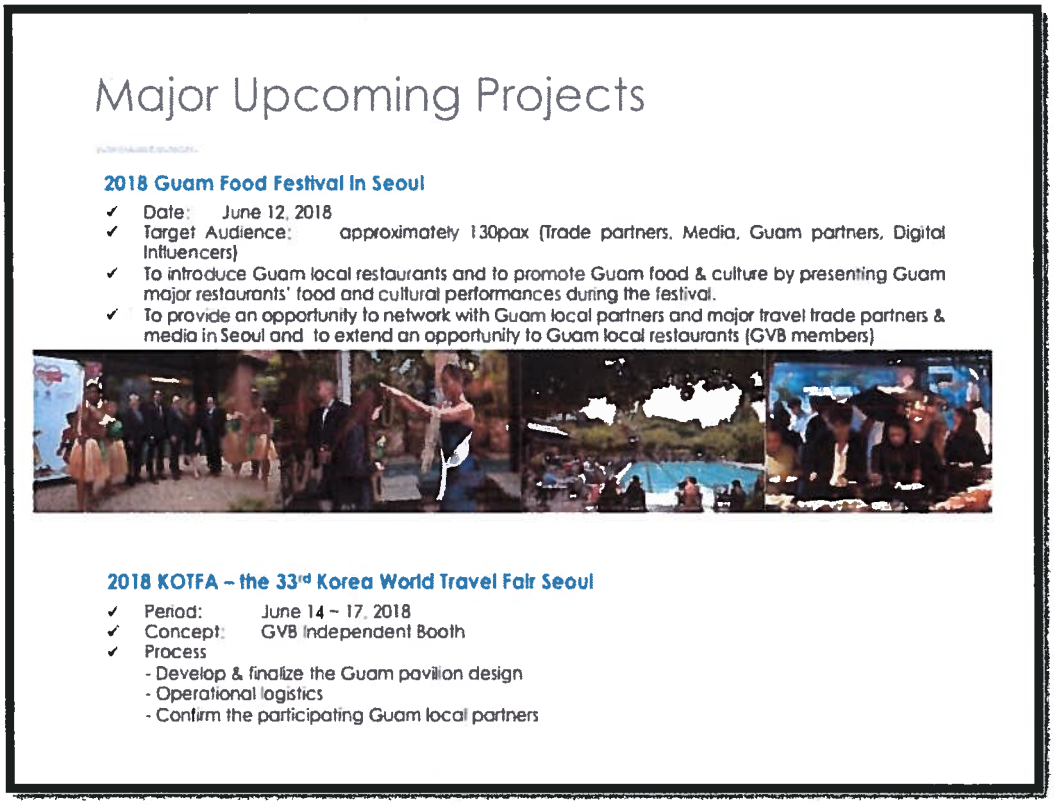


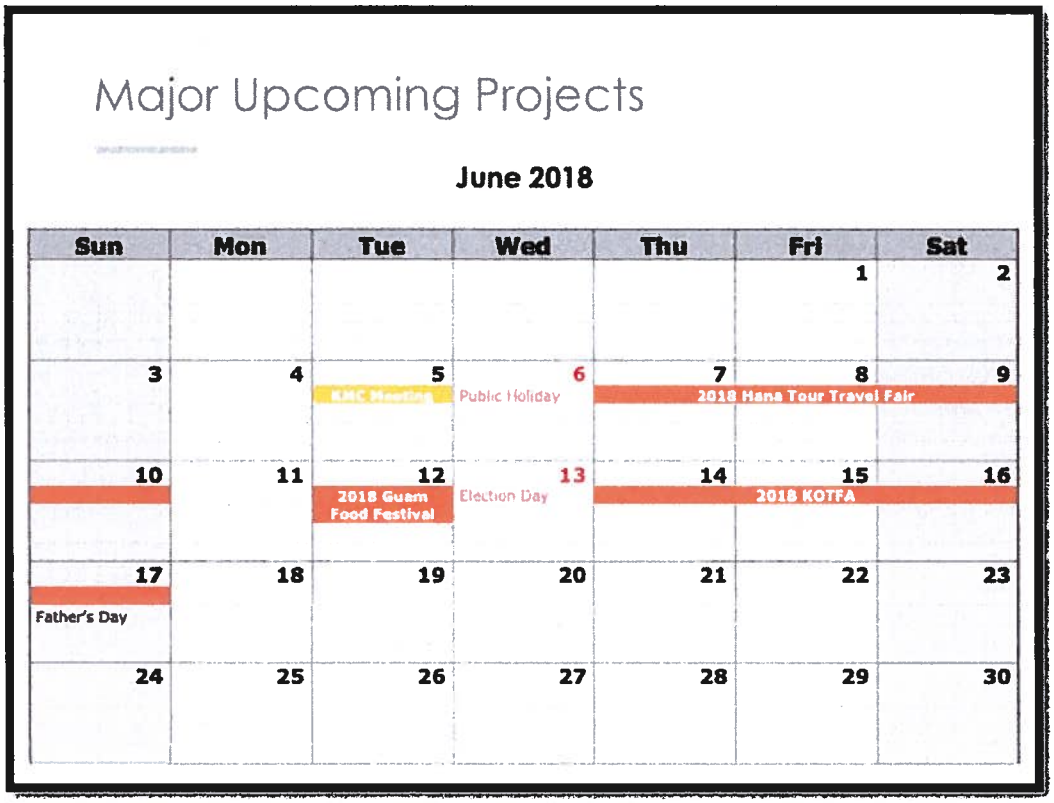
2018 HIST – 2018 Floor Plan Option 1





- Chairman Jackson suggested having two entrances into the Hana Tour booth to encourage more traffic flow.





