

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÁHAN
Informational Briefing/Hearing/ Oversight Hearing / Roundtable Hearing

STANDING COMMITTEE / SENATOR	HEARING	COMMITTEE REPORT	HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
Committee on Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth, and Senior Citizens	Informational Hearing	Guam Visitors Bureau	4/2/21 2:00 p.m.	4/7/21 9:32 a.m.	



Office of Senator

AMANDA L. SHELTON

Legislative Secretary & Chairwoman

Committee on Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Sais Na Liheslaturan Guåhan • 36th Guam Legislature

April 6, 2021

The Honorable Tina Rose Muña Barnes

Chairperson, Committee on Rules

36th Guam Legislature

163 Chalan Santo Papa

Hagåtña, Guam 96910

Subject: Committee Report on Informational Hearing with the Guam Visitors Bureau

Håfa Adai Chairperson Muña Barnes,

Buenas yan Håfa Adai! Transmitted herewith is the Committee Report on the Informational Hearing with the Guam Visitors Bureau relative to tourism recovery efforts.

Respectfully,

Senator Amanda L. Shelton

Chairwoman

COMMITTEE ON RULES

RECEIVED:

April 6, 2021

3:38 P.M.

Revision Rec'd:

April 7, 2021 @ 8:24 A.M.



GUAM CONGRESS BUILDING | 163 CHALAN SANTO PAPA | HAGÁTÑA, GUAM 96910

officeofsenatorshelton@guamlegislature.org | (671) 969-2574 • (671) 989-2572



Office of Senator

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Committee on Air Transportation, Parks, Tourism, Higher Education and the
Advancement of Women, Youth and Senior Citizens

I Mina'trentai Sais Na Liheslaturan Guåhan • 36th Guam Legislature

COMMITTEE REPORT

Informational Hearing with the Guam Visitors Bureau

Tourism Recovery Efforts

March 2, 2021 at 2:00 p.m.

Public Hearing Room

Guam Congress Building



GUAM CONGRESS BUILDING | 163 CHALAN SANTO PAPA | HAGÁTÑA, GUAM 96910

officeofsenatorshelton@guamlegislature.org | (671) 969-2574 • (671) 989-2572



Office of Senator Shelton Guam Legislature <officeofsenatorshelton@guamlegislature.org>

First Notice of Public Hearings – Tuesday, March 2, 2021, beginning at 9:00 a.m.

Office of Senator Amanda L. Shelton <officeofsenatorshelton@guamlegislature.org> Mon, Feb 22, 2021 at 8:00 AM

To: "Senator Amanda L. Shelton" <officeofsenatorshelton@guamlegislature.org>

Bcc: phnotice@guamlegislature.org, "Christian F. Valencia" <cfvalencia@guamlegislature.org>, news@sorensenmediagroup.com, Chris Barnett <chris@kuam.com>, Chris Malafunkshun Barnett <malafunkshun@kuam.com>, "Dana M. Williams" <dmwilliams@guam.gannett.com>, "Dana M. Williams" <dmwilliams@guampdn.com>, "Eugenio, Haidee" <haidee@postguam.com>, "George, Duane M" <dmgeorge@guam.gannett.com>, John O'Connor <john@postguam.com>, Kevin <kevin@spbgum.com>, KUAM News Reporters <reporters@kuam.com>, Nick Delgado <nick@postguam.com>, Pacific Island Times <pacificislandtimes@gmail.com>, Patti Arroyo <parroyo@k57.com>, The Post Editor in Chief <editor@postguam.com>, K57 <news@k57.com>, cj@urquico.com, "Kaur, Anumita" <AKaur@guam.gannett.com>, Oyaol Ngirairikl <managingeditor@postguam.com>, Valerie Sablan <valerie.sablan@visitguam.org>, Carl Gutierrez <carl.gutierrez@visitguam.org>, Rose Grino <rose.grino@fhphealth.com>, "Janice P. Malilay" <jpm.dds@gmail.com>, Esther Muna <esther.muna@guamcc.edu>, boardoftrustees@guamcc.edu, Mary Okada <mary.okada@guamcc.edu>, "Krise, Thomas" <tkrise@triton.uog.edu>, David Okada <dsokada@triton.uog.edu>, Christine Mababayag <ckamm@triton.uog.edu>, Phil Leon Guerrero <phil@postguam.com>

Buenas yan Håfa Adai:

Please find attached and copied below a notice from the Office of Senator Amanda L. Shelton regarding Public Hearings on Tuesday, March 2, 2021.

Thank you for your attention to this matter. *Si Yu'os Ma'åse!*

Respectfully,



Christian F. Valencia | *Committee Director*

Office of the People • Senator Amanda L. Shelton
Legislative Secretary & Chairwoman, Committee on Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth, and Senior Citizens

36th Guam Legislature
163 Chalan Santo Papa, *Hagåtña*, Guam 96910

T +1 (671) 969-2574 • (671) 989-2572

E cfvalencia@guamlegislature.org

February 22, 2021

MEMORANDUM

To: All Senators, Stakeholders, Media

From: **Senator Amanda L. Shelton**
Chairwoman, Committee on Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens

Subject: **First Notice of Public Hearings – Tuesday, March 2, 2021, beginning at 9:00 a.m.**

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following **Public Hearings on Tuesday, March 2, 2021** in the Public Hearing Room of the Guam Congress Building:

9:00 a.m. – Confirmation Hearings

- Appointment of [Dr. Janice P. Malilay](#) to serve as a Member of the University of Guam, Board of Regents
- Appointment of [Rose P. Grino](#) to serve as a Member of the Guam Community College, Board of Trustees

2:00 p.m. – Informational Hearing

Guam Visitors Bureau – *Tourism Recovery Efforts*

- Containing COVID-19
- Community Preparation
- Continued Communication with Tourism Markets

Watch Live

The Public Hearings will broadcast on local television, GTA Channel 21, Docomo Channel 117/112-4/60.4 and stream online via *I Liheslaturan Guåhan*'s live feed. A recording of the hearings will be available online via Guam Legislature Media on YouTube after the hearings.

How to Participate

Individuals wishing to participate in the Confirmation Hearings to provide testimony may contact the Office of Senator Amanda L. Shelton at (671) 969-2574/989-2572 or via email at officeofsenatorshelton@guamlegislature.org no later than February 26, 2021, for further guidance.

If written testimonies are to be presented at the Confirmation Hearings, the Committee requests that copies be submitted prior to the hearing date and should be addressed to Senator Amanda L. Shelton, Chairwoman of the Committee. Testimonies may be submitted via drop-box or email to the Office of Senator Amanda L. Shelton at the aforementioned addresses.

Special Accommodations

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We look forward to your attendance and participation. *Si Yu'os Ma'åse'!*

 **02.22.2020_ALS PH Notice 1_March 2 Hearings.pdf**
240K



Office of Senator

AMANDA L. SHELTON

Legislative Secretary & Chairwoman


Committee on Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Sais Na Liheslaturan Guåhan • 36th Guam Legislature

February 22, 2021

MEMORANDUM

To: All Senators, Stakeholders, Media

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Chairwoman, Committee on Air Transportation, Parks, Tourism,
Higher Education, and the Advancement of Women, Youth and
Senior Citizens

Subject: First Notice of Public Hearings – Tuesday, March 2, 2021, beginning at 9:00 a.m.

Buenas yan Håfa adai! Please be advised that the Committee on Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens (“Committee”) will convene the following **Public Hearings** on **Friday, February 26, 2021** in the Public Hearing Room of the Guam Congress Building:

9:00 a.m. – Confirmation Hearings

- Appointment of [Dr. Janice P. Malilay](#) to serve as a Member of the University of Guam, Board of Regents
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We look forward to your attendance and participation. *Si Yu'os Ma'åse'!*





Office of Senator Shelton Guam Legislature <officeofsenatorshelton@guamlegislature.org>

Second Notice of Public Hearings – Tuesday, March 2, 2021, beginning at 9:00 a.m.

Office of Senator Amanda L. Shelton <officeofsenatorshelton@guamlegislature.org> Thu, Feb 25, 2021 at 8:00 AM

To: "Senator Amanda L. Shelton" <officeofsenatorshelton@guamlegislature.org>
 Bcc: phnotice@guamlegislature.org, "Christian F. Valencia" <cfvalencia@guamlegislature.org>, news@sorensenmediagroup.com, Chris Barnett <chris@kuam.com>, Chris Malafunkshun Barnett <malafunkshun@kuam.com>, "Dana M. Williams" <dmwilliams@guam.gannett.com>, "Dana M. Williams" <dmwilliams@guampdn.com>, "Eugenio, Haidee" <haidee@postguam.com>, "George, Duane M" <dmgeorge@guam.gannett.com>, John O'Connor <john@postguam.com>, Kevin <kevin@spbgum.com>, KUAM News Reporters <reporters@kuam.com>, Nick Delgado <nick@postguam.com>, Pacific Island Times <pacificislandtimes@gmail.com>, Patti Arroyo <parroyo@k57.com>, The Post Editor in Chief <editor@postguam.com>, K57 <news@k57.com>, cj@urquico.com, "Kaur, Anumita" <AKaur@guam.gannett.com>, Oyaol Ngirairikl <managingeditor@postguam.com>, Valerie Sablan <valerie.sablan@visitguam.org>, Carl Gutierrez <carl.gutierrez@visitguam.org>, Rose Grino <rose.grino@fhphealth.com>, "Janice P. Malilay" <jpm.dds@gmail.com>, Esther Muna <esther.muna@guamcc.edu>, boardoftrustees@guamcc.edu, Mary Okada <mary.okada@guamcc.edu>, "Krise, Thomas" <tkrise@triton.uog.edu>, David Okada <dsokada@triton.uog.edu>, Christine Mababayag <ckamm@triton.uog.edu>, Phil Leon Guerrero <phil@postguam.com>

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Christian F. Valencia | *Committee Director*

Office of the People • Senator Amanda L. Shelton
 Legislative Secretary & Chairwoman, Committee on Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth, and Senior Citizens

36th Guam Legislature
 163 Chalan Santo Papa, *Hagâtña*, Guam 96910

T +1 (671) 969-2574 • (671) 989-2572

E cfvalencia@guamlegislature.org

February 25, 2021

MEMORANDUM

To: All Senators, Stakeholders, Media

From: **Senator Amanda L. Shelton**
 Chairwoman, Committee on Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens

Subject: **Second Notice of Public Hearings – Tuesday, March 2, 2021, beginning at 9:00 a.m.**

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2:00 p.m. – Informational Hearing

Guam Visitors Bureau – *Tourism Recovery Efforts*

- Containing COVID-19
- Community Preparation
- Continued Communication with Tourism Markets

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We look forward to your attendance and participation. *Si Yu'os Ma'åse'!*

 **02.25.2020_ALS PH Notice 2_March 2 Hearings.pdf**
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Office of Senator

AMANDA L. SHELTON

Legislative Secretary & Chairwoman


Committee on Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Sais Na Liheslaturan Guåhan • 36th Guam Legislature

February 25, 2021

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Legislative Secretary & Chairwoman

Committee on Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Sais Na Liheslaturan Guåhan • 36th Guam Legislature

AGENDA

Informational Hearing • March 2, 2021 at 2:00 p.m.
Public Hearing Room, Guam Congress Building

I. Call to Order

II. Opening Remarks/Housekeeping

III. Introduction of Stakeholders

IV. Discussion - Tourism Recovery Efforts

- a. Containing COVID-19
- b. Community Preparation
- c. Continued Communication with Tourism Markets

V. Closing Remarks/Announcements

VI. Adjournment



GUAM CONGRESS BUILDING | 163 CHALAN SANTO PAPA | HAGÁTÑA, GUAM 96910

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Committee on Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Sais Na Liheslaturan Guåhan • 36th Guam Legislature

INFORMATIONAL HEARING

Guam Visitors Bureau - Tourism Recovery Efforts

Tuesday, March 2, 2021 at 2:00 p.m.

Public Hearing Room, Guam Congress Building

SIGN-IN SHEET

NAME	POSITION	AGENCY OR ORGANIZATION (IF ANY)	Please indicate with		Contact Number	Email Address
			Written	Oral		
Gov. Carl TC Gutierrez	President	Guam Visitors Bureau (GVB)	___	✓		carl.gutierrez@visitguam.org
Dr. Gerry Perez	Vice President	GVB	___	✓		gerry.perez@visitguam.org
Nadine Leon Guerrero	Director, Global Marketing	GVB	N/A	N/A		Nadine.leonguerrero@visitguam.org
Josie Villanueva	Director, Finance & Administration	GVB	___	✓		Josie.villanueva@visitguam.org

Page 1 of 1



Informational Hearing

Honorable Amanda Shelton,
Senator, Legislative Secretary, & Chairwoman

Committee on
Air Transportation, Parks, Tourism, Higher
Education, and the Advancement of Women,
Youth, and Senior Citizens



**GUAM
VISITORS
BUREAU**

SETBISION BISITAN GUÅHAN

**Honorable Carl T. C. Gutierrez, President & CEO
and
Dr. Gerald S. A. Perez, Vice President
March 2, 2021**

Last Meeting



- January Meeting - Priorities
 1. COVID Containment
 2. Community Preparation
 3. Market Engagement
 4. Funding

Funding



- Ongoing discussion with Congressman San Nicolas
 - Working on \$661M in federal funds available to replace revenue lost, delayed or decreased for states, tribal governments, or territories as a result of public health emergency with respect to COVID-19 or its negative economic impacts
 - Key language on territories and tribal governments is more inclusive
 - Funds are very flexible and can cover Fiscal Year shortfalls indefinitely
 - GVB does qualify as a 501 (c) 6 as language states government agencies or government affiliated non profits can be supported as stated in the congressional intent
 - Moving forward on revenue shortfalls
- Moving forward on HOT Bond refi (anticipate April 1)

