



GUAM CHAMBER OF COMMERCE
PARTNERS IN PROGRESS

March 23, 2023

THE HONORABLE JOE S. SAN AGUSTIN
Chairperson, Committee on General Government Operations & Appropriations
I Mina' Trentai Sais Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

RE: Bill Nos. 59-37, 61-37, 75-37 that seeks to provide financial assistance for private businesses by extending the LEAP Program

Hafa Adai Senator San Agustin,

We appreciate the opportunity to comment on three bills that seek to support our hospitality industry by allocating funds to extend the Local Employers' Assistance Program (LEAP) initially funded by Public Law 36-65.

For decades, tourism has been a key economic driver for our island, which has been made more alluring through the unique visitor experiences provided by our various cultural and island attractions run by our local businesses. As Guam continues efforts to diversify its economy, we recognize that tourism will always be a key financial pillar. Although we are past the health emergency the Covid-19 pandemic has wrought upon the world, our island still reels from its economic devastation and recovery continues to be slow for our tourism, food & beverage and recreation sectors. Visitors from our source markets are not rebounding fast enough to sustain the industry and the various sectors that support our visitor experiences. We appreciate the support that the Government of Guam has provided, especially with funding for the Local Employers' Assistance Program however, our local companies still need help.

We have seen many beloved businesses close their doors over the past three years. Some companies remain open but offer limited services. Other companies are open but are hanging by a thread. These businesses include hotels, restaurants, entities providing attractions and services, transportation companies, wholesale distributors and more. According to GVB's February 2023 Industry Update February 2023 arrivals are 41% of February 2019 arrivals which paint a strong picture that there is still a lengthy recovery period yet to go for our tourism sector.

Federal pandemic stimulus funds have been extremely helpful in keeping private industry doors open. The federal government's Department of Defense investment in Guam has been a lifeline for our community, keeping our economy above water.

As tourism numbers slowly rebound, we need to protect the businesses that support our hospitality industry. It is important for the government to provide additional financial support to aid our local companies tied to the hospitality industry. This support will help these companies survive and prepare our island, our product, to welcome our visitors. Your efforts would help to save this sector of our economy and preserve the likelihood of its survival until tourism numbers are back to pre-pandemic levels. We commend the authors of each of the three bills and their co-sponsors for championing the industry that provided over 60% of our island's GDP for many years.

We thank you for your consideration and urge your action to save our food & beverage, travel & tourism, recreation, and supporting businesses that provide good jobs and benefits for our island residents. *Si Yu 'os Ma'ase.*

Sincerely,


CATHERINE CASTRO
President