VI. OLD BUSINESS
Nothing to report

VII. NEW BUSINESS
Chairman Jackson introduced a motion to approve travel for the upcoming Guam Food Festival in Seoul, Korea. With no oppositions the committee unanimously approved the motion.

GUAM FOOD FESTIVAL 2018

Motion to recommend board approval for KMC Chairman or designee, GVB President & CEO or designee, GVB Director of Global Marketing, and one GVB marketing staff to attend the Guam Food Festival in Seoul, Korea on June 12, 2018. Cost is approximately $3,402.00 from Acct# KO-SMD023.

Marketing Travel Expenses

BOD/MGMT Per Diem – Lodging ($230/night x 2 nights + 25% x 2 pax)		$1,150.00
BOD/MGMT Per Diem – M&IE ($148/day x 2 days + 25% x 2 pax)		$740.00
DoGM/Staff Per Diem – Lodging ($230/night x 2 nights x 2 pax)		$920.00
DoGM/Staff Per Diem – M&IE ($148/day x 2 days x 2 pax)		$592.00
	Total	$3,402.00

Background:
Following the Hana Tour International Show, GVB plans to conduct its quarterly marketing meeting with the Korea representative office to plan and strategize upcoming promotions. The scheduled meeting is an opportune time to evaluate and discuss progress of FY2018 SMART goal achievements. In addition, GVB wishes to conduct meetings with the industry to discuss new opportunities and updates within the market.

Following the meetings, GVB will also host the 2nd Annual Guam Food Festival by inviting Guam chefs that specialize in authentic Chamorro and/or Guam delicacies to participate in the event and provide industry partners a taste of Guam and its delicious Chamorro food. During the event, GVB will promote its signature event Guam BBQ Block Party with travel trade partners, conduct a press conference with national and regional media, as well as invite digital influencers to post on their social media platforms.

Issue: Board approval for travel required.

VIII.

ANNOUNCEMENTS

The next committee meeting will be held on May 8, 2018 at 11AM in the GVB Main Conference Room.

IX. ADJOURNMENT

The meeting formally adjourned at 11:32AM.

Minutes Prepared By: Nakisha Garrido, Marketing Coordinator - Korea

Minutes Approved By: Colleen Cabedo, Acting Director of Global Marketing

EXHIBIT

JAPAN MARKETING COMMITTEE MEETING – Tuesday, April 10, 2018

JMC MEMBERS PRESENT: Bill Nault, Satoru Murata, Toshio Akigami, Terry Debold, Monte Mesa, Milton Morinaga, Mike Lee, Daisuke Tsuchiya

OFF-ISLAND:

ABSENT: Kiyoshi Kawano, Tak Takano, Norio Nakajima, George Johnson, Bunichi Yamashita

OBSERVERS/GUESTS PRESENT: Kyoichi Aoki, Miwa Bravo, Dave Duenas, Akiko Futakami, Asher Goldenberg, Masayo Ibay, Yusuke Imazu, Dan Mormon, Russell Ocampo, Shizuyo Okabe, Mari Oshima, Yoshinori Oshita, Yoshihisa Otani, Kimi Passeur, Mai Perez, Suzanne Perez, Daisuke Sato, Osamu Takahashi, Akihiro Tani, Hajime Fujiwara, Victor Argueza

ABSENT: Bonnie Alig, Mark Anderson, Kazu Atsuta, Eilis Baldevia, Akihiko Gondo, Tomoyuki Goto, Kazunori Hotta, Yoshiaki Kanemitsu, Ayisha McKinnon, Naomi Miyama, Yuki Motoda, Koji Nagano, Simon Odoca, Kenji Sekine, Mitsunori Takahashi, Sachiyo Tanimoto, Katsuhiko Yoshida,

GVB: Jon Nathan Denight, Brian Borja, June Sugawara, Karida Brennan, Hiroshi Kaneko, AJ Rosario

VIDEO CONFERENCE: Koichi Hoshino (ADK)

CALL TO ORDER

The meeting was called to order at 1:33 PM.

APPROVAL OF MINUTES

Motion made by Mr. Murata and seconded by Mr. Akigami to approve the minutes of March 13, 2018. Minutes approved.

REPORT OF CHAIRMAN

Chairman Nault acknowledged Acting Japan Director Hiroshi Kaneko and Hajime Fujiwara and Victor Argueza from Japan Airlines. Mr. Fujiwara and Mr. Argueza briefed the committee on making reservations and shared that JAL can distribute brochures to passengers upon their arrival if any company is interested.