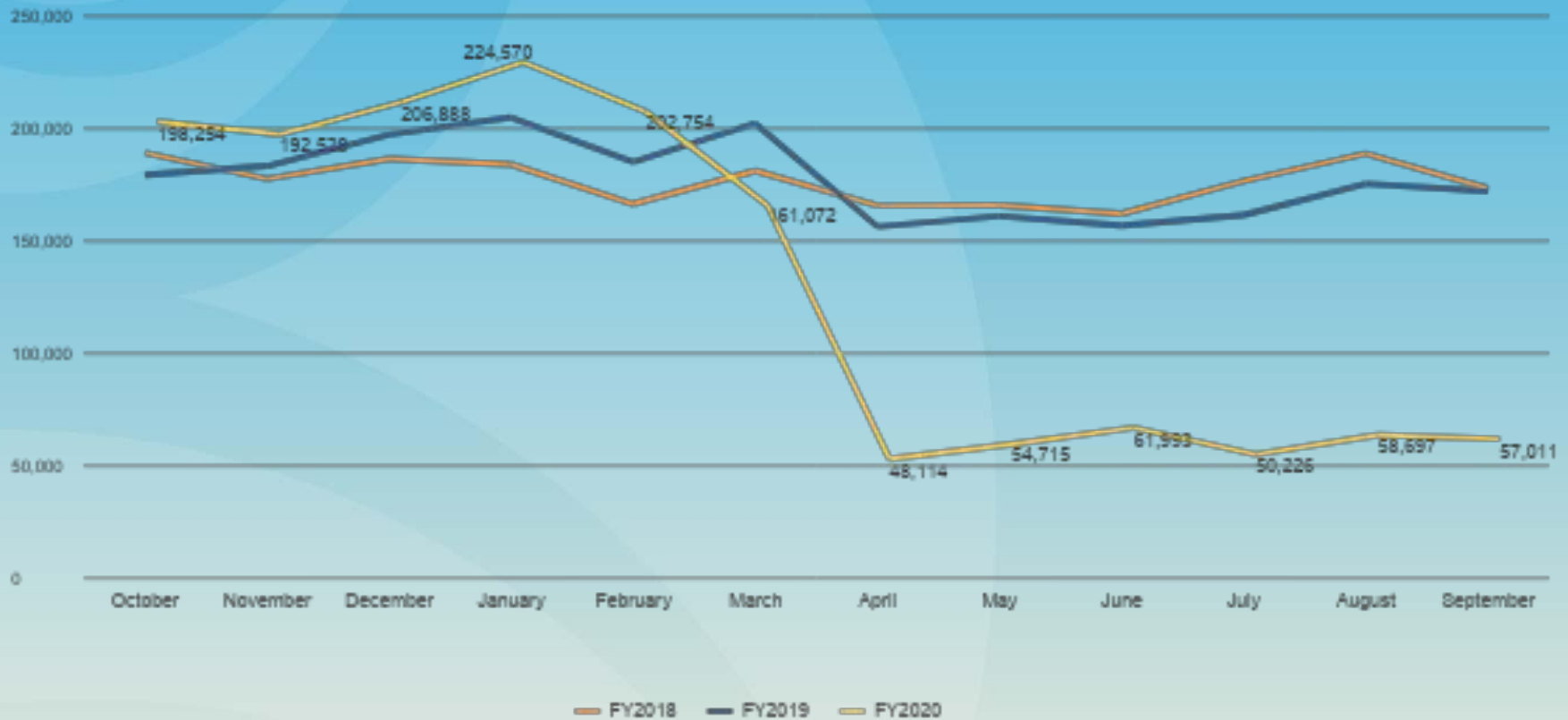
Introduction



- **Guam never closed its borders**
 - Still welcoming military
 - Business & VFR Travel

- **Prior to the COVID-19 Global Pandemic**
 - Trending positive for another record breaking year in visitor arrivals
 - FY2019 welcomed 1.63 million visitors
 - FY2020 up +7.5% prior to pandemic

Seat Capacity

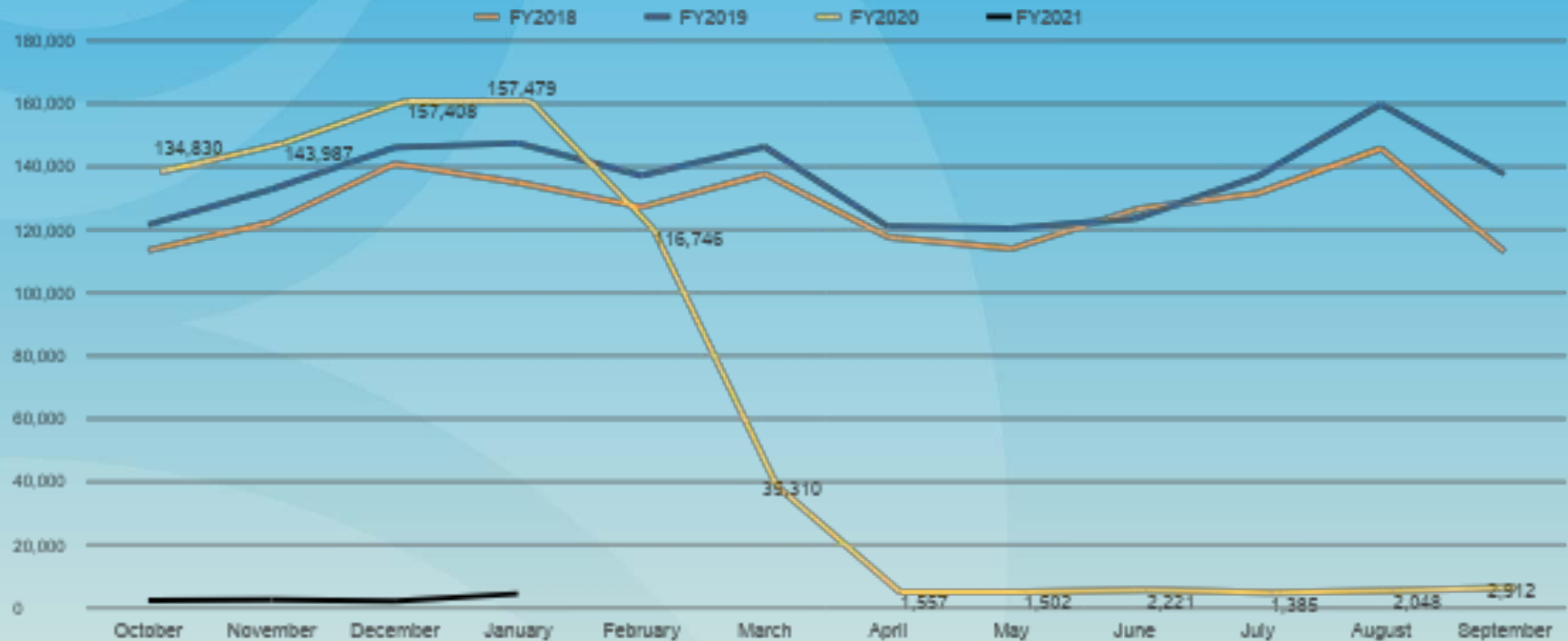


Average YOY Growth / (Decline)

Pre-COVID: +7.5%

COVID Era: -49.3%

Arrivals Impact

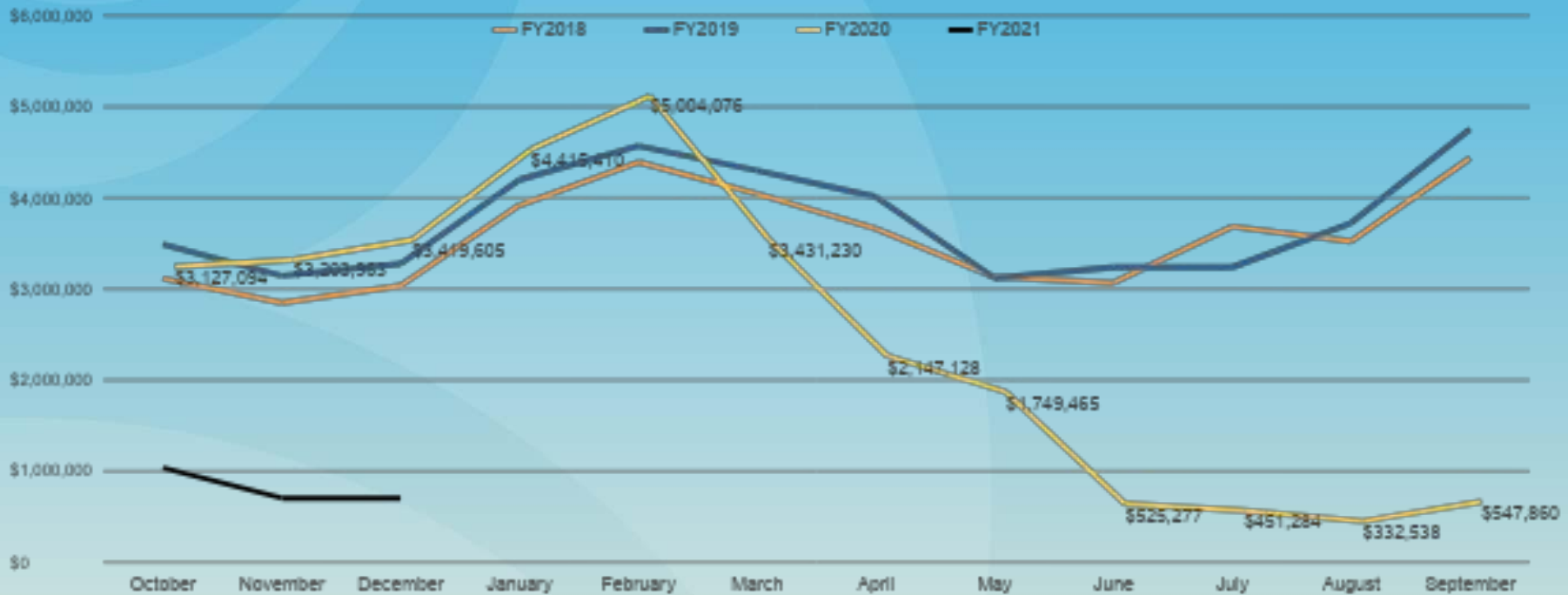


Average YOY Growth / (Decline)

Pre-COVID: +6.9%

COVID Era: -53.6%

TAF Impact



Average YOY Growth / (Decline)

Pre-COVID: +5.1%

COVID Era: (-64.2%)

Road To Recovery



- **Unlike past setbacks, V-shape recovery**
 - Typhoons, Global Recession 2008
 - SARS, 5 Months
- **COVID pandemic impact more profound and widespread**
 - Disrupting Economies
 - Hurting health, wellbeing of communities
 - Causing bankruptcies across all economic sectors
 - One of the biggest TA in the world, JTB,
 - Capital cut from ¥2.3 billion to ¥100 million yen
 - Closed many offices, laid off thousands
- **Estimated \$1.3 trillion loss, world tourism economy**
 - 11 times economic loss, global recession, 2008
- **Diminished travel demand**
 - Widespread unemployment and travel restrictions
 - Fundamental disruptions in scale, configuration, and consumer sentiment, entire industry value chain

- **Arrival Estimates in 2021 & Beyond Uncertain**
 - Current consensus of WTTC-UNWTO-ICAO-IATA
 - Pre-COVID-19 levels not before 2024
 - PATA “mid-range” 3/4th 2019 volume
 - PATA “severe scenario” <50% of 2019 volume
- **Guam FY21 estimate 5% of Pre COVID arrivals 82,175**
 - Based on actual 1st Qtr
 - Scheduled airlift & load factors

Outlook



Strategic Issues for Recovery

1. Local
2. Source Markets
3. Air Service

Local Issues



- COVID-19 containment
 - Below ideal 2.5 CAR score since Dec 3rd, currently 0.2
 - Community vaccination 52k+ with at least first dose, more coming
 - Better than U. S. performance, vaccines & fatalities per 100K
 - Highest COVID Alert App adoption (MIT-Pathcheck)
- Messaging campaign
 1. To communicate clear and unified public health information to residents and visitors concerning safety and hygiene measures in place at hotels, retail shops, option tours, restaurants, bars, ground transportation, and other attractions including public facilities such as the airport and boat harbors; and
 2. To build confidence in a safe destination experience for visitors and local employees in the value chain of tourism and other businesses

Local Issues



- Island Preparation, Destination Product Quality
 - Fixing flooding problem, culvert cleaning
 - Beautification, Beach & Park cleanup
 - DPW enforcing laws, dilapidated buildings
 - Maintain VSO Activity

Destination

Tourism
works!



Culvert Cleaning Update

- LMS Pump Truck arrived February 24th
- Remaining two culverts to be cleaned

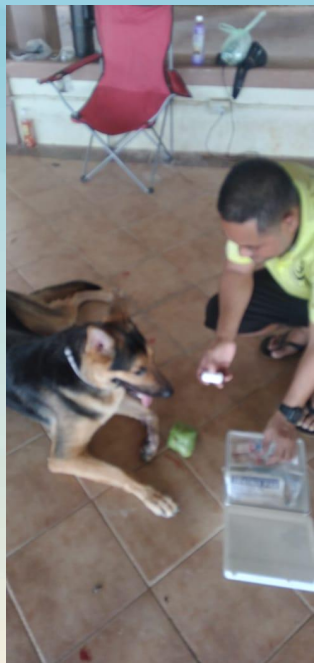


Safety & Satisfaction

Tourism
works!



- Visitor Safety Officers continue to assist DPR in monitoring parks and beaches; site-control for GFD rescue and providing safety and concierge services to residents



Electronic Declaration

- January 2021
 - Software Development Complete
- February 2021
 - User Acceptance and Hardware Testing (UAT)
 - Installation of kiosks
 - Primary computers
 - Scanners
- March 2021
 - Official Launch of EDF



Upskill Workforce

Tourism
works!



- GVB Digital Academy
- 2nd webinar scheduled for tomorrow (Mar. 3)
- Continuing digital education
- Part 1: Understanding Digital Consumers workshop

A promotional graphic for a webinar. The background is an aerial view of a coastline with a river. The text is overlaid on a white and yellow background.

Digital Academy
GUAM

GVB Digital Academy Webinar Series #2
E-Commerce 101 - Understanding Digital Consumers

FREE
for
GVB & GHRA
Members

Hosted by
Guam Visitors Bureau
Mar 3, 2021
10:00 AM - 11:30 AM

Not a GVB/GHRA member?
Please contact taylor.pangillinan@visitguam.org
on how to register for the event.

Game Changer Enabling Policy Needed



- “Risk Proportionate” Policy forthcoming
- Provide positive impact
- Expecting new public health policy before May 1st opening
 - Visitor sensitive and practical protocols
 - Vaccinations, local residents, & front line employees

Game Changer Enabling Policy Needed

Tourism
works!



- GVB Reopening Task Force w/ GIAA, GHRA, Public Health, and CDC stakeholders
- Practical – Realistic protocols can facilitate potentially + 30% upward adjustment in estimated arrivals from 82,148 to 107,000 visitors
- Stretch goal +60% = 131,000??

Source Markets



- **Never went dark, stayed engaged**
 - Communication with travel trade & consumers
 - Webinars, virtual trade shows
 - South Korea 200,000+ participants
- **Intensified social media strategy**
 - Japan, Korea, Taiwan
 - Positive Results

Japan

Tourism
works!

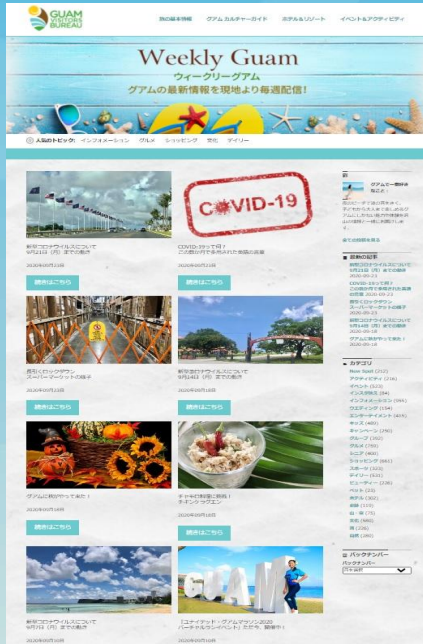


- Ongoing travel trade engagement
 - 8 trade shows and conventions
- Online webinars conducted
- Continuous airline meetings



Japan – Digital Media Exposure

Tourism works!



