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Governor's Message

Hafa Adai! Guam is on the precipice of economic growth of historic proportion. With a tourism industry that has consistently grown in the last few years to infrastructure upgrades and a military buildup, the eyes of the world are on Guam. This is the time to invest on Guam.

We are America in Asia. The western-most American territory, Guam shares the western Pacific with the Philippines, Japan, Taiwan, Korea, and China. If you place a 2,500 mile radius around Guam, it would encompass an area of over one billion people.

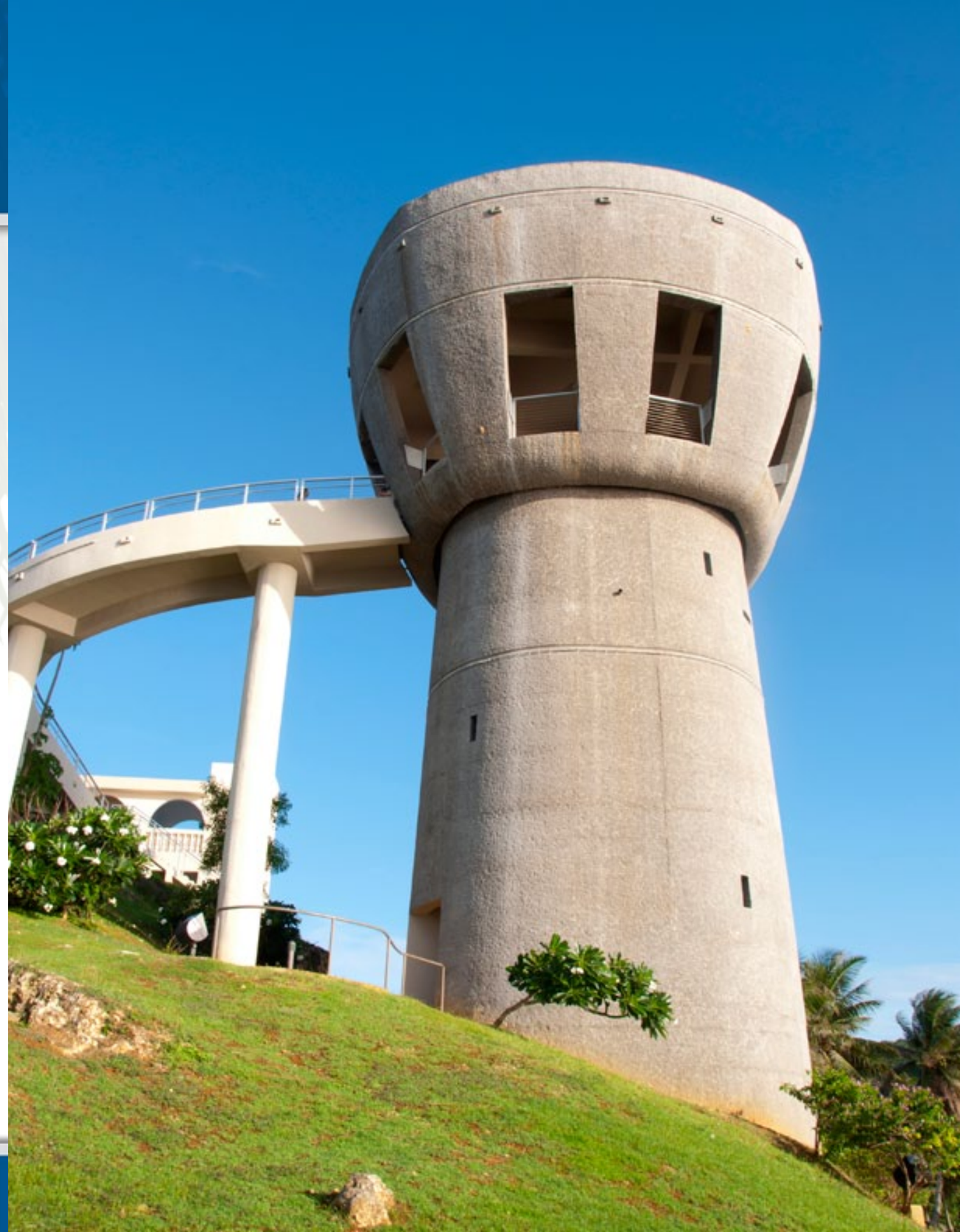
The Guam Economic Development Authority, the Guam Visitors Bureau, and the Guam International Airport Authority stand ready to assist you. They have information to help you receive government program assistance, tax incentive opportunities, and tourism and travel data to maximize your business ventures on our slice of paradise.