Chairman Nault then made the following announcements:

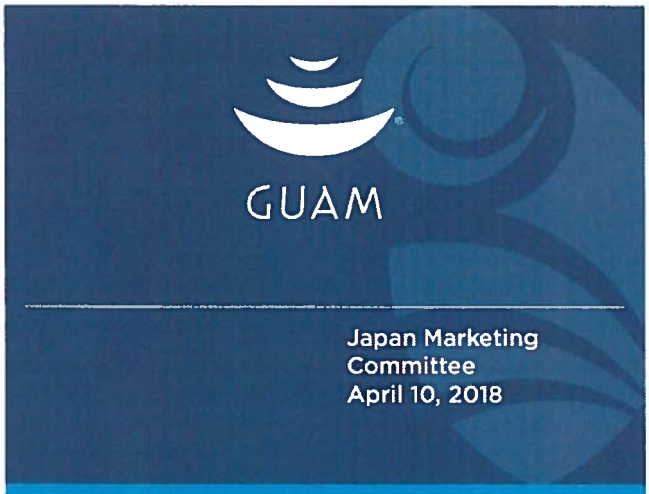
- The team is still in negotiations with JAL about extending their additional service into the winter period
- The AKB48 Fan Tour will be on April 21 at The Beach
- The team met with the Kashiwa Chamber of Commerce Young Entrepreneurs Group to discuss exchanges with Guam
- The Tumon Bay Streetlight Project is complete
- UnderWater World recently opened a café and bar
- Management gave a status update on the Japan market at the Legislature this morning
- United Airlines will be adding additional flights out of Narita and Nagoya during the summer period
- The United Airlines Guam Marathon was a success
- The team hosted a school visit from Kita-Nagoya last week
- The Consul General of Japan commended GVB for hosting the AKB48 Fan Tour as it has had a positive impact on the Japan market

REPORT OF MANAGEMENT

President Denight announced GVB's budget is due to the Legislature in May with a hearing scheduled for sometime in May/June and an official vote will be made in August.

Report by President Denight and Mr. Kaneko:

- Statistics
- Three Month Forecast
- Air Service Development
- Japan Market Update
- Kanto Update
- Chubu Update
- Kyushu Update
- PR & Marketing
- Homepage & SNS



March 2018

March 1-31, 2018 **Total: 131,959 (-5.1%)**

% Market Mix	Origin	2017	2018	% to LY
46.2%	Japan	70,855	60,902	-14.0%
39.8%	Korea	51,383	52,549	2.3%
0.9%	China	1,323	1,152	-12.9%
0.4%	Hong Kong	1,924	570	-70.4%
1.8%	Taiwan	2,853	2,434	-14.7%
4.9%	US/Hawaii	5,490	6,508	18.5%
1.4%	Philippines	1,317	1,904	44.6%

Source: Guam Customs Declaration Forms. Processed by the Guam Visitors Bureau. Note: March 2018 Daily Arrivals reflect Civilian Air arrivals only

Calendar Year to Date 2018

January-March 31, 2018 **Total: 392,692 (-3.9%)**

% Market Mix	Origin	2017	2018	% to LY
37.9%	Japan	182,248	148,751	-18.4%
46.4%	Korea	158,905	182,030	14.6%
1.6%	China	7,759	6,263	-19.3%
0.4%	Hong Kong	5,659	1,376	-75.7%
1.9%	Taiwan	10,313	7,374	-28.5%
5.5%	US/Hawaii	19,242	21,755	13.1%
1.0%	Philippines	3,837	3,827	-0.3%

Source: Guam Customs Declaration Forms. Processed by the Guam Visitors Bureau. Note: March 2018 Daily Arrivals reflect Civilian Air arrivals only

Fiscal Year to Date 2018

October 2017 – March 31, 2018 **Total: 768,203 (-3.9%)**

% Market Mix	Origin	2017	2018	% to LY
36.0%	Japan	363,837	276,544	-24.0%
48.0%	Korea	310,907	369,047	18.7%
1.3%	China	13,146	10,328	-21.4%
0.4%	Hong Kong	9,158	3,436	-62.5%
1.7%	Taiwan	20,034	13,330	-33.5%
5.3%	US/Hawaii	37,148	40,423	8.8%
1.3%	Philippines	10,859	10,160	-6.4%

Source: Guam Customs Declaration Forms. Processed by the Guam Visitors Bureau. Note: March 2018 Daily Arrivals reflect Civilian Air arrivals only

Hotel Occupancy Rate (2018)

Month	2017 (%)	2018 (%)	% Change
October	80.8	71.7	-11.3
November	86.4	82.7	-4.3
December	89.5	86.8	-3.0
January	87.2	87.8	+0.5
February	91.3	92.8	+1.6
Percent Change FYTD 2018	87.0	84.3	-3.13

Average Daily Rate (2018)

Month	2017 ($)	2018 ($)	% Change
October	182.45	197.27	+8.1
November	182.43	185.95	+1.9
December	222.18	228.57	+2.9
January	231.60	226.09	-2.4
February	218.63	225.02	+2.9
Percent Change FYTD 2018	207.46	212.58	+2.5

Mr. Mesa asked for clarification on the source of the data for the Hotel Occupancy Rate. President Denight reported the data is from the STR, not from GHRA. STR is the global leader in generating this type of report.