Impression Clicks

25,829,320
879,245

Korea



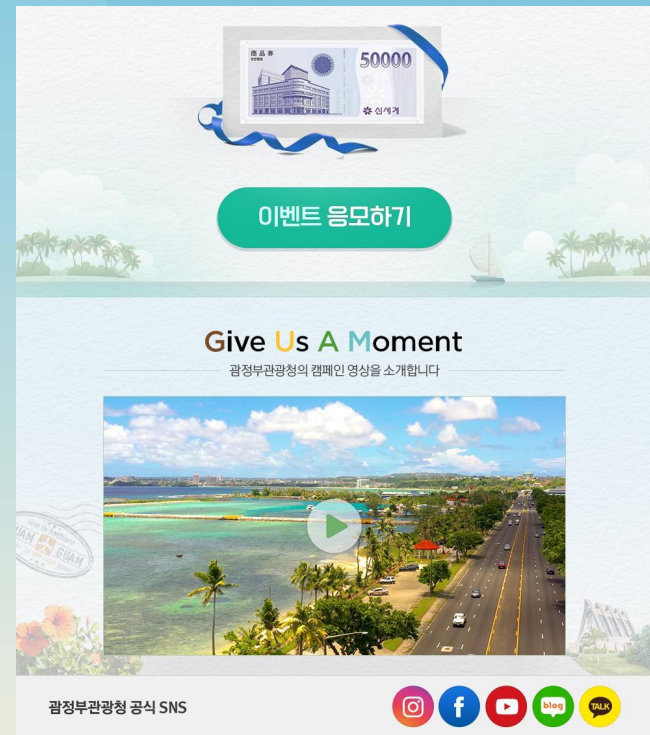
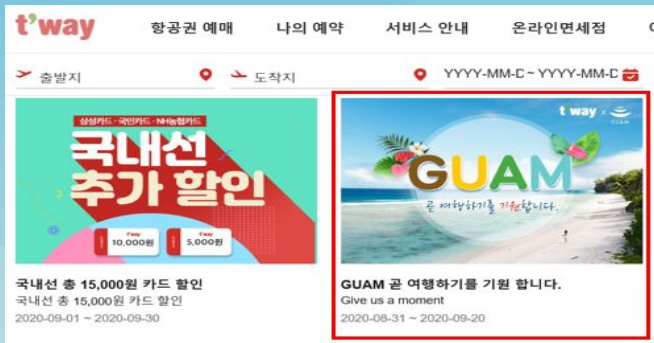
- Continues to engage in creative ways
- Guam online trade show
 - Over 200K viewers
- Hafa Adai Challenge
 - Show yourself on Guam



Korea



- Airline Co-op Promotion
 - Korean Air, Jeju, Air Seoul, T'way



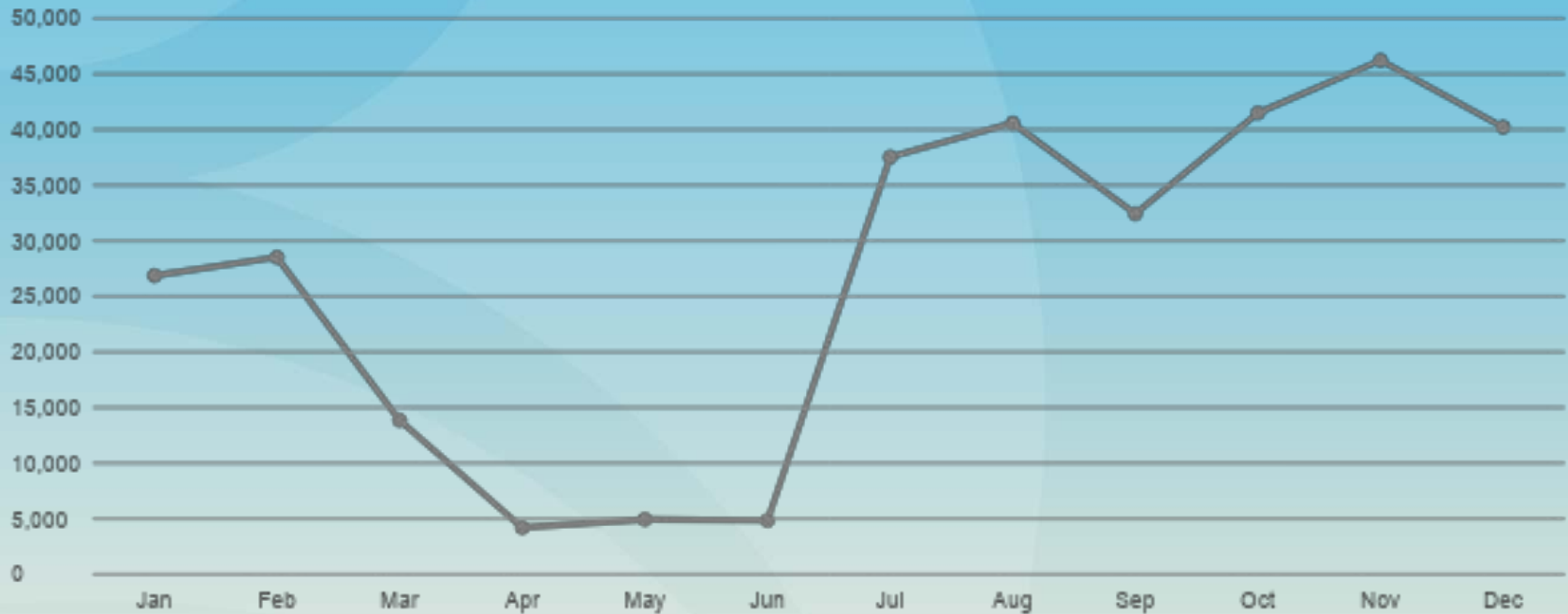
- Travel Agency Co-Op Promotion
 - YB tour, Lotte JTB, Interpark, Mode Tour, Hana Tour, Very Good Tour



GVB Social Media Growth Korea Market - Naver



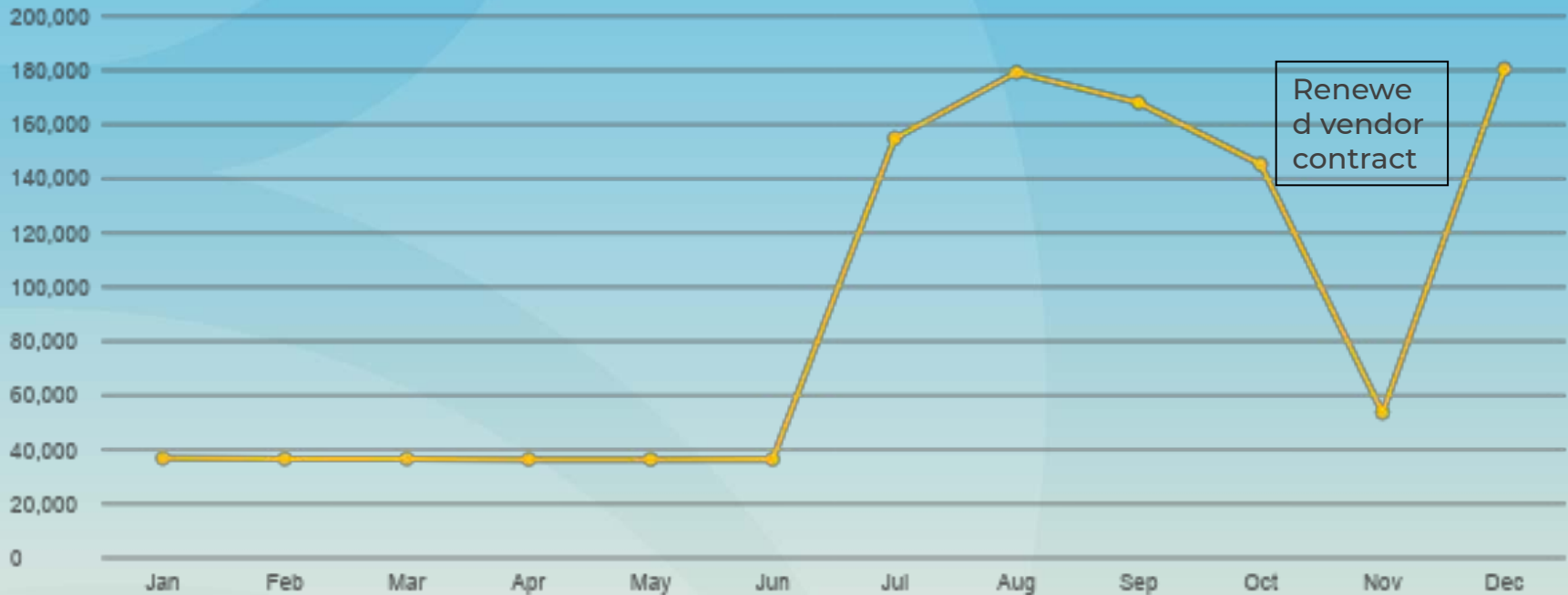
CY2020 – impression/view SNS growth



GVB Social Media Growth Korea Market – Kakao Talk



CY2020 – impression/view SNS growth



Taiwan

Tourism
works!



- Launch Give Us A Moment to keep Guam top of mind
- Actively working with Taiwan and U. S. federal government to create travel bubble



Taiwan

Tourism
works!



- Media interviews (radio, TV, print)
- Releases highlighting Guam's COVID status
- Medical Mission Flight



Taiwan Social Media User Engagement



CY2020



Air Service

Tourism
works!



JAPAN AIRLINES



Philippine
Airlines



Pre COVID-19

Flights per week: 225

Flights per year: 11,600



Air Service (cont.)



- United Airlines
 - Never stopped flying (HNL, NRT)
 - Resumed limited service to MNL
 - Guam freight hub to Asia

Air Service (cont.)



- Japan
 - UA, T'way, Jeju
 - Suspensions until end of March
 - JAL – April 15
- South Korea
 - KE, Air Seoul – pending announcements
 - T'way – March
 - Jeju – May
 - Jin Air – Limited flights

Air Service (cont.)



- Taiwan
 - China Airlines: suspended until end of March
 - Eva Air announced plans to renew Guam service
 - Starlux on 11/8 applied with Taiwan Civil Aeronautics Administration (CAA) for approval of flights to Guam and 14 other U.S. destinations (2022)

Recalibrating Visitor Arrival Expectations



- Mentioned where we were (ARE) today (1970's) in estimated visitors
- Have shared strategic reasons for diminished travel demand: Bankrupted global economies, on-going reconfiguration of tourism industry value chain, and radical departure from historically driven scale and consumer hygiene sentiments
- Instructive to see COVID-19 global tourism impact
- Helpful in recalibrating perspective and framing expectations for recovery

Island Arrivals Comparison



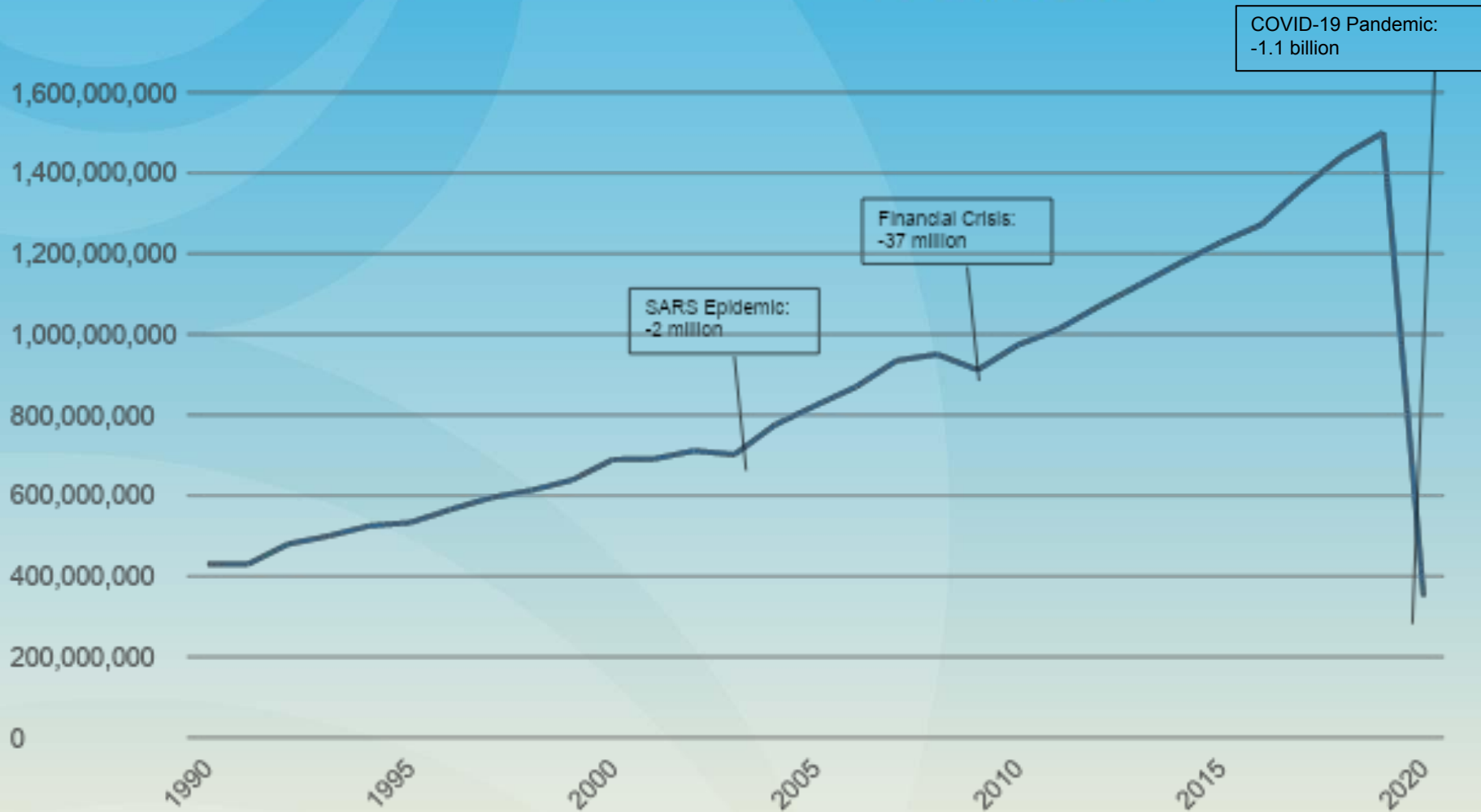
Destination	2020	2019	% of 2019	Dates
Puerto Rico**	522,853	1,111,962	47.0%	Jan - Aug
Jamaica	880,404	2,680,920	32.8%	Jan - Dec
Aruba**	368,322	1,118,944	32.9%	Jan - Dec
Bahamas	422,640	1,806,303	23.4%	Jan - Dec
Maldives**	555,494	1,702,887	32.6%	Jan - Dec
Seychelles**	114,858	384,204	29.9%	Jan - Dec
St. Kitts and Nevis	28,348	101,600	27.9%	Jan - Oct
St. Maarten	106,425	319,595	33.3%	Jan - Dec
Hawaii**	2,686,403	10,243,165	26.2%	Jan - Dec
Canary Islands	4,636,120	15,116,059	30.7%	Jan - Dec
Guam	328,173	1,666,665	19.7%	Jan - Dec

**No Quarantine required with a Negative PCR Test

Current projections of 82k are at risk under current Guam Public Health Protocols