History has taught us that Guam's valuable location plays a big role in trade and business. From the Spanish Galleon Trade to the present-day tourism markets, Guam continues her destiny to be a major player in global economics. Let's realize our dream of expansion, and usher in a new era of prosperity for Guamanians and your business.

Sincerely,

Eddie Baza Calvo
Governor of Guam

Ray Tenorio
Lieutenant Governor of Guam



Administrator's Message

John Rios
Administrator
Guam Economic
Development Authority

On behalf of the Guam Economic Development Authority (GEDA) and all the people of Guam, Si Yu'os Ma'ase (thank you) for your interest in the countless investment and development opportunities in Guam. Guam is the westernmost Territory of the United States, with a close proximity to many of the major cities in Asia and the South Pacific, which contributes to the diversity of the island's population and its thriving visitor industry. Guam is a "Business Smart Destination" and serves as America's Gateway to Asia.

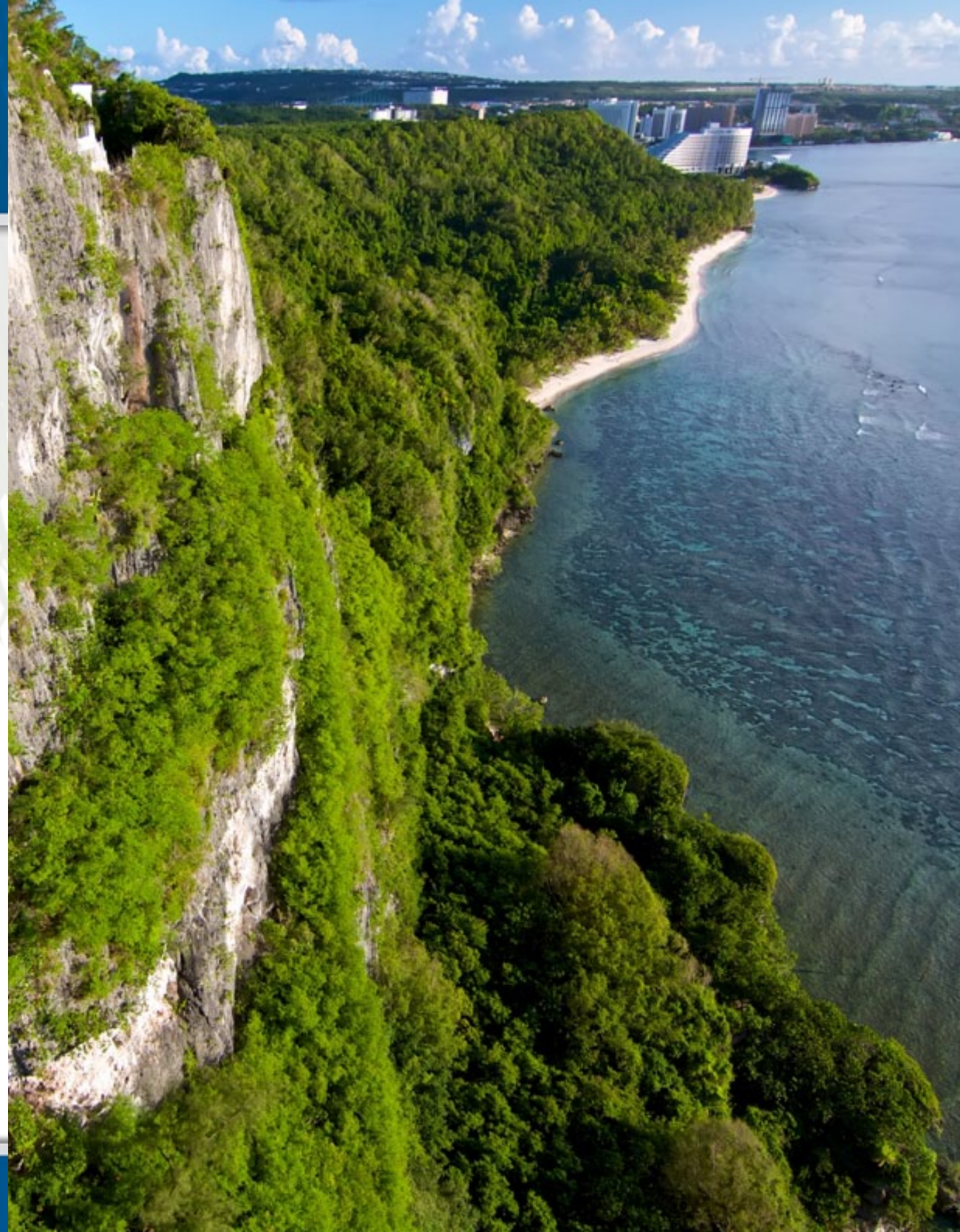
Tourism, Guam's top economic contributor, continues to grow exponentially with 1.4 million international visitors annually. This year alone, we have welcomed over 10,000 mainland Chinese visitors. This market will increase tremendously with the anticipated passing of the China Visa Waiver. We project an influx of over 100,000 visitors from China and a total of 2 million visitors by 2020. This presents many opportunities to grow Guam's product offerings, and we invite you to be part of this growth.