3 Month Forecast

(as of 10Apr 2018)

Month	Forecast	LY Arrival	% Arrival	2018 Seats	2017 Seats	% Capacity
April	41,000	49,834	-17.73%	53,618	70,962	-24.44%
May	35,000	47,140	-23.63%	51,747	74,878	-30.89%
June	35,000	48,971	-28.53%	45,008	71,063	-36.66%

(Data Source : Diio Mi, JGTA and other MI)

April 2018
Narita
UA: 21 flights per week (3,486)
JL: 14 flights per week (2,786)
Nagoya
UA: 7 flights per week (1,162)
Kansai
UA: 7 flights per week (1,162)
TW: 7 flights per week (1,323)
Fukuoka
UA: 7 flights per week (826)
Sendai
UA: 2 flights per week, (236)
(Thu & Sun)

May 2018
Narita
UA: 21 flights per week (3,486)
JL: 14 flights per week (2,786)
Nagoya
UA: 7 flights per week (1,162)
Kansai
UA: 7 flights per week (1,162)
TW: 7 flights per week (1,323)
Fukuoka
UA: 7 flights per week (826)
Sendai
UA: 2 flights per week, (236)
(Thu & Sun)

June 2018
Narita
UA: 21 flights per week (3,486)
JL: 14 flights per week (2,786)
Nagoya
UA: 7 flights per week (1,162)
Kansai
UA: 7 flights per week (1,162)
TW: 7 flights per week (1,323)
Fukuoka
UA: 7 flights per week (826)

Charter Flight information

April
Nagoya 1 flight (188)
Kansai 2 flights (378)

May
Narita 1 flight (246)
Nagoya 4 flights (753)
Fukuoka 1 flight (189)
Kansai 1 flights (246)

G. Total 10 flights, (2,000 seats)

Air Service Development

(as of 10Apr 2018)

1. Charter Plan 2018

- Summer charter flights are expected to operate more than 100 times.
- More than 350 charters are planned to operate throughout a year.
- Capacity growth rate : 193%.

2. Regular operation

- Continue discussing with full service carriers and LCCs.
- Some carriers based in Asia are considering to operate to Guam.

3. South Korea Nationality Carriers

- Fifth freedom rights : Both Jeju Air and T'way.
- Discussion is still ongoing at the moment.

Confidential and subject to change

Mr. Mesa asked why the forecast is below the load factor targets and what the forecast is based on. President Denight stated that we have been losing seats out of Japan for years and as a result, arrivals have decreased. 80% of the seats we do have are on US carriers. In addition, the Yen rate fluctuates. These factors also affect arrivals. Those issues aside, the market has been steadily recovering from the North Korea issue. The projections are good given the current situation and that we are in the slow period. The demand to travel to Guam is there, but not when the airfare pricing is not competitive. Mr. Kaneko stated that the data comes from travel trade partners. Mr. Borja added that projections are very different from targets and the following slides are programs put in place to achieve increased arrivals.

GUAM VISITORS BUREAU
グアム政府観光局

JAPAN MARKETING COMMITTEE MEETING
1:30 PM – Tuesday, April 10, 2018
GVB Main Conference Room

Air Service Development

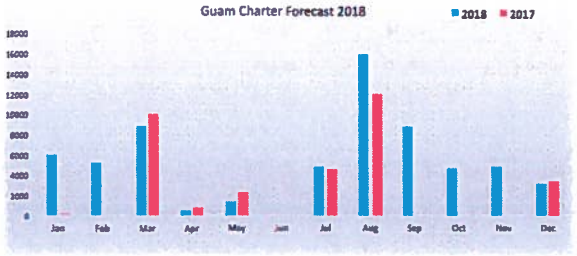
(as of 10Apr. 2018)

Charter Business in 2018

Forecast in 2018 :

2018 : 64,000 seats or more
2017 : 33,468 seats
2016 : 20,515 seats

Data Source : MI & Airlines



Confidential and subject to change

Air Service Development

(as of 10Apr. 2018)

Summer Charter Update:

Long-term charter program is planned. (summer holiday period)

Airline	Dep. port	Dep Date	Return Date	Aircraft	Capacity
Tway	Narita	21-July-18	17-Sep-18	B737-800	188
Jin Air	Narita	21-July-18	30-Sep-18	B737-800	189
Uzbekistan	Nagoya	27-July-18	29-Aug-18	A320-200	148

July - September :

- Narita : 24,700 seats
- Nagoya : 5,033 seats
- Total : 29,732 seats

Comparison to LY: 178%





Japan Market Update

(as of 10Apr. 2018)

Capacity Forecast in 2018

Data Source : Dio MI & other MI

Forecast as of 02Apr.18

Total : about 640,000 seats
about 3,650 flights

Schedule : 575,000 seats
3,300 flights

Charter : 64,000 seats
350 flights

vv. 2017 : -26% (-232,000 seats)



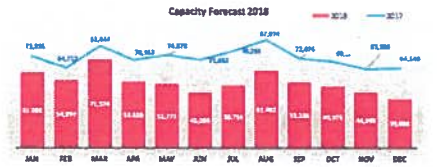
Forecast as of 03Mar18

Total : about 63,8000 seats
about 3,630 flights

Schedule : 575,000 seats
3,300 flights

Charter : 63,000 seats
330 flights

vv. 2017 : -30% (-255,000 seats)