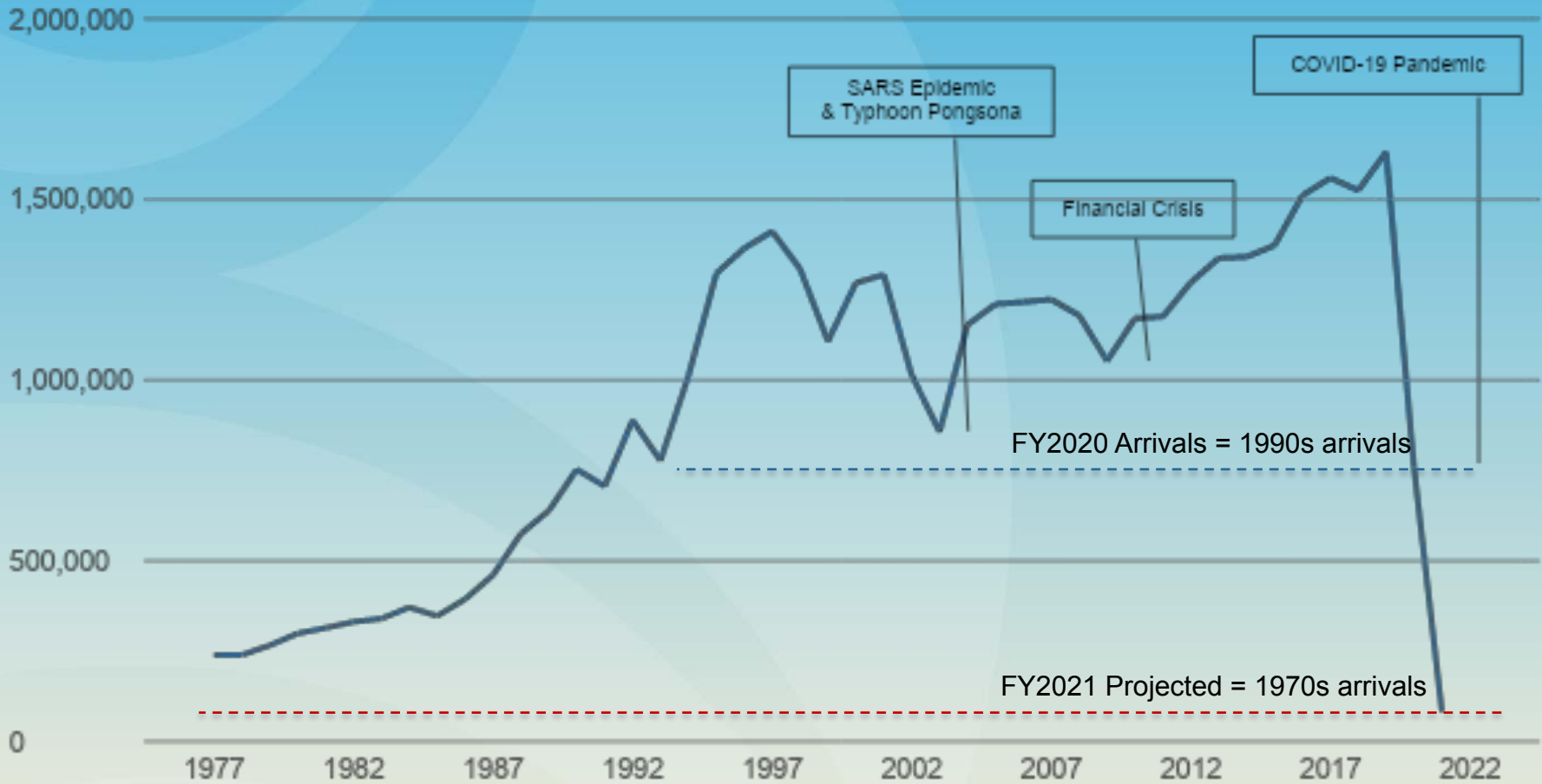
Global Tourism Impact

Tourism
works!



Source: Statista.com

Guam's Tourism Impact



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

FY2021 Projection Scenarios



Month	FY 2021 LF 7%	FY 2021 LF 10%	FY 2021 LF 12%	Seat Capacity
Oct	2,331	2,331	2,331	60,135
Nov	2,562	2,562	2,562	47,830
Dec	2,120	2,120	2,120	45,953
Jan	4,526	4,526	4,526	48,143
Feb	3,806	3,806	3,806	42,294
Mar	3,641	5,461	6,675	60,678
Apr	8,847	11,374	13,902	126,383
May	9,554	13,649	16,379	136,488
Jun	11,008	13,760	16,512	137,598
Jul	11,363	15,624	19,886	142,040
Aug	12,769	17,026	21,282	141,882
Sep	9,621	15,118	20,616	137,440
TOTAL	82,148	107,358	130,596	1,126,864

Source: Seat Capacity Diiio Mi Market Intelligence report, as of Feb 19, 2021

Market Potential



Safety and Costs remain top concerns across all markets

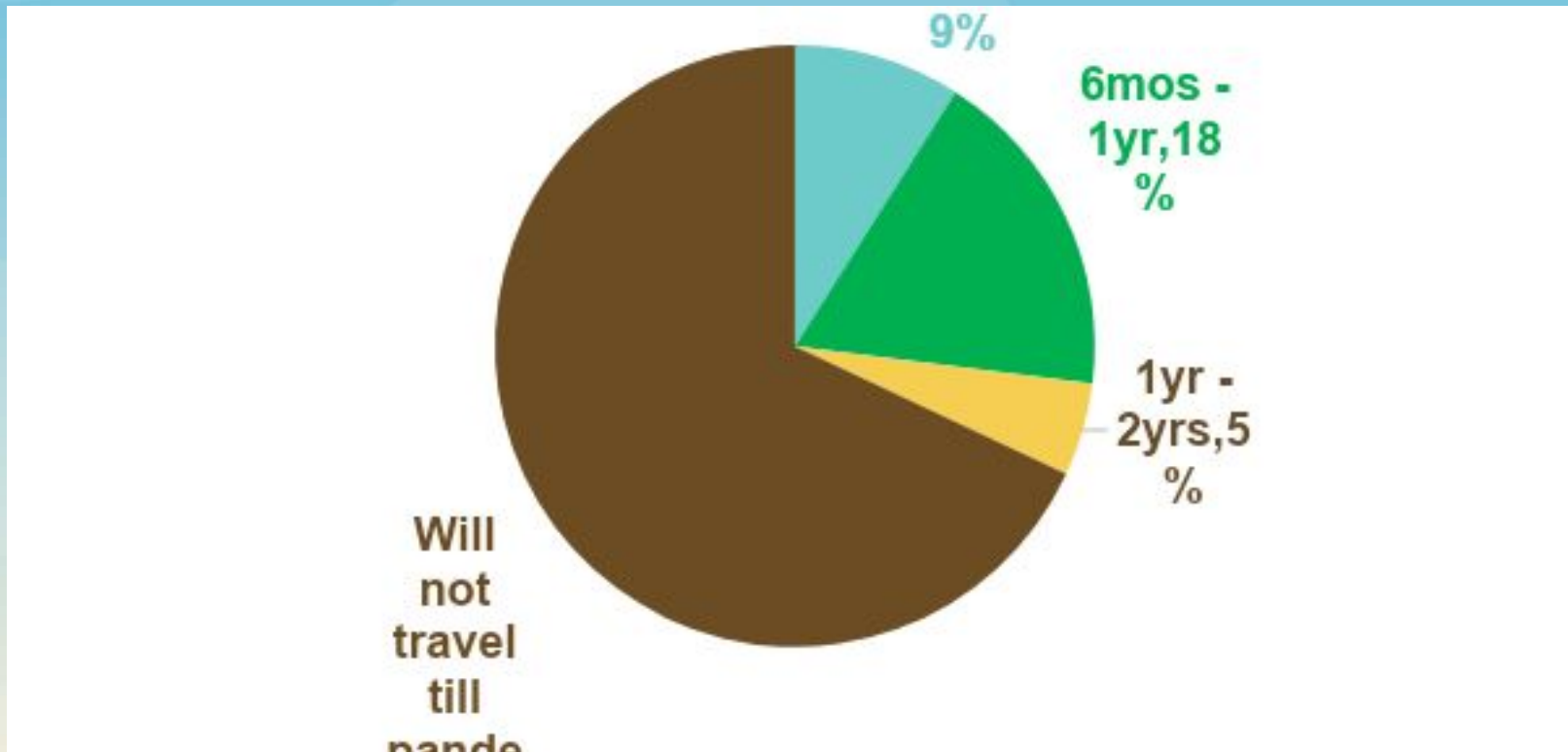
- Japan
 - 17% indicated they are considering traveling to Guam
 - 93.7% desire to travel (to Hawaii) after government allows for travel without quarantine measures upon return
- Taiwan
 - Potential for controlled travel pods
 - Governors Cup (Golf tournament)
 - Focus on business travelers plus leisure

Source: Korea In-Market Insight Report Pilot Survey; HTJ Consumer Online 4th Survey

Future Travel to Guam



- Korea
 - 27% indicated they intend to travel internationally within the next year
 - 34% of ages 50-64 years intend to travel within a year
 - Older demographic eager to travel first



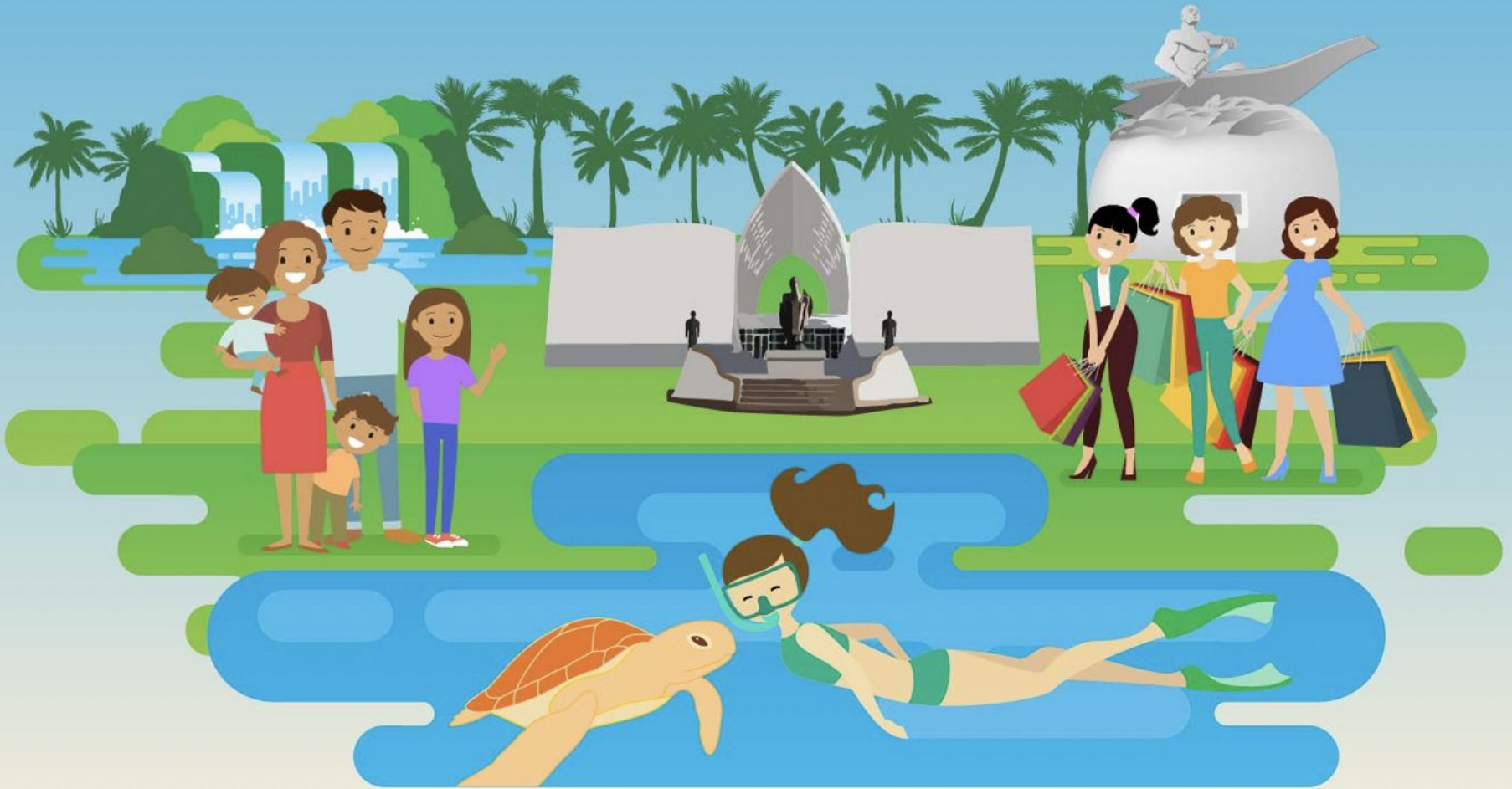
Source: Korea In-Market Insight Report Pilot Survey

Conclusion To Date



- Guam under-performing peer group island tourism destinations
- Reopening Task Force GVB – DPHSS – GIAA – GHRA working to modify current restrictive protocols
- Bad News 🙄: Like starting from the 1970's
- Good News 😁: Island physical plant, institutional infrastructure and Nexus to markets can enable recovery without waiting 50 years!

Dangkolu na Si Yu'os Ma'ãse'





Office of Senator

AMANDA L. SHELTON

Legislative Secretary & Chairwoman

Committee on Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Sais Na Liheslaturan Guåhan • 36th Guam Legislature

I. OVERVIEW

The Committee on Air Transportation, Tourism, Park, Higher Education, and the Advancement of Women, Youth, and Senior Citizens convened an Informational Hearing with the Guam Visitors Bureau to discuss ongoing tourism recovery efforts on Tuesday, March 2, 2021, at 2:00 p.m. in the Public Hearing Room of the Guam Congress Building.

PUBLIC NOTICE REQUIREMENTS

Public Hearing notices were disseminated via email to all Senators and all main media broadcasting outlets on February 22, 2021, and again on February 25, 2021, fulfilling the 5-Day Notice and 48 Hour Notice, pursuant to the Open Government Law. In addition, the Virtual Public Hearing was noticed on the Guam Legislature website at www.guamlegislature.org.

SENATORS PRESENT

Senator Amanda L. Shelton, *Chairwoman*
Vice Speaker Tina Rose Muña Barnes, *Vice-Chair*
Senator V. Anthony Ada, *Committee Member*
Senator James C. Moylan, *Committee Member*
Senator Telo T. Taitague, *Committee Member*
Senator Mary Camacho Torres, *Committee Member*
Senator Christopher M. Duenas
Senator Sabina Flores Perez
Senator Frank F. Blas, Jr.

II. SUMMARY OF TESTIMONY AND DISCUSSION

The Informational Hearing was called-to-order at **2:01 p.m.**

Chairwoman Amanda L. Shelton:

Buenas and Håfa Adai, everyone. This informational hearing by the Committee on Air Transportation Parks Tourism Higher Education and The Advancement of Women Youth and Senior Citizens is hereby called to order. Today is Tuesday, March 2, 2021, and the time now is 2:01 p.m. For



the record and in accordance with open government law, notices for this hearing were sent on Monday, February 22, 2021, and again on Thursday, February 25, 2021. In addition, this informational hearing was noticed on the Guam Legislature website. Today's agenda is an information hearing with the Guam Visitors Bureau. Joining me this afternoon are my Vice-Chair Vice Speaker Tina Rose Muna Barnes, Committee Members Senator Mary Camacho Torres, Senator Telo Taitague, and Senator Tony Ada, as well as Senator Chris Duenas.

Si yu'us ma'åse colleagues for joining me today. Before we proceed with the discussion on the agenda, I'd like to first provide some general rules of conduct for all those in attendance. The Chair will invite individuals who have signed up to testify to speak. Individuals testifying shall first be recognized by the Chair before speaking, and we ask that you state your name and your title for record purposes. Each member will then be allowed to pose questions to the panel. We ask that all questions and testimony be kept to the substance and nature of the agenda. Personal inferences to the character or motive of any Senator or any individual testifying is not permitted. Any violations of this general rule of conduct will result in removal from the Public Hearing Room. *Si yu'us ma'åse* for your cooperation everyone.