Confidential and subject to change

Japan Market Update

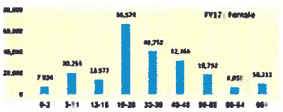
(as of 10Apr. 2018)

- **Japanese overseas travel in February 2018.**
  Japan National Tourism Organization reported that the number of Japanese overseas traveler was down 6.9% year on year, reaching 1,390,500 in February 2018.
- **Peach Aviation & Vanilla Air.**
  ANA has announced March 22 that Vanilla air will be merged into Peach aviation by 2019.
  - After merger, Peach is planning to expand middle range of international route for the growing inbound market.
  - Target: sales goal of 150 billion yen and operating income of 15 billion yen.
    Become the third largest airlines in Japan.
    Leading LCC in Asia.
- **LCCs from Kansai airport.**
  The airport has announced a plan for international service in summer schedule period, March 25 - October 27 this year. The number of weekly flight times in September is expected to reach 1,219, which is plus 50 flights compared to LY.
  LCC share accounts for 38.7% (FSC:747 flights, LCC:477 flights)
- **Scoot Hawaii Big Sale Campaign**
  The company has started special campaign up to April 10th and offering ¥ 10,000 for ow including taxes, airport usage fees and fuel surcharge etc. The purpose of this campaign is lift LF for the period of soft demand period, April to Jun.
  The last departure date is July 19, 2018.

Japan Market Update

(as of 10Apr. 2018)

- **Overseas Graduation trip.**
  Mynavi Travel survey finds female students are more positive about graduation trip than males. The ratio of female students with travel plan is about 80%, higher than 70% of males.
  - The ratio of male students with no overseas travel plan : 46.5%.
  - Information source: 61.9% : Travel information media on website.
    52.5% : SNS.
    34.3% : Guidebook.
  - Selection of destination: 63.2% photogenic spots introduced by SNS.
- **SNS posting.**
  SMBC Consumer Finance survey find that travel is the top purpose to spend money for SNS posting. The ratio of females is higher than that of males, and the ratio of 30's and 40's higher than that of 20's.
  - 58.4% : 30's and 40's people who has spent money to take pictures and movies.
  - Top consumption purpose: 55% for travel, 14% for cooking, 13% for leisure or outdoor.
- **Age breakdown by month for Japan to Guam for FY17.**
  - The ratio for 20's and 30's female is placed at No.1.
  - Ranking:
    No. 1 Female aged 18-29 years. (31%).
    No. 2 Female aged 30-39 years (19%).
    No. 3 Female aged 40-49 years(15%).

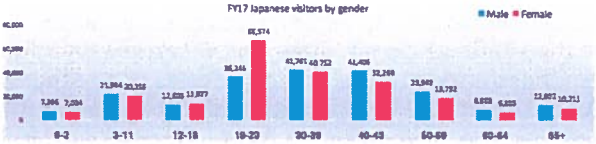


Japan Market Update

(as of 10Apr. 2018)

Japanese Visitors Profile FY17.

Age breakdown by generation.



Core visitor group.



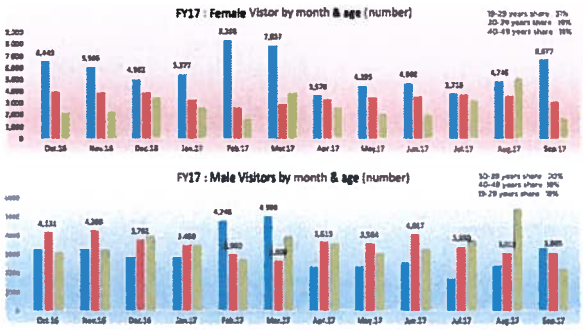


Japan Market Update

(as of 10Apr. 2018)

Japanese Visitors Profile FY17.

Age breakdown by month. Blue : 19-29 years. Red : 30-39 years. Green : 40-49 years



Kanto

(as of 10Apr. 2018)

Air Ticket Guam Sales campaign:

JAL:

- Joint Promotion (GVB x JAL)
- External site: Travelko
- Sales period: - mid of May.18.
- Travel period: April to Jun.18
- Dep port : Narita.
- Sales: Air ticket, DP, Package.
- JTB, JALPAK, HIS, KNT etc.





Kanto

(as of 10Apr. 2018)

JAL Guam Campaign:

- Sales Promotion
- Sales period: March - early June.
- Travel period: up to end of October.
- Dep port : Narita
- Award: JAL e-point
  JAL rucksack.
  Air + hotel (1 pair)



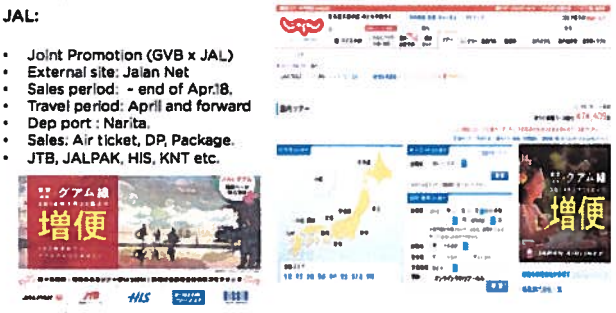
Kanto

(as of 10Apr. 2018)

Air Ticket Guam Sales campaign:

JAL:

- Joint Promotion (GVB x JAL)
- External site: Jalan Net
- Sales period: - end of Apr.18.
- Travel period: April and forward
- Dep port : Narita.
- Sales: Air ticket, DP, Package.
- JTB, JALPAK, HIS, KNT etc.