I'd like to welcome our partners from the Guam Visitors Bureau who are here with us today, starting with Governor Carl TC. Gutierrez, also Mr. Gerry Perez, and we have Ms. Nadine Leon Guerrero and Ms. Josie Villanueva from the Bureau. This informational hearing with the Guam Visitors Bureau will serve as an avenue for this branch to receive updates on the Bureau's progress and efforts for the recovering of our tourism sector.

There's no denying that Guam's tourism sector has suffered greatly due to the effects of COVID-19. In the last fiscal year, plans for welcoming 2 million visitors resulted in an all-time low of less than a million visitors since fiscal year 2010. This significant decrease in visitor arrivals has resulted in the loss of tourism revenue and the loss of jobs for our working families in the hotel and restaurant industries. It's going to take a concerted effort from all of us government and private sector partners alike to tackle this great challenge before us. As Chair on tourism, I hope that we can work together to increase Guam's efforts and aid our main economic sector toward recovery, and to find new ways to develop resilience come any disasters in the future. I also want to underscore the need to welcome our visitors in the safest way



possible and, most importantly, protect our tourism employees and our people. I'd also like to welcome my colleague Senator Frank Blas for joining us; thank you very much sir. At this time, I'd like to invite our partners from the Guam Visitors Bureau to provide us with their presentation, and then I'll have my colleagues ask questions so Governor Gutierrez, you may, oh please turn on your microphone Governor, thank you.

Governor Carl T.C. Gutierrez, *President & CEO, Guam Visitors Bureau*:

Thank you very much, Madam Chair and members, Honorable Senators of this Committee. Thank you for inviting us. I know that we have met once informally and tried to welcome you to overseeing GVB because this is really the backbone of what's going to drive this economy, and we really want to make sure that although we are really negatively impacted by the lack of visitors coming in we just don't have any collection of TAF and in speaking with the Chairman, Sunny Ada, at that time and Sam Shinohara, a member of the Board and Gerry Perez, who's the vice president, we needed to really drive home the point that we are looking at Guam as we did back in 1970. When we put together the Guam Visitors Bureau, seed money was granted to the Guam Visitors Bureau to go out and bring in and market our island as a great destination for tourists, particularly in the three countries close by, which is Taiwan, Japan, and South Korea and that because we just don't have any Tourist Attraction Fund money as we were getting in 2019 what we have been really lucky with is the Tourist Attraction Fund being seeded by the military stay here and a few visitors. And so, we want to let you know that in discussion with the Governor Lou Leon Guerrero, Gerry and I drove that point home as well, and back then, we asked for some kind of non-TAF funding, and hopefully at that time, she had CARES money but CARES money is very restrictive. We were asking for like seven million dollars to get us sort of just at the bottom edge, but she was thinking that if you're going to drive this economy, you need probably 20 million. So she was going to see what she could do about getting those restrictions lifted under CARES. She asked me to reach out to Delegate San Nicolas and to ensure that if those monies that are coming in on this number three tranche of money that just passed the House a few days ago to make sure that there are no restrictions for the use of those funds so she could take at least the 20 million dollars and give that to GVB. Now we all know that GVB's under 501(c)(6) and under the CARES and under that federal funds, it really cannot be sent to us. So luckily that the Governor asked me to reach out for that. Delegate San Nicolas made sure that that GVB is eligible to receive funds on this \$661 million and that he



has a lot of confidence will pass the Senate, and having that go through the Senate, we're looking at the end of the third week of March to hopefully have that signed into law. So we're looking for funds from there and he made sure that GVB is eligible. That's a fact now, and so we're very bullish on our marketing efforts. The Governor put together a task force led by GVB and GEDA and the Airport and other entities to drive the recovery of our tourism market and bring back hopefully our 20,000 employees affected by it. Remember that we were in 2019, we received close to 45 million dollars in TAF, and out of that 45 million dollars GVB's budget at that time was close to 23 million dollars. Now we're down to below five, that's the way I see it right now. So we're surviving from some of the funds that were there. We have really cut back. We lost some employees. We never re-hired anyone. We have to stick with what we have, and so Gerry and Nadine, and Josie here have been putting together a presentation here today, and hopefully, Gerry can present to you through the board up there. Nadine is the young girl making sure that this thing doesn't have a glitch and Josie is here to answer some of the more pressing numbers problem. So I'd like to have Gerry Perez now the vice president of GVB give his presentation Gerry.

Dr. Gerry Perez, Vice President, Guam Visitors Bureau:

Thank you very much, Governor. Senator Shelton at the last meeting we had when you first came on board we shared with you what we saw were priorities of the Bureau and I'm sharing this in the PowerPoint. At the last meeting we shared that our priorities are COVID containment and GVB redirecting all its resources toward that effort and community preparation. We need to get ready we need to take care of our destination so that we can provide a destination experience that is acceptable to our visitors and local residents. I also mentioned to you that we continue to engage with our markets but none of this would happen unless we have the funding support and I think at the time we mentioned to you that now is the time that we need non-TAF revenues to generate the business for the island. The Governor just mentioned the initiative discussed with Congressman Mike San Nicolas so I'll just go on to our presentation. This idea that we're reopening our tourism industry I think is more substantive than meaningful because to be honest with you Guam never closed its borders. We still welcome military and business travel and relative travelers but we don't have the numbers of course because we don't have our source markets coming. So the long and short of it is we never closed our borders but as you had acknowledged earlier prior to COVID we were tracking another



year of record arrivals and in 2020 we're running about seven and a half percent over the previous year to beat yet another record arrival year but as what happened was COVID hit. Before COVID hit we were actually averaging close to 190 to 200,000 airline seats to the island now with COVID this is what happened. Instead of getting our usual 180 to 190,000 seats we're all the way down to half that number and then that also of course impacted our arrivals so you can see our arrival numbers plummet and the TAF impact also suffered as a result of that. Instead of averaging four to five million a month we're now barely scraping by with a \$150 to \$160,000 I mean sorry, \$400,000 a month. Unlike previous setbacks whether it's SARS or earthquakes or whatever, we normally recover within a few months in a v-shaped recovery however the COVID pandemic is much more profound in its widespread impact because of the disrupted economies. It's hurting health and well-being of communities across the world causing bankruptcies across all economic sectors and one of the biggest travel agents for example in Japan, JTB, some of you are very familiar has cut its capital from 2.3 billion yen to 100 million yen. So the COVID impact is about 1.3 trillion dollars lost in the world economy and basically what has happened is a diminished travel demand. So the outlook when we look at the current fiscal year, early on we had a lot more arrival forecasted but as the COVID impact lingered it became obvious that this is going to be in for a long haul. So if you look at the different trade organizations like WTTC, UNWTO, ICAO-IATA, their pre-COVID arrivals are estimated to be not before 2024. PATA who you folks are familiar with has a mid-range estimate of three-quarters of 2019 arrivals but their severe scenario is less than 50 percent of 2019 arrivals. So translating that locally we're looking at basically five percent of pre-COVID arrivals or about 82,000 visitors. This is actually not just a wild estimate but this is based on actual first quarter performance. It's also based on scheduled airlift and load factors so this \$82,000 is what is being forecasted for 2021 arrivals and even this is at risk if we don't really ramp up our effort to allow visitors to Guam. That's the genesis of the Governor creating this GVB recovery task force. There are basically three strategic issues for recovery. One of them has to do with local issues the other one has to do with our source market issues and the other one has to do with air service. Starting with local issues we were able to as a community through hardship and through cajoling and through controversy but bottom line is we were able to contain the virus to a point where we're getting a lot more optimistic about opening the island. If you recall the CAR score that monitors our situation has to do with the COVID area risk score and that is a reflection of how well we're containing the virus



on different metrics. But the ideal score we've been told by the physician group, the medical community, was identifying 2.5 as the ideal car score to maintain. Of course that since December 3rd our car score has been below 2.5 and currently running at 0.2. So we also have the highest alert app adoption in the country and so we pretty much were able to control our pandemic as well as having more people going through the vaccine program. So I think we're probably among the best if not the best in the country for containing the virus and for fatalities for one hundred thousand. So this is good for us because now we can begin to come up with our messaging campaign to communicate clear and unified Public Health policies to residents and visitors concerning the safety and hygiene measures that are in place at our hotels, our retail shops, our option tours, restaurants, bars, ground transportation, and other attractions including public facilities such as our airport and boat harbor and parks. So this is a messaging campaign that we can translate to our markets telling them that we've been able to contain the virus so that we can now have a safe destination experience for not only visitors but also local employees in our businesses. Some of the local issues also involves getting ready for more visitors. We only have our destination to sell and so we need to fix our destinations. Spruce it up, take care of our flooding problem in Tumon and clean up our area. The public works now is enforcing laws on dilapidated buildings and so we're making progress on that because they need to go through a lengthy process in order to have legal standing when they invoke levies on the property. So we also are maintaining our visitors service officer activity taking care of people's safety. This is new equipment that one of the vendors has that will make it easier for us to now clean the culverts down in Tumon. We have basically three culverts down there and it took us a long time to clear one culvert manually. We had like two or three people down there slugging away dealing away. But now with this equipment we're able to clear the culvert without sending anybody down to unsafe conditions. This is just a visual representation of some of the different activities that our vsos performed down and even though they're doing this for our visitors they're also doing this for our local residents because we have local residents who also have every right to enjoy the amenities of our destination product. We also are going to be rolling out our electronic declaration forms. I think last time we had a discussion we mentioned the fact that the whole travel industry is digitizing and less contact. And so this is one of the initiatives that we set forth a few months ago and it's come to fruition. We were having the software developed and earlier this year in January. In February we did our beta testing and



installation of the kiosk and the computers and scanners and we expect there to be an official launch on March 25th. So what this means is that if you have a handheld device you can download a QR code and basically come to the airport just scanning your QR code and you can do that you can download your QR code either before you bought airplane to come to Guam or in the plane or on arrival. And if you don't have a handheld device we have these kiosks that you can go to and enter your information and it'll all be done electronically.

So this also not only captures visitor information but also customs and quarantine law enforcement issues. A side benefit of this actually for the customs folks. There's a way that it captures information that can monitor the efficiency of the customs officers because it times the encounter. This is yet another part of what I mentioned earlier about digitizing as much as possible the travel industry. GVB has embarked on a digital academy to help upskill the local workforce either as business people or employees. We're continuing this digital education. Part one is understanding the digital consumers workshop and tomorrow would be another e-commerce 101 lecture. One of the things that we've been kind of struggling with is we had a Public Health policy that is very strict and I think no one is arguing the need for strictness but at some point we need to start modifying the policy that would allow entry of visitors because the current policy of requiring a 2-week quarantine even if you have a vaccine and even if you test negative could be relaxed a bit. That's the role of this GVB task force that's working to reopen the island. Is that we're going to come to some accommodation on what we need to do to allow visitors to come to Guam by relaxing some of the requirements and the only way you can do that is to increase the number of vaccinations on the island so that you acquire herd immunity perhaps among island residents and employees. So that's one of the tasks that the GVB visitor task force is going to be performing. What are the specific needs that we need to satisfy for there to be Public Health approval for arrival? This includes a vaccination program for our frontline workers it includes inspection program on arrivals and all these other different issues that would culminate in authorization to move with more liberal policy. So we expect a new Public Health policy hopefully before may 1st when the Governor has announced the opening. This new Public Health policy we hope would be more visitor sensitive and more practical in terms of protocols. This can only happen as we have more vaccinations among our local residents and frontline employees. So this reopening task force would be GVB's task force would involve the airport



authority, GHRA, Public Health and CDC officials so that we can all come to some agreement as to what is a practical and realistic risk-proportionate policy that can facilitate increased arrivals. If we did this then there's a very good chance that we can actually increase our current estimates from 82,000 to 107,000 or 30 percent increase and perhaps even a stretch goal of 131,000. So in terms of the source market issue that I alluded to, we never went dark, we stayed engaged by communicating with our travel and trade partners as well as government people involved by holding webinars, virtual trade shows. One particular trade show we had in Korea about a month ago, had more than 200,000 participants. So there is interest in Guam that we need to make sure that we stay top of mind. So we've intensified our social media strategy in all countries Japan, Korea and Taiwan and I want to share with you some of the positive results from this. So we have ongoing travel and trade engagement by having trade shows, continuous airline meetings and so on. In Japan for example just recently we had over 25 million impressions and almost a million clicks in Korea. Our representative there continues to engage the market in creative ways besides the online trade show. For example if you look at this picture at the bottom, these are tourists basically. It's kind of a contest and getting them interested on showing themselves in Guam. So they have a picture of Guam and they show themselves doing stuff on the island so that's kind of a cutesy thing. This is another picture of a scene on Guam and the tourists inserting themselves in the Guam scene. That's an example of some of the social media hype that it continues to take place even though they can't come to Guam yet or are not able to come to Guam yet. We want to keep them engaged. We also continue our travel agency co-op promotion with these companies YB tour, Lotte, JTB, Interpark and so forth. This gives you an example of the response we got from Naver and from Kakao talk. That dip you see on the right actually is because we had our social media vendor contract expired and we had to go out with an RFP and but you can see very quickly coming right back. After we signed the social media vendor contract, Taiwan a very similar activity online and we continue to push this Guam "give us a moment" theme to create images of Guam and aspirational messages of them being interested in coming to Guam once they can go. We are at the point now where we're going to be transitioning from "give us a moment" to "get up and move" another Guam acronym. That only will come after we have worked out all the details that would enable us to assure safety among local employees and residents as well as visitors to Guam.



We have media interviews in Taiwan and continue to do a lot of other different things including a broadening of involvement beyond just leisure travel into medical issues and government and business issues. This gives you another idea of the user engagement in Taiwan social media. You can see how we continue to climb in terms of our involvement there. Air service is going to respond to consumer demand and so we need to generate enough demand for there to be interest among the airlines. That being said however we still have service from for example united and Philippine Airlines and Jin Air to some degree. You should know that united never really stopped flying the Honolulu, Narita through Guam they've even resumed limited service to the Philippines and have become kind of a hub for freight to Asia. Then in Japan these are the anticipated schedule from JAL. I think this April 15 date though was pushed back another month so that was why it was important for us to announce early because of the long lead time necessary for equipment to be scheduled, crew to be scheduled, and for the travel distribution to start selling the island. It takes more than just a couple days. In South Korea these are the airlines that will be servicing Guam. We still have jin air come to the island limited flights and Korean Airline, Air Soul, T'way and Jeju probably another month or two. China airlines as suspended until the end of march. I don't know whether this would haul or maybe they'll extend in another month. We shall see. But the interesting thing here is that Eva Air who you remember pulled out of Guam several years ago wants to come back again and has announced plans to renew Guam service. In addition to that Starlux has applied with their Civil Aeronautics Administration for flights to Guam and 14 other U.S. destinations. So there's renewed interest from Taiwan even though if Taiwan is only about two percent of our market mix I think we're able to grow the numbers and maintain the percentages overall for Guam because renewed interest in Taiwan and Guam beyond leisure travel there are some geopolitical issues that play into our opportunities with Taiwan. In fact just today the paper I read where a local company partnered with a Taiwan company to mass produce PPE equipment so those are some of the early indications that there's more than just leisure travel I think that we can generate from Taiwan. You should also know that Taiwan is probably a country with the highest percentage of overseas travel probably next to Germany and the European countries. For a small country like Taiwan they have over 60 percent I believe of their population that do travel. So having said all of that I think it's important for us as we think about restarting or reopening our tourism industry that we re-recalibrate our visitor arrival expectations. I had mentioned where we were or are today in terms of the



1970s level of arrivals that we're estimating so far. I've shared some of the strategic reasons for diminished travel demand mainly because of bankrupted global economies, ongoing reconfiguration of the tourism industry value chain, and radical departures from historically driven scale and consumer hygiene sentiments in the industry. So I think it'd be instructive for us to see COVID as a global tourism issue and look at its impact and it would be helpful in helping us recalibrate our perspective and in framing expectations for recovery. If you look at this slide for example these are some of our peer group islands around the Caribbean, around the Indian ocean, the Maldives, the Seychelles. You can see that the percent of recovery relative to 2019 some of them are already up in their 20s and 30s so they're getting 20 to 30 percent of pre-COVID arrivals already coming in. The one common denominator is that no quarantine is required with a negative PCR test. Our local medical community is not quite comfortable with that and that's the reason we've established this task force to see what issues we need to work on to be able to loosen up and allow there to be entries to the island because if you look at Guam if you take away the military visitor activity here, we're probably next to nothing in terms of recovery compared to our peer group islands. So I wanted to show this the global tourism impact as you can see the first box there that was SARS. The second box there is the economic recession of 2008. These events hardly made a blimp in this curve until you get to the top that's COVID. Okay so as SARS we lost about 2 million travelers. In the recession we lost about 32 million travelers. COVID we've lost 1.1 billion with the b travelers. So that's the impact. Closer to home if you look at the first dotted line on top that's what we ended up with at the end of the fiscal year and we ended up with numbers that are equivalent to the 1990s only because the first five or six months of that year were record arrival months that kind of buffeted the overall annual numbers. But if you look at the bottom dotted line that's apples to apples and that's where we are. So our expectation is that if we if we get this task force working and resolve it to the point where we can open up tourists and with acceptable protocols, it's not unachievable to increase it to 107,000 or 30 percent increase from current estimates we might even be able to hit a stretch goal of 130,000 so the market potential is there.