Kanto

(as of 10Apr. 2018)

Air Ticket Guam Sales campaign:

Tway:

- Joint Promotion (GVB x Tway)
- Sales period: 22Mar - 04Apr.18
- Travel period: April to June.
- Dep port : Kansai
- Price : ¥ 10,000 ow -
- Sales: Tway Booking engine.
- External site Yahoo, Google.





Kanto

(as of 10Apr. 2018)

Guam Sales campaign OTAs:

GVB x Rakuten:

1st campaign:

- Sales period: March 22 - April 25.
- Travel period: April - June.
- Product: Air, Dynamic package.
- Target: 100%+

2nd campaign:

- Sales period: Jun - July
- Travel period: July - September.
- Planning now



Kanto

(as of 10Apr. 2018)

Guam Sales campaign OTAs:

GVB x Expedia: Just started !!

- Sales period: April 01 - May 31.
- Travel period: April - July18.
- Product: Air, Dynamic package.
- Target: 100%+





Expedia.co.jp
かしこい旅、エクスペディア

Chubu

(as of 10Apr. 2018)

Event & Seminar in Chubu

- Seminar in Shizuoka and Hamamatsu on May.
- In-house Seminar at HIS Nagoya for freshman in Nagoya on May.



Market update

- Jeju Air charter product : sold out.
- Tway charter product : 90% or above.
- Summer charter product has been on sale. (Jeju air etc)
- Market demand is on recovery trend toward summer holiday.



Kyushu

(as of 10Apr. 2018)

Kyushu Guam-kai

- Fukuoka Guam kai, (Guam meeting)
- It's kind of small JGTC.
- Information sharing and work together.
- Members KNT, JTB, HIS, NTA, Nishitetsu Travel and United.
- The first meeting has been held on March 26.
- Sales growth in Kyushu.



Joint Promotion with NTA

- Joint promotion (GVB x NTA x United)
- Sales period : April 1-June 30
- Target : 100%+
- Sales period : July 1-September 30
- Target :100%+



PR & Marketing –Latest & Upcoming Exposures (GVB/J collaboration)

(as of 10Apr. 2018)

- March : Print 3 / TV 1 / Cable TV 1 / Radio 1
- April : Print 4 / Cable TV 6 / Radio 1.
- Targeting F1 (female aged 20-34 years)

(one media did not go through GVB/J) selected Hotel Santa Fe for tie-in.

MARCH

TYPE OF MEDIA	NAME OF MEDIA	MEDIA TARGET	LAUNCH DATE
RADIO	FM NORTH WAVE	HOKKAIDO AREA	03-Mar-18
TV	Saipan Summer Resort	ALL Nationwide	03-Mar-18
WEB	Asahi Shimbun & Travel	ALL Nationwide	12-Mar-18
PRINT	MESMO	F2, HOUSEWIVES	22-Mar-18
PRINT	S-Style	SENDAI AREA OL	22-Mar-18
CABLE TV	Shima RUN	Runners	26-Mar-18
PRINT	KURASHI	F1/F2, HOUSEWIVES	30-Mar-18

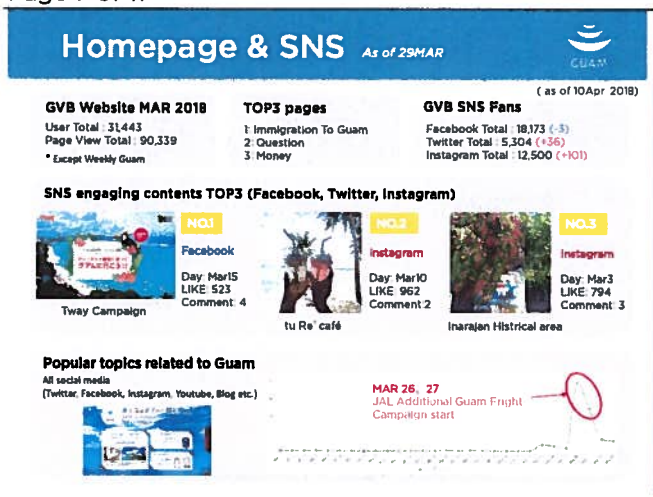
APRIL

TYPE OF MEDIA	NAME OF MEDIA	MEDIA TARGET	LAUNCH DATE
CABLE TV	Shima RUN	Runners	06-Apr-18
CABLE TV	Shima RUN	Runners	13-Apr-18
RADIO	FM NORTH WAVE	HOKKAIDO AREA	14-Apr-18
CABLE TV	Shima RUN	Runners	18-Apr-18
PRINT	Travel with a Child Guam Guidebook	Family	20-Apr-18
PRINT	GENIC Colorful Guam Guidebook	OL, Instagramers	20-Apr-18
CABLE TV	Shima RUN	Runners	21-Apr-18
CABLE TV	Shima RUN	Runners	27-Apr-18
CABLE TV	Shima RUN	Runners	28-Apr-18
PRINT	Golf Digest Traveler	Golfers	30-Apr-18
PRINT	Sandy Magazine	OL, Instagramers	30-Apr-18



Cover page draft of "Colorful GUAM" Guidebook by GENIC

Mr. Mesa asked what the price point out of Fukuoka is during this campaign period. Mr. Kaneko stated UA is offering a private fair and there is also a package discount, but the discount varies for the different travel agents. The average price is $400 round trip and the load factor is 50% or below. Mr. Mesa inquired about the low load factor when we launched a campaign with reduced airfare. Mr. Borja and President Denight reported that the load factor is slowly climbing, but it is higher when the pricing is more attractive. Moreover, April is typically a slow period and other airlines have better pricing out of Fukuoka. Regarding the top demographic (young females), Mr. Debold advised the committee to keep in mind that the demographic may differ from city to city. Mr. Goldenberg asked if there is a reason we attract more females than males. Mr. Denight report that it is simply a trend; females in Japan are more likely to travel overseas than males.





REPORT OF ADK

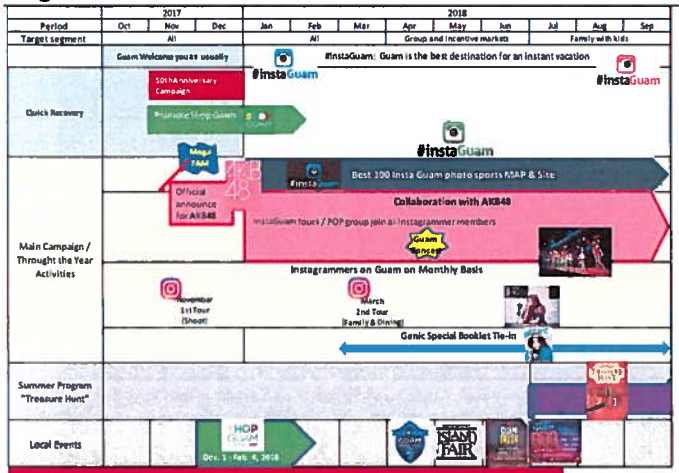
Report by Mr. Hoshino:

- FY18 Communication Plan
- PR/Promotion
- 2018 InstaGuam – January - September
- FY2018 Media Plan
- Guam Treasure Hunting Promotion
- InstaGuam + AKB48
- Web Media Summary
- InstaGuam Campaign
- AD/PR/Promotion
- AKB48 Update

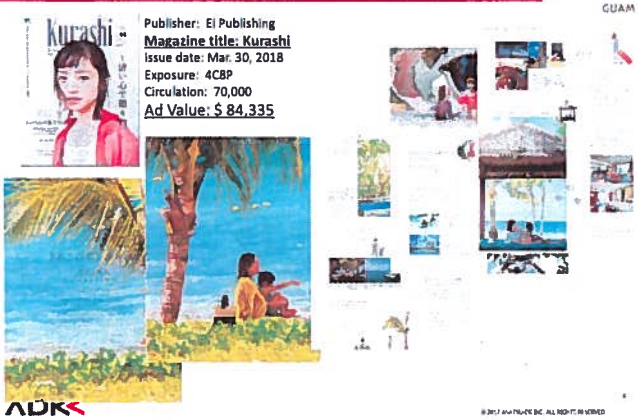




Current Status

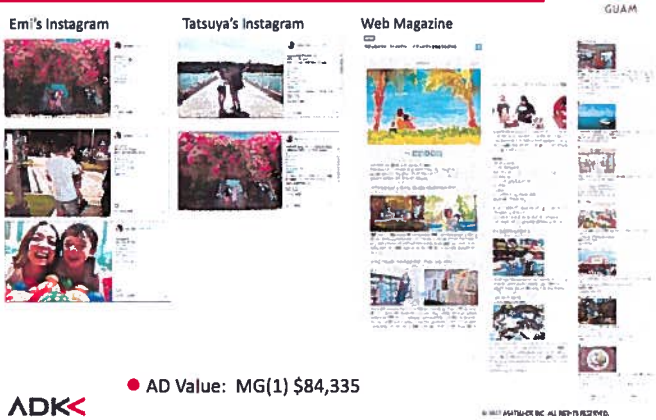


PR : Past _ Mar.



Publisher: EI Publishing
Magazine title: Kurashi
Issue date: Mar. 30, 2018
Exposure: 4C8P
Circulation: 70,000
Ad Value: $ 84,335

PR : Past _ Mar. (Kurashi_continued)



- AD Value: MG(1) $84,335

PR : Upcoming _ Apr.