Safety and costs remain top concerns across all markets. Japan, 17% have indicated they are considering traveling to Guam already. Taiwan, there's opportunity for not only leisure travel but for business travel. If you look at the pie chart on the right between the blue and the green you see basically 27 percent of the consumers we interviewed through anthology indicated



they intend to travel internationally within the next year. So we are we are geographically positioned to take advantage of this because most of these travelers would rather wear masks for four hours than wear a mask for eight or nine hours to go to other locations. Plus we are probably still the number one us destination for Korean visitors. So Guam is underperforming our peer group of islands as I indicated. Reopening task force was created to change this and to generate business for the island. The bad news is it's like starting from the 1970s again. The good news however is that the island's physical plant, institutional infrastructure, and nexus to markets can enable recovery without waiting 50 years. So thank you very much madam chairman that's our presentation.

Chairwoman Shelton:

Thank you very much Mr. Perez for that and I'd like to ask if you can elaborate on a different topic that wasn't included in your presentation today. But I'm wondering about the safety measures that you're perhaps working with our local restaurants and businesses for our employees in the tourism sector. What kind of recommendations is the Bureau making or perhaps the task force will be making to the anti-viral prioritization policy Committee for the vaccinations? And what kind of testing are we looking at for our local workforce who will be serving our incoming tourists?

Dr. Perez:

Well let me answer that in three parts. Part one is that's the job of the task force to collaborate with GHRA to identify with specificity what needs to be done at each property from the point of view of making it a safe destination or a safe place. A large part of that would have to come from Public Health guidance. The second part has to do with what kind of tests or what kind of medical strategy would be used. That would still need to be worked out with, I'm speaking individually now not as a task force, that is the job of the task force to resolve with CDC and Public Health so that number three, we get comfort that the people in the front line that are serving our visitors and the families that they're associated with on the island, first and foremost are safe. And one of the planks in our strategy is to figure out how quickly we can get as many of these employees vaccinated as possible, not just the elderly but people who are in the front line.

Chairwoman Shelton:

Thank you for that answer I appreciate that Mr. Perez because I'm sure just like my colleagues here we're very concerned that we protect our frontline



workers who will be serving our incoming tourists and we want to be able to serve the tourists safely while keeping our hometown community safe. So I think that's a priority for all of us that I hope you will consider on the task force moving forward. Thank you very much for that.

Dr. Perez:

That's top of the list actually the task force work stream there are several things that need to be done but it all relates to number one how do we protect and keep our local residents and in front line employees safe.

Chairwoman Shelton:

Absolutely yes, thank you very much. I'd like to ask my Vice-Chair if she has any questions at this time.

Vice Speaker Tina Rose Muña Barnes:

Si yu'us ma'åse Madam Chair and I too Mr. Perez and Governor, very concerned about the safety of our tourists coming in and as you share those very conservative numbers allowing us to open at 130,000 in comparison to the 1.3, if I didn't know the hard work that you guys put in I'd say it was very bleak but I know that with your hard work this is just a very conservative number and I know that our source markets with Taiwan, South Korea, and Japan are very strong in that. The Committee at GVB has worked really hard and I know that the Board also is working closely with you guys. One of the questions that I did want to ask just based on what has been holding GVB to stand is the military and the military buildup and the facility capabilities that are being utilized today. Do you foresee that becoming stronger in the coming months?

Dr. Perez:

I don't think it's going to be much stronger than the current levels. The only reason they seem to dominate the scene is because we have no arrivals from our foreign source markets and so that's all we have right now basically military and VFR business travel.

Vice Speaker Muña Barnes:

Do you believe that the source markets and the military working closely with the training that they have here do you think those two can co-exist together?

Dr. Perez:



Yes there's no reason why they can't coexist. I mean if you look at Hawaii for example the biggest headquarters for PACOM is military there but they have a very thriving tourism industry pre-COVID. So I don't foresee there to be a mutually exclusive existence on Guam. That's my personal opinion.

Vice Speaker Muña Barnes:

So you believe that with the portfolio that Guam has with its rooms that there is an opportunity to work closely with both the source markets from our Asian island nations to the military buildup.

Dr. Perez:

Yes believe so.

Vice Speaker Muña Barnes:

Thank you Mr. Perez. Madam Chair. I'll go ahead and wait for the second round. So thank you very much for giving me the opportunity to ask thank you a couple questions.

Chairwoman Shelton:

Thank you Vice-Chair. I'd also like to recognize my colleagues who've joined us Senator Jim Moylan, Senator Frank Blas and Senator Sabina Perez. *Si yu'us ma'åse.* Senator Mary Camacho Torres.

Senator Mary Camacho Torres:

Thank you. Hi Governor Gutierrez and Dr. Perez. I just had a question about the electronic declaration. Is this a declaration that is going to replace the handwritten forms that we currently receive on the airline on the airplane?

Dr. Perez:

Yes.

Senator Torres:

Okay so is there going to be also additional efforts I know you had the ESTA program to help with the immigration processing in the lines but is generally the processing time of the airport a continual effort with GVB?

Dr. Perez:

When we were contemplating this in the beginning we were overly ambitious by linking identity platforms to customs and quarantine and CBP right but we couldn't even get to first base talking to them on that and then



we decided well let's do what we can now and then we can build on that. For example for international health clearance in the future so in our QR code we've made a provision so when Public Health comes up with their own app for example we can have that link into to our app in the QR code. But we thought that it's a good idea to start at least someplace and so the visitor information and customs and quarantine forms was a logical beginning.

Senator Torres:

I would tend to agree with you because one of the um one of the attractions for going through certain ports of entry is the ease being able to go up to a kiosk and process quickly and just move from one station to another. So I think that it's good that you're digitizing and modernizing that process. I hope that you get very far with the GVB task force as far as the new protocols for quarantine and the like because we, as you alluded we don't expect tourism to rebound immediately so the process and the protocols for COVID screening is going to be at least for another year probably right you would think.

Dr. Perez:

Yes yes, that's right.

Senator Torres:

But what I wanted to ask though in your presentation you had enabling policy needed is that a policy that is a local policy to be enacted by Guam law. I'm a little confused what you mean by enabling policy.

Dr. Perez:

Yeah I'm not sure whether it necessarily be done by law but Public Health for example has a policy on the 14-day quarantine right. That's not established by law but that's basically the policy of the department to keep Guam safe and so what we're saying is we're at a point now where we need to craft a risk proportionate policy that recognizes the need to keep the island safe but at the same time allows there to be visitor sensitive concerns. I can't tell you what that is exactly right now because that I think is going to have to be the work of the task force to work with CDC and Public Health on what is acceptable. But having said that the overriding concern that is an overarching issue on this thing is increasing the vaccinations of our local community because that is the best way to protect. And increasing the



vaccinations not only in the demographically qualified group but in particular the young people working in the industry.

Governor Gutierrez:

Yeah may I Senator. In the past we've been working outside of the main function of department of Public Health and social services and the Governor and the surgeon cell. They were more concerned about what they're going to do to bring down the CAR score and make sure that we're all safe here. Now that the Governor has felt really comfortable that I think we've turned the corner, that she has now gone beyond just dealing with those agencies, the surgeon cell, Public Health, and her office, is that she has seen that now it's time to move forward towards the recovery and she put together that task force that now is a standing Committee at GVB including the airport and GEDA and the surgeon cell and Public Health. So now we are sitting all in the one room trying to make sure that we come up with the right mix of regulation so that we can be speaking not reacting but we are contributing.

Senator Torres:

That's very reassuring to hear and I'm glad. One last question with Taiwan. Taiwan was very active at the start of COVID with providing PPEs to Guam and I know that they most recently stood up their diplomatic office again. They've had a medical mission also in the interim. It was refreshing to know that they also are one of the highest outbound populations for tourism. Do you foresee then with the new director general in Guam and the medical relationship that they are looking to establish that there is now an emerging niche market with Taiwan that could help supplant the dwindling or the leveling off of the source markets? If you can comment.

Governor Gutierrez:

I'm glad you brought that up Senator because the Governor is very bullish on Taiwan. First one she wanted to go and make a trip to is Taiwan and getting the Taiwan economic office opened up here was a big plus. Not only did it get opened up but a few months later it kind of became upgraded when the united states took away the one china policy and now in essence has a two china policy which elevated the status here on Guam. Hopefully we would have a consular court here soon on that but now that the director general has been elevated one step and holding that position of consul general. And so there are more bullish I think that they're probably our best ambassador now for Taiwan visitors. There's 24 million people in Taiwan



and I understand the 17 million of those people travel outside of the country. So even if we get one percent that's 240,000 and the best year we had was around less than 30,000 but close to that. But they spend more here than any other group of tourists. They also are now promoting Guam in a drawing contest. I don't know if you've read about that. They just want to be able to make Guam and Taiwan almost become a sister city nation and an island and so in the next few weeks the students from all public schools, private schools, university of Guam are kind of drawing what their perception is of the relationship of Taiwan and Guam. They'll take that hopefully the Governor will be the one to unveil that at our marketing office in Taiwan and have the people come in and get good publicity on that. But they are expending money on their own to be able to promote Guam because they think that there's more than tourists that can come here. There they have already two airlines that are coming, the third one next year and we want to continue the movement of patients to Taichung or Thailand hospital. We want to be able to do agriculture and aquaculture and bring fresh fruits in. That is why we're trying to go back during the administration of Felix Camacho in 2006. They got a waiver on the cabotage off of cargo. It was granted for two years but it was really never used because there just wasn't a long enough runway to be able to do the big hole. And the fact is that there the airlines that served Guam did not have all cargo airlines and they just put a few in the belly. But now they're looking Taiwan is looking to hopefully get that kavatage again, bring fresh vegetables here fish or whatever and then transit over to any place else in the united states. So we're going to look at that getting that exemption again for cargo.

Senator Torres:

Fantastic and I know they've got an excellent museum system too that can help us as we develop our island product and our cultural identity. I hope that that is another part of the relationship.

Governor Gutierrez:

I think they really want to attach Taiwan to Guam, America in Asia, as the former speaker said because that's really wanting to make sure that that we are the first step into to united states. And let me say one thing that that when we were interviewing our marketing rep in Japan, and we're not done yet but the first thing they said when they came back with their presentation is that and they took a survey in Japan they said that the united states, Guam is the most trusted destination for tourists is Guam. And so we're going to start marketing that because Guam is America in Asia.



Senator Torres:

Si yu'us ma'åse.

Chairwoman Shelton:

Thank you, Senator Torres. Senator Duenas.

Senator Christopher M. Dueñas:

Si yu'us ma'åse Madam Chairwoman and Governor Gutierrez and Dr. Perez. Most definitely I can say that I feel very comfortable with the two of you at the helm and you've definitely had I think some of the larger presence in the community and in communicating the message of working to get our economy going and a very nice presentation today. Just looping back to this issue because I think it's definitely the frontline issue that you've mentioned is the vaccinations. Do you intend to accelerate that as a marketing point to our source markets that working with our hoteliers to say we have a hundred percent fully vaccinated staff that's serving you and in our in our destination?

Governor Gutierrez:

Are you saying that are we just going to concentrate on our and our source markets as before?

Senator Dueñas:

Well yeah I mean just in terms of part of the advertising campaign as we ramp up because I think it it's of course the safety and security of our community is foremost but also just that added confidence that those that are looking at Guam to return in tourism saying man maybe even our staff wearing like a green bracelet indicating that they've received the vaccine that when people come in and they check into our hotels they feel very confident that that staff has received the vaccine and that and is at a very high safety level.

Governor Gutierrez:

I think we're making really great headway in Korea. Let me say the new Korea marketing director at GVB is now Mr. Yoon and the and the Vice is Ben Ferguson and between those two I we've been working all weekend with Mr. Hall I mean the guy's connection into Korea all of them are his classmates that are now running the darn government and now it's bringing us even at a higher recognition and so we're trying to make sure that Guam is now looked upon as safe, and so he's working on that, and then we're



going to bring that to them to say that they put Guam in front of the line of the aircraft scheduling because you're only four hours away, and as a matter of fact, there's so many businessmen here from your own country, from Korea that need to survive as well. So we've got a really good group of people now moving this thing forward, and also let me say that we're looking also, at least in my vision, is Micronesia... you don't want to be the jumping off point for magnificent Micronesia, and even bring in Papua New Guinea, which we had before. We know we had two airlines flying the Papua New Guinea and back, and hopefully we can also come together with the Micronesian chief executives that the Governor asked us to bring attention to that so that we can put together a destination plan because Guam will certainly benefit directly from that plan, where they come in here and then they go there and come back here, and then they go back home so we're really looking more for that.

Governor Gutierrez:

Several years ago, Carl's message there was that it's very much going to be a fundamental plank in our messaging. It's not just going to tell them that we're a safe destination... is the level of vaccination, and all these so it's not just enough to tell people you're safe. We need to communicate the details on why we are a safe destination.

Senator Dueñas:

Yeah, and Governor a few years ago, when I went to Pohnpei, actually is one of the fastest growing in Micronesia too, so I share that vision of the Micronesian experience jumping off of Guam. Just one final question, and I agree with you, Gerry on this one, and Governor, that you presented this challenge of the issue of the quarantine. Have we been able to go and get some statistical information from these? As you've indicated here, they don't require the quarantine with a negative PCR within seventy-two hours. Do we have any up-to-date data on the success rate of that in terms of any safety risk that's been identified?

Governor Gutierrez:

In our peer group islands, we can get that. I just wanted to share the overview that the one common denominator there is a simple one, which is a negative PCR test. No quarantine. We're more strict and understandably so, but I think now we're in a situation where with the vaccines coming and so forth, we can get beyond that and even have a better standard than just



a negative PCR test. We can even use that to our advantage: that we're even safer because it's beyond just a PCR test.