- **GENIC Special Booklet Production**

Media Category:	Photo and lifestyle
Circulation:	50,000
Target :	20s-30s active female
Issue date	Quarterly Issue /
Ad Rate:	4C1P ¥800,000
Ad Value:	9.6 mil JPY (Color, 12 pages)



- **Printing: 20,000 copies**

PR : Upcoming _ May ~



- **Golf Digest Package PR Tie Ins**

1) Magazine title: Golf Digest Traveler
Issue date: Published quarterly (Jan・Apr・Jul・Oct)
Exposure: 4C5P
Circulation: 50,000
Ad Value: $ 30,707.14

2) Media title: Minnano Golf Digest Web & Golf Digest TV
Minna no Golf Digest
Golf information site operated by Golf Digest
Monthly PV: 7,300,000 Article CTR 1.5% average
Golf Digest TV (YouTube)
Golf related movie site operated by Golf Digest
The latest Channel subscribers: 54,346
Ad Value: $ 13,160.20

3) Japan airlines Official site
Guam General Golf promotion video will be posted as contents on JAL Guam site
Ad Value: $ 21,933.67

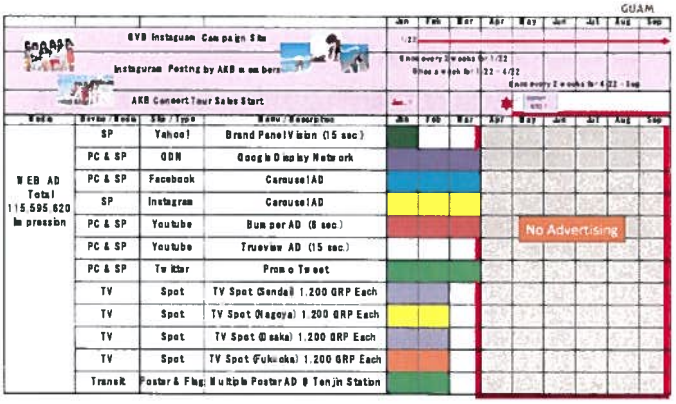
- Total AD Value: $65,801

GUAM

2018 InstaGuam
Jan. – Sept. 2018

FY2018 Media Plan

GUAM



ADK

SP: 2018 Guam Treasure Hunting Promotion

GUAM

- Campaign Period: July 1 ~ Oct. 7, 2018

✓ Banner Designs for TA' Brochure



✓ Landing Page (PC & SP)



ADK

SP: 2018 Guam Treasure Hunting Promotion

GUAM

- Campaign Period: July 1 ~ Oct. 7, 2018

✓ Banner in GVB HP



ADK

PR: InstaGuam _CP Posted Photos

GUAM

GVG current SNS followers:
Instagram: 12,000 <= 0 (a year ago)
Facebook: 23,882 <= 8,700 (a year ago)



ADK

PR: InstaGuam Campaign Prize Application Result

GUAM

- As of April 6, 2018

	Date	Instagram	Twitter	Facebook	
50,000 JPY JCB coupon	1/22-3/5	956	14	4	974
	3/6-3/11	126	0	12	138
	3/12-3/18	161	0	0	161
	3/19-3/25	137	3	0	140
	3/26-4/1	82	1	1	84
	Sub total①	1462	18	17	1497
10,000 JPY JCB coupon	1/22-3/5	131	139	3	273
	3/6-3/11	12	7	0	19
	3/12-3/18	7	4	0	11
	3/19-3/25	7	36		43
	3/26-4/1	4	7	0	11
	Sub total②	161	193	3	357
	Total (①+②)	1,623	211	20	1,854

ADK

AD: *InstaGuam + AKB48 - Web Media Result Report*

● Still image (2018/03/01-03/31)

Menu	Imp	Click	CTR	CPC	Click to Travel Agent	HIS Live	JTB Live	Ace Live
GDN	29,948,889	25,563	0.09%	¥117	1,356	536	440	380
Twitter	1,976,420	9,016	0.46%	¥111	1,190	468	443	279
Total	31,925,309	34,579	0.11%	¥116	2,546	1,004	883	659

ADK

AD/PR/ Promotion:
InstaGuam + AKB48 Guam Special Concert by limited 16 members

● Sales Status as of April 6, 2018

AKB Concert Sales					
Travel Agent	By Port				
	Narita	Kansai	Cyuubu	Fukuoka	Total
JTB AKB Official Tour	250	37	20	8	315
Other Travel Agents (HIS: 56, Rakuten: 4, I ACE: 2)	60	2	0	0	62
Total					377

ADK

AD/PR/ Promotion:
InstaGuam + AKB48 Guam Special Concert by limited 16 members

● **Schedule of the Concert Day**

- **April 20**
- 7:00 – 15:00: photo shooting for Instagram

- **April 21**
- 11:30-13:00: Rehearsal at 'The Beach'
- 14:00: Venue Open
- 15:00: AKB Special Live at 'The Beach'
- Before / After the live: Instaguammer Award Ceremony
- 19:00 – 21:00: After Party at PIC

ADK

REPORT OF SUBCOMMITTEES

Discussion / Comments:

OLD BUSINESS

Rotary District Conference 2019 (to be held on Guam in February 2019)

NEW BUSINESS

FY2019 Budget: Management updated the committee on the proposed FY2019 budget of $8.5 million - $9 million for the Japan market.

Mr. Debold made a motion, seconded by Mr. Lee, to approve the FY2019 budget breakdown for the Japan market as presented by management. Motion approved.

Chairman Nault reported that the team will be meeting with golf and wedding partners to see how GVB can support them moving forward.

ANNOUNCEMENTS

- Next JMC meeting will be on MAY 8, 2018 at 1:30 PM.

ADJOURNMENT

Moved by Mr. Murata and seconded by Mr. Akigami to adjourn the meeting at 3:22 PM. Motion approved.

Minutes prepared by: _____
Karida Brennan, Marketing Officer I

Minutes approved by: _____
June Sugawara, Marketing Officer II