Senator Dueñas:

I agree. I think if we can just do some extraction on these, as you said on the peer markets, and basically maybe that information will start to make the medical community even a little bit more convinced, but I certainly understand the care with which you're taking to move forward, but I just think that this might be an additional piece of data that might bring a level of comfort because certainly with the type of vacations that our source markets take, this is going to be a tough one to get over. I appreciate the work you're doing, and keep up the good work.

Governor Gutierrez:

Actually, we're very encouraged that it's the medical community, the CDC, and other doctors have actually been very encouraging in terms of their opinion that we're getting more vaccines now, and then we're getting at a poise we're getting at a place where we can start re-looking at this, and that was the whole reason for a part of the task force.

Senator Dueñas:

Si Yu'us Ma'åse, Madam Chair. I have no further questions.

Chairwoman Shelton:

Thank you very much, Senator Duenas. Senator Taitague?

Senator Telo T. Taitague:

Si Yu'us Ma'åse, Madam Chair, for the opportunity, and thank you so much for being here this afternoon. Hi Josie, always good to see you. Mr. Perez, good to see you as well, and Governor Gutierrez. Thank you so much for all the work that you're doing at GVB, and especially for the community as well. Even an advocate on destination management, and that's something that I did when I was at GVB and worked very hard in trying to not just make our island a great place to visit, and not only in Tumon, we're talking about outside of Tumon and that's important so I hope that whatever funding comes your way, you'll continue that effort, and the effort most especially outside of Tumon. The villages would bring back the fiesta when they used to have it. They were funding it at one time, GVB hosting a particular family in a village and inviting tourists to come by that house. It was wonderful. Inalahan was a great part of that. I see the scope of work that you're trying to initiate here, and it says here the local then source



market and then air service, and we also know air service is very detrimental. You talked about the task force, and it says reopening the task force, when you say reopening... So when did it shut down? Is it something that was implemented a while ago and then never utilized? Can you explain what that meant?

Dr. Perez:

That was the point I was making at the beginning of the presentation: that reopening is really a misnomer in our mind because we never closed, but reopening as it relates to our source markets I think is what the focus is.

Senator Taitague:

I think it's very important that you engage the airport. I've always tried to put those two, GVB and the airport, together even when it comes to funding issues because without the flights coming in, we have no tourists. So whatever efforts that you're commuting to make is great. I know you're going after these Japan markets, and I know Governor Gutierrez, you have a lot of connections out there with other airlines and try to entice them to come to Guam. I greatly appreciate that effort and pray you continue to go that route. You mentioned the amount of tourism that is anticipated coming to Guam based on pre-COVID. Are we reaching those goals right now? Are you doing an estimate of a monthly income from the fiscal year of October 1 until now? How are we doing with the numbers?

Dr. Perez:

The 82,000 number that you see... Part of it is based on actual arrivals that we already got in September to January. Those numbers are based on actual arrivals plus estimated load factors for scheduled air seats already for Guam, but in our earlier presentation I did say that even that number might be at risk if we don't really ramp up and start making some changes that would generate more arrivals, and that was why I believe the Governor formed this GVB task force: to come out with a more defined strategy on local vaccinations, on new protocols, or whatever is needed. We're just getting started, but tomorrow will be really our first meeting to get to know who's important and who needs to do what, when, where, and how, and all the grunt work. That'll be an important meeting.

Senator Taitague:

You're right, Gerry. I think another quarter will kind of give gauge as to where we're at and what's coming in. Josie, I don't mean to have you there



by yourself. I do have a question for you. How are the allotments coming into GVB? Are they coming in on time?

Ms. Josie G. Villanueva, *Director of Finance and Administration, GVB:*

Senator, no. In fact, we are due for December and January. We should be receiving five hundred and thirty-two thousand, but recently we only received October and November, and according to DOA, they only have a top surplus of two hundred and ninety-one thousand that they are able to release.

Senator Taitague:

So you're short by how much?

Ms. Villanueva:

So we are supposed to receive 1.2 million for the last two months, and we haven't received anything so we're technically short by one million already plus for February, so about 1.5.

Senator Taitague:

And it's already March. Sorry.

Ms. Villanueva:

And it's already March. Yes.

Senator Taitague:

I wish you the best in trying to grab some of that funding because you're gonna need that, especially just regular operations at the office. I know, Governor, you're pushing on that too, making sure your allotments are coming in so other than that I just wanted to know that update to see really how in dire need GVB is right now. Thank you so much.

Chairwoman Shelton:

Thank you very much, Senator Taitague. Senator Ada?

Senator V. Anthony Ada:

Thank you, Madam Chair. Mr. Perez, Governor Gutierrez, Ms. Josie, how are you guys doing? Mr. Perez, you spoke about the tour survivals and those that are coming in from our market destinations: Japan, Korea, Taiwan... Do you have a rough estimate as to what the numbers are, that are those that are fully vaccinated in those countries that should, when we start getting our tourist arrivals, bypassing quarantine or not even going



into a quarantine facility for those that are fully vaccinated? Do we know what kind of numbers we're looking at in those tourist markets?

Governor Gutierrez:

Japan is now ready to roll out the vaccination process in Korea also and Taiwan has already started, I believe. We just have to wait for them to see where we're at, and I was thinking. I know they kind of laughed at me, but because of the slowness of their vaccination getting to their countries, and some are producing their own vaccinations, I felt that Guam could also try to capitalize on that vaccination process here. If they do the Moderna or the Pfizer, there's also the Johnson and Johnson, which is only 66 percent effective, and the Pfizer is ninety-six, and Moderna ninety-five, but you make two doses that we were trying to figure out whether we can really now at this day and age where people can work outside of their offices. They can go and work out of the country. They can come here for 30 days, get a long-term stay, and then work from there, get their first dose and their second dose, and we'll just call it Air V&V.

Senator Ada:

That's a good one, and the reason why I bring that up is I was googling and looking up on your the game changer, and you mentioned the partners that are working with you are GIAA, GHRA, Public Health and CDC stakeholders, and the CDC stakeholders was the red flag there because when we google Guam, we're still at level four, very high risk, according to the CDC, so what is the administration, and I guess our Public Health and GVB doing to reassure CDC that what they have posted as of February 2 is inaccurate, being that our CAR score has been going down since December of last year, and we're now at 0.2. What have we communicated with the CDC, or has the administration communicated with the CDC to say what I think we need to be taking off the very high risk status?

Governor Gutierrez:

It's because it's not for lack of trying, believe me. It's just the process in the federal government or the Bureaucracy on that, but they have and it's been hurting us but they have been working on it hopefully soon somebody's going to realize that they have made a big mistake in keeping us in that level, but Public Health is doing it, and they're reaching out to make sure that that changes.



Senator Ada:

That's very important, Governor, because we can say that Guam is the safest destination that our tourists can come to, but when people google the island, and they see that CDC still has an issue with us, then I think that's going to counteract what we're trying to do in accomplishing and bringing more tourists to Guam.

Governor Gutierrez:

You're absolutely correct on that and that's why it's they're trying to make sure that that happens and because Guam right now and just listening to the to the people out there in in in in the in the united states is that Guam now has really elevated itself to a really safe destination yeah and so we just need to get those guys in the Bureaucrat the seats that are longer and we'll make them change it.

Senator Ada:

Definitely, and that's the goal we want to work towards: ensuring that we can open up our island, and everyone does know it's safe and the CDC can take costs and take us off that level four. Where are we at with GHRA in the hotel occupancy? Are the hotels ready to accept tourists? Do we have the room capacity to slowly start opening again and accepting them?

Governor Gutierrez:

Just in speaking with the people that own the hotel, they're just they're just sitting by ready to receive, and some of them, of course, we're very happy that not only do they staycation, people from here, the military families, but also the military that's been detailed here for the different programs... They're kind of filling in the void, but they're trying to continue to open. Nikko hotel, for example, they don't really... Sometimes if you don't have the military, they don't have anybody there but they continue to open the restaurant twice a week or something like that to get our people in there. Just to get the employees working and getting the procedures all honed up so that they know what it's going to be like when the real stuff comes down. But they're waiting. They're not locked up and being. They are really keeping it up, waiting for the grand finale and opening.

Senator Ada:

You said it right, Governor. I believe helping the hotels and the restaurants is where our local people are actually going to, visiting, and staying the weekend, or taking their families out and going for dinner. I think once we start, the Governor starts to open to seventy-five percent, the restaurant



occupancies, and allowing more people into the restaurants that the outside markets will be able to come in and see what the locals are comfortable going to their hotels. They're comfortable going to their restaurants. I think we can now travel to Guam and make our vacation destination, but everything that you guys are doing now... My hat's off, and this is one market that we all need to pay attention to because it's the most vulnerable market right now, and we're trying everything that we can to rebuild. I hope that when the Governor does get her discretionary funds, that six hundred and sixty-one million does come to fruition and does come in, that she gives GVB the funds that they need to ensure that we turn around and open up our market to the tourists so that we can start realizing those revenues coming in, because like Ms. Josie said, you're already 1.5 million dollars short, and when we look at what was said at our last meeting, the variance of what BBMR is looking and OFB is tracking is you're looking at about a 3.5 to a 6.6 million dollar shortfall, and I think that's very concerning because if our visitor market is not here, we got a lot of problems ahead of us.

Governor Gutierrez:

When Gerry and I were speaking to the Governor about needing non-TAF funds, and we just went in there with a little low number so that we don't shock her immediately, she said I think we can probably survive with seven million, and then she came out says no I think twenty million you guys need to get started with because she went back and looked at what it took for seat money to begin GVB, and it's like a new beginning for GVB.

Senator Ada:

That's so true, Governor, and hopefully, like I said, you'll be able to get your funds and sustain GVB, and bring in our tourists back to Guam. Again, thank you for your time, sirs. Ms. Josie, thank you for your time. Thank you, Madam Chair.

Chairwoman Shelton:

Thank you, Senator Ada. Senator Blas?

Senator Frank F. Blas, Jr.:

Si Yu'us Ma'ãse. Governor, good afternoon. Thank you Josie, thank you for being here as well a couple of questions I had and one of them is that we've estimated or we're going to estimate that we're looking at arrivals anywhere between eighty and one hundred thirty thousand people for this year.



Dr. Perez:

If I can clarify, the eighty-three thousand is a current estimate for 2021 fiscal year. What we're saying is that the thirty plus up is achievable if we have a more realistic set of protocols that can encourage travelers, and depending on how much airline we have, there's a stretch goal of one hundred and thirty thousand, but the current estimate of eighty-two thousand unless we really do something. Even that is at risk.

Senator Blas:

And of the eighty-two thousand, Dr. Perez, how many of those arrivals are actually local or individuals that have already a direct connection to the island through residency, family business as opposed to your tourists?

Dr. Perez:

Most of those are really military and business if there are local visitors. VFR visits friends and relatives. That would probably be very small in relation to the total number.

Senator Blas:

So to get a better grasp of this, in Tumon, the possibility of a bona fide tourist, it's almost negligible or not non-existent? Is that very safe to say?

Dr. Perez:

That's a fair statement.

Senator Blas:

I'm still trying to wrap my head around what we're trying to accomplish here okay and how we can help you in getting this. Governor, it's kind of surprising you went to Governor Lou and asked for seven million and she said no, I'll give you twenty. First off, I know that you're not the kind of person that walks in and just will give an arbitrary figure. You'll back that seven million dollars up. That's just Governor Carl Gutierrez. In her offering of the twenty million, first off, did she say where she's going to get the twenty million dollars?

Governor Gutierrez:

This comes from the \$661 million.



Senator Blas:

So the source right now is hopefully very safe. I'm trying to be as very optimistic as we can with the 661. She's already carved up at least twenty million for this effort.

Governor Gutierrez:

Well what we're trying to do is just show you that that actually we're looking at beyond the um beyond the 20 million. In our mind, it's a double twenty million. Sure, double twenty million because we're not going to just use it to... Remember our budget is around twenty-three million. We're down now less than five million and to get up to the marketing effort that we need to compete with Hawaii and the big boys up there, we need that budget restored, but we also need at least twenty million dollars plus the twenty million dollars is to start the upgrade at Tumon and other areas that need upgrade. Also, the fact that Mata pang Beach, we have put together a nice rendering put together by our destination marketing group we're going to relocate and or locate the firefighters down there in that in that rendering upgrade everything make sure that the undermined area, the water lens that's under there like a cave where people are parking the heavy equipment now starting to sag: That's our people's beach area. So we need to upgrade that, and the rendering that they've come to GVB is really fantastic. It's upgraded. Not only will the tourists love it, but it's our people that's going to be there and hang out there, and the police will be there to launch their jet skis for emergencies within two to three minutes instead of twenty minutes from Dededo, and they can still mingle with the police officers there. They're only a block down the road so that we can, as an \$18 million EDA grant, that public works is working for us through GEDA and so hopefully we get that. But the important thing is that we've got to upgrade some of our facilities, and if need be we need some money to be able to knock down those develop buildings that we may have to foreclose on and take over and remove it ourselves because they're posing a lot of danger and the roads are sagging the paving bricks are going down right now water we had water works go out there last Saturday to make sure that they paved the road that they dug up because the people were breaking their tires on there, so it really looks bad the greats are cutting the tires also so if you don't upgrade pleasure island all the way up to the hilton and up the hill we better do it now while tourists are scarce.

Senator Blas:

So the twenty million from the 661... You're also looking at eighteen million from the EDA.



Governor Gutierrez:

Well, that's what we're applying for.

Senator Blas:

Okay. Eighteen million. Okay, for that plan, now my concern is... Well, you've got the twenty to go to those projects. Let's go back now to your operational funding. You're 1.3 short?

Governor Gutierrez:

Yes.

Senator Blas:

With an anticipation of about eight million. Is it \$18 million, \$6 million?

Governor Gutierrez:

We're down below six.

Senator Blas:

Okay, so your anticipated shortfall is about six million dollars for your operation. The operation was twenty three million, and I'm assuming that in your operations, that's separate and apart from what you want to use the twenty million dollars for.

Governor Gutierrez:

That's another \$20 million.

Senator Blas:

That's another twenty million, right. So, then you're still short six. Is that six going to be covered?

Governor Gutierrez:

We're okay now. Josie will explain what we're able to carry to the fiscal year.

Ms. Villanueva:

Senator, whatever the shortfall that we have that we're not receiving yet from the OAS that we're using whatever we have, tighten our belts, when we have to cut all our contracts. So it's some of the surplus from FY2020, and also we have those funds that we have committed to upgrade our destinations. Development like the culvert cleaning, the street light maintenance, the storm water drainage... So we have to delay those projects in order for us to at least be able to fund our monthly operating expenses



while we are still waiting for the TAF to come in, or whatever allotments the TOA can release to GVB. So basically, it's really trying to reprioritize, and whatever we have reserved for the market recovery we'll put we try to spread it out and spend only those that are a necessity for our operations.

Senator Blas:

That's a lot of happy labor, and I have to agree with my colleagues, and sir, the concerted efforts that both of you are doing this you're in charge of what is probably one of the largest leg, or the most significant leg of our economy on the island. Thank you very much. I've been very much impressed over the few weeks of the constant efforts to be able to keep us informed. Not just this body, but the community, of what these efforts are, because we're in this together. We know this, and from a standpoint of being in the Legislature policy, not wanting to get into the weeds of how you're going to do this, we just have to make sure that we finally recognize what those financial needs are going to be, and thank you for being here. I wish there were other agencies that can be just as proactive and take the time to come in and be able to talk about the things that we need to do. This is where we need to go. This is why we need to do these things, and this is how we can all help each other. That's why I appreciate this conversation because it gives us a greater idea. When we come down to the budget, the budget's going to come down to want and need. Right now, we're kind of struggling with trying to find the things that we need to fund, and this is one of those areas we need to fund. So, I appreciate it. This is why I'm trying to wrap my head around past the \$661 million. What are we looking at? So that when we do have to come in, unfortunately we have to cut budgets from some other agencies, so that we can make sure that you have the money necessary to keep this island afloat. Then those are the decisions that will have to be made, but thank you very much. Thank you, Madam Chair.

Governor Gutierrez:

Thank you, Senator.

Chairwoman Shelton:

Thank you very much, Senator Blas. Senator Perez?

Senator Sabina Flores Perez:

Thank you, Madam Chair. Good afternoon to the Governor, Dr. Perez, and Josie. Thank you for your presentation today and for being here. A lot of questions were asked already. I want to ask some clarifying questions in



regards to the electronic declaration form which is going to be launched in... You said it's going to be launched this month, yeah? This month. Okay. I'm kind of curious. So where is this information going to go? Which agencies are going to have access to this information? It's going to be very compartmentalized because the part of the information is not accessible, say, to GVB or anybody?

Dr. Perez:

Part of the information is customs and quarantine centered and has to be legally protected information. So the platform is basically a shared platform of information. Whether you're customs question or visitor question, and all that would be fairly common, but then it starts to depart and some of the information would divert to a customs platform where only they have access to that and those that go to GVB go to GVB. and that's it basically. But that was one of the that was one of the strongest area that we were focused on, is a privacy issue and because at that time, when we first talked about this thing we wanted to see how we can interface with the identity platform of like immigration and CBPS so that when people come through the airport they can have a seamless experience through, right? But it's not in the cards, and instead of waiting for a perfect formula which will end up in nowhere, we decided just to do step at a time unless a little bit done on customs and quarantine. And the GVB information, but that information be highly restrictive only to those that have relevant use of the information.

Governor Gutierrez:

Senator, because some people are watching this at home... You're live, right? The thing about it is that they're probably like, "Man I'm gonna have to go through with a digital thing. I don't have a phone," and all that, right? But you can get these when you're in San Francisco, your kids can help you fill it all out already before you go. You're done. I mean you can do it from wherever you're leaving from so it's really easy, and that's why it's going to make it a lot more pleasant traveling and coming into a destination without having to fill out your forms on the plane. You've already done it. Your kids have done it for you at home before you left.

Senator Perez:

Thank you for that, but I guess that brings up another question. In case you don't go through the electronic interface, will the manual still be available?



Dr. Perez:

In fact, we will have the paperwork there standing by in case there's a glitch or a problem, but we've been doing beta testing this month, and so far it seems to be working, but we'll still have backup paperwork available.

Senator Perez:

Will it be also programmable to include health testing, so say, COVID testing?

Dr. Perez:

The original concept was to really include Public Health information, but we were not able to do it because, I think they might be doing their own app on contact tracing and so forth, but our QR code is set up so that you can link once they've got that thing sorted out. Whether it's Public Health here, or who are working on health clearances for international travel whenever that's done we can easily plug into our app.

Senator Perez:

Thank you. Another question about cabotage... So Governor, you were mentioning the possibility that could be one way to grow the economy is expanding cabotage on the cargo.

Governor Gutierrez:

The problem with when we go for a complete cabotage, right, passengers and cargo, is that we have our own hometown carrier, US carriers that will probably fight us again like they did last time. That's why under the Felix Camacho administration, they did manage to get the waiver on the back of the cargo, and the US airlines really did not fight them much on that. They gave in on that, but we never used it. As far as the passengers are concerned, I know that the only thing that I really want is to be able to put pressure on US airlines... If they fight us on doing a cabot, for example, from Taiwan, where they fly here and pick up passengers here and fly to San Francisco, California and Las Vegas, anywhere in the over Hawaii because when I was Governor, I put a lot of time and effort into federal highway funds to complete the twelve-thousand foot runway. It's been complete since 2015. There's been no flight out non-stop to the west coast. Everyone wasn't used to it. They say that it's not enough passengers. So if there's not enough passengers for a US carrier to carry there then perhaps China Airlines, EVA, can come here, pick up passengers, and fly to San Francisco pick up our people here, and if they fight us on it, then some of them gotta at least start that route. Get a US carrier to go there, but don't just leave it idle after we



put millions and millions of dollars to extend it. So that's the argument back. If they want a US carrier to do it then do it. But right now, it's not being done.

Senator Perez:

Thank you, and just one more question. There is something BSP has put together. It's called the New Tourism Repositioning Strategy. From my talks with them, they handed it over to GVB, and it's regarding rebranding and repositioning. Do you have any updates on that?

Dr. Perez:

I'm sorry. I didn't understand.

Senator Perez:

There was a study that BSP had started. It's called the New Tourism Repositioning Strategy. Are you familiar with that?

Dr. Perez:

I'm not familiar with BSP.

Senator Perez:

They had started the study, and they supposedly handed it off to GVB. Just wondering what the status of that was?

Dr. Perez:

I'm not seeing that. What is the thrust of the strategy?

Senator Perez:

I don't have the details, but it's rebranding and repositioning.

Dr. Perez:

Well, it might be very similar to what we're doing or trying to do now. If we can go over this, and basically repositioning in two ways: the first thing is more diversification of our markets, and the second thing is each of our market segments, we try to upsell it so that we have a yield improvement. So all that is anchored into a branded message, and I'm sorry she's not here now, but she mentioned something about improving product in Tumon Bay and so forth, right, which is important because probably ninety of our visitors see Guam through the prism of what they see in Tumon Bay, but that's not Guam. Guam is the whole island, and so part of the funding that Governor Carl was looking at as well is recapitalizing our cultural and



historical assets which underscore our branded image. So in terms of repositioning, that's what I'm aware of; that we've been trying to do for a number of years now is improve the yield per visitor, diversify the market and reinforce our brand identity that differentiates us from other island destinations anywhere. I'm not sure whether I've helped.

Senator Perez:

No, that's great. I would like to see more of that diversification, more of that connection to the cultural aspect of things.

Governor Gutierrez:

We have moved our thinking into this *CHamoru*-centric push for our island.

Senator Perez:

That's wonderful. The other thing I think you mentioned, Governor, was medical tourism. So, I heard there were some Asians that were turned away because they wanted to get vaccinations here, but it was only for the local population. Is that something that could potentially be looked at?

Governor Gutierrez:

Certainly, first of all, all of the vaccinations that come here are free. It's the government that is given the vaccinations to have private clinics do it. They'll have to be able to get those eventually for private use, but right now all they do is, if it continues, to be only for the government. They give the vaccines because they've taken Moderna, because you don't need as much cooling process as Pfizer, so Moderna has been given out to the different clinics on this island, and they give you the vaccination there. They don't charge the patient, but they get paid fifty dollars from the federal funds for those administering the vaccine. Now if we can figure out how to do that and charge, and give it back to the federal government. Maybe we can try to do that too, but it's a good thing that the one hundred and twenty million Japanese, maybe half of that would be eligible for vaccination, and Taiwan, probably ten million, and Korea, out of the fifty-four, maybe thirty million, so they may not be able to get all the vaccinations completed there, but they can come and work here in a condo or stay thirty days. We're trying to figure that out.

Senator Perez:

Si Yu'us Ma'åse. Thank you, Madam Chair.



Chairwoman Shelton:

Thank you very much, Senator Perez. Now, Senator Moylan.

Senator James C. Moylan:

Thank you, Madam Chair. Governor, Dr. Perez, Josie, good afternoon. I was just looking at your slide and it reminded me. Not too long ago, in FY2019, we had a record-breaking 1.63 million visitors, and before the pandemic, as it says on your slide, 7.5 percent increase. We were close to two million, and I think at one time, we were also talking about a billion dollar budget for the Government of Guam, but some of the things we were facing there with the increase in tourism as well. We didn't have enough rooms, right? We were talking about that, and I can see where we're giving ourselves a moment here. The acronym that you're using, but eventually we're going to get back to that, and maybe now is the time. We could be looking to have that room available. Some could say it's like, you've got to be kidding. You want to increase hotel capacity rooms, but maybe now's the time that we can look at this, and I'm sure you're aware that we did have a pub, or we do have PL 32-33 that talks about increasing the room capacity with this special hotel QC. It gave us the authority for an additional one thousand six hundred hotel rooms, and I think with the last hotel that was built. This QC is expiring. It got an extension of a couple more years, but it's going to expire in December of this year. What do you envision? Do you want this?

Governor Gutierrez:

When you brought this up several times, it's such an important issue that I equated it back when I was trying to drive the number of hotel rooms that we needed, twelve thousand hotel rooms, to match our airlines coming in, and we made it up to nine thousand, and then we had an air crash. We had a typhoon. So everything stopped for a while, but in this manner of having the one thousand six hundred room vision to build, it didn't quite pan out because things just fell apart. The H2 processes have failed on the wayside, but it's such an important issue. GVB, Ed Camacho have been on top of this thing. Last week, we brought the people down to GVB. We discussed it. Not only are they moving forward to report to their board that they do want to support it, I but I asked also not only to build these rooms, but to include that special qualifying certificate for a length of time to upgrade some of these hotels that haven't been upgraded because we're trying to push the higher paying people to come here. So they also are amenable to that because some are applying for that upgrade that will bring up a higher group of tourists. So we are pushing for that, and I also asked him not only



to extend it for a couple of years, but extend even more and so that that's our weapon to be able to accomplish our goal.

Senator Moylan:

Governor, I support you on that and we want to move that forward as well. In addition to the hotel rooms, while we were in our booming situation there, and we'll get back, we also experienced some issues with our parks. You mentioned our parks, like Matapang and Ypao, and so forth, and one of the past public hearings, the tour groups came and presented to us. They just want to use the bathroom, right. Where's the open bathroom? Since that time we've had six million in Department of Interior grants, and we've been able to restore many of our bathrooms, but our continuous problem that we see is vandalism. We get it all nice and everything. It's beautiful tiling, and the ones at Ypao beach and Matapang as well, but shortly thereafter it's repaired, it's vandalized. I appreciate that we are getting the grant of eighteen million from GEDA to support the renovation of Matapang Beach, but I'm wondering if the long-term goal, we need something there with a partnership with private enterprise to help us maintain our parks. We're going to put in eighteen million and we put in six million before. We'll continue to put in money, but our vandalism is a recurring problem unfortunately so I'm wondering what your feeling is about public-private partnerships to support keeping these things long-lasting for our local and all for our tourists as well.

Governor Gutierrez:

Thank you for that. The biggest problem we have is that if you continue to have the government clean up these beaches or give them a contract for someone, they leave it at night. So one thing I asked when I came into GVB was a Charles Bell who had just moved into the DFS. I said I think I'm going to give you one challenge right away. This is what I said: There's the bathroom down there in Ipan next to that swimming pool. Now that thing is locked up. Most of the time I've got videos of poor girls holding a blanket around while they use the bathroom outside. I said, can we get into a partnership where you privately go down there and build a nice bathroom, and give it to a family that's ten feet away from that twenty-four hours a day? That's their place, and they'll guard that. Make it a partnership that way, and he was not averse to it, but it's something like that where we give it to families as I did when I was Governor of Latte Stone Park. It was being vandalized. We put new bathrooms in there so we had a family that was on welfare. There's seven kids. We gave them lawn mowers, brush cutters,



materials for cleaning, and it's twenty-four hours. It was forty-nine thousand to keep that for one year, and keep it maintained and guarded. That's the kind of partnership we need to do even within our community because you cannot just give a contract out there and lock it up in the evening and expect it to be the same way the next morning. It's not going to happen. Never has. So yes you're right. That's the most important thing. Can you imagine what those girls were saying when they went back to Japan? You can't get into a bathroom unless you have a Japanese key or something?

Senator Moylan:

Thank you, Governor. The final question you mentioned about our abandoned buildings. We have, across Blessed Diego church down in Tumon, on that infamous parking lot where we constantly call the cops up when the screaming gets too loud from the VA. Those staying in there, and the drug busts that go on in there as well. That parking lot was from that old hotel that was destroyed after the earthquake, and back in 1980, maybe 88 or 89... I forget the parking structure right that parking lot was...

Governor Gutierrez:

That thing went down in 93'.

Senator Moylan:

Right, so we have a deadline.

Governor Gutierrez:

No, actually the deadline is only by legal constraints, and that's what Public Work has been doing. There's the process you've got to go through, and right now they are moving forward and making this thing happen. You just can't go in there and start kicking at it, but yes, they are moving. Vince Arriola is on top of this thing. Believe me, and once they go through the whole legal steps, and maybe make a foreclosure, knock it down or they can't foreclose it, knock it down and charge the owner or then take over, but that's what they're doing. Absolutely.

Senator Moylan:

Sounds great, Governor, and by the way, Vince sings at the choir at 7AM mass, and we talked about it regularly as well... the parking lot directly across from the church. Thank you, Governor. Thank you, Dr. Perez and Josie. Thank you, Madam Chair.



Chairwoman Shelton:

Thank you very much, Senator Moylan and to all my colleagues today for your questions. Especially to GVB, to the management, and the team at the Bureau for all of the topics that we covered today. I think we have a very wide range of topics that we touched on, but a very targeted approach that we can look forward to in the coming months as we engage with all of our partners from the hotels and the restaurants to the Department of Parks and Recreation, both their private and public sector partners... So we look forward to that while we continue to prioritize the health and safety of our local workforce as well as our visitors. So *Si Yu'us Ma'åse* to you, Mr. Perez, Governor Gutierrez, and Ms. Josie. Thank you for being here today, and with that, the time now is 3:51 p.m., and this informational hearing is now adjourned. *Si Yu'us Ma'åse*. Thank you.

-- END --

The Informational Hearing was adjourned at **3:51 p.m.**

III. FINDINGS AND RECOMMENDATIONS

The Committee on Air Transportation, Tourism, Parks, Higher Education, and the Advancement of Women, Youth, and Senior Citizens finds the following based on discussions at the informational hearing:

Local Issues

The Guam Visitors Bureau (GVB) plans to tackle local issues via physical improvements to the island and collaboration with other government agencies to enforce rules and adjust travel requirements. Physical improvements include fixing structural components in Tumon and local parks around the island. GVB's Re-Opening Task Force will collaborate with the Department of Public Health and Social services to prioritize the tourism sector employees' safety via increased hygiene measures and encouraging vaccinations. The Department of Parks and Recreation and the Guam Fire Department will augment the GVB Visitor Safety Officers' services to continue monitoring the parks and enforcing the safety rules. In collaboration with the Guam International Airport Authority, GVB launched the Electronic Declaration forms providing an efficient method for processing incoming travelers. Lastly, multi-agency coordination to gradually reduce stringent quarantine policies upon arrival in Guam will allow our tourism industry to regain its footing.



Engaging Source Markets

GVB continues to work with embassies, tour agencies, and Asian Market counterparts to keep Guam top of mind as a tourist destination. Some creative social media efforts include photo contests and the “Get Up and Move” (GUAM) media campaign. GVB also intends to nurture non-tourism-related partnerships with source markets such as medical and business ventures.

Air Service

The airlines are slowly re-activating routes, and there is potential for Asian travel; however, Asian residents are still wary due to the Pandemic.

General Recovery Updates

The Governor has made public indications that an allotment of \$20 million from the American Rescue Plan Act will be earmarked for tourism recovery efforts. GVB will re-prioritize existing funds to make up for shortfalls from the Tourism Attraction Fund. In the future, GVB will link the Electronic Declaration form to the DPHSS health forms to expedite processing and enhance traveler health endeavors. Additionally, GVB is developing strategies to curb the vandalism of public restrooms at the parks and beaches.