We stand ready to support your business endeavors through government program offerings that include financial assistance, tax incentive opportunities, public finance services and real property development and management.

This booklet will provide you with the latest information on economic and investment opportunities in Guam as well as information from the Guam Visitors Bureau (GVB) and the Guam International Airport Authority (GIAA). You will also find commercial and government properties available for sale or long-term lease.

We look forward to working with you on the expansion of our island's industries that will usher in a new direction and a new era of prosperity for all our people.

Welcome to Guam!



About Guam

Guam is the westernmost territory of the United States of America, as well as the largest and southernmost island of the Marianas archipelago, and the largest of the 2,000 islands in Micronesia. Located at 13 degrees north latitude, 144 degrees east longitude in the western Pacific Ocean, the island is approximately 30 miles long and varies from four to nine miles wide, with a total land area of approximately 212 square miles. Guam is approximately 3,800 miles west-southwest of Honolulu, Hawaii, 1,550 miles south-southeast of Tokyo, Japan and 1,600 miles east of Manila, Philippines.

Guam is an unincorporated territory of the U.S. The organization and powers of the Government of Guam (the "Government") are defined by the Guam Organic Act of 1950. The Government consists of three branches: executive, legislative and judicial. The Governor is elected at large every four years, and heads the executive branch. The Government maintains a staff of approximately 11,340 employees under the direction of the Governor and the Governor's department heads. The unicameral legislature consists of 15 senators elected at large every two years. The judiciary branch consists of the Superior Court of Guam, which is the court of general trial jurisdiction, and the Supreme Court of Guam, the court of highest appeal, established in 1996. Guam also has a Federal District Court and is within the jurisdiction of the Ninth Circuit U.S. Court of Appeals and the U.S. Supreme Court. Guam has one elected non-voting representative to the U.S. House of Representatives elected at large every two years.

Why Invest in Guam?

1. **Location:** Guam is the crossroads in the western pacific where Asia and the United States meet. As the largest and southernmost island of the Marianas archipelago, Guam is the westernmost Territory of the United States. With a unique geographic location between Hawaii and the Philippines, Guam serves as the gateway to Micronesia in the western pacific. The island is approximately 6,000 miles west of San Francisco; 3,800 miles west-southwest of Honolulu; 1,550 miles southeast of Tokyo; 2,100 miles southeast of Hong Kong; 1,500 miles east of Manila; and 3,100 miles northwest of Sydney. Short flights to all major markets in the Pacific Rim make Guam the best location in the Western Pacific to conveniently and affordably meet international travel needs. As such, Guam is the most accessible United States territory for key markets in Asia and the Far East.

2. **GEDA's Concierge Service:** The government of Guam is committed to developing the island as the hub of economic activities, and the Guam Economic Development Authority is the government entity that aims to help potential investors successfully establish a business on Guam. GEDA offers various tax incentive programs, loans, grants, and government properties that cater to all industries. Most importantly, GEDA is committed to provide concierge services for investors by acting as a "one-stop-shop" destination to ensure your business will be built and maintained efficiently and effectively. GEDA will direct you to all necessary networks, will provide you with important business information, and will assist you throughout your project.

3. **Tax Climate:** Guam residents pay a "mirrored" U.S. income tax in which the U.S. Internal Revenue Service's code of laws is applicable. All taxes in Guam are paid only to the territorial government — Guam residents, and domestic business entities, are not subject to U.S. federal tax. Guam domestic corporations are subject to income tax on their income from all sources at the same rate schedule published by the U.S. IRS for the applicable tax year. Other corporations doing business in Guam incur income tax liabilities to Guam on all Guam sourced income. There are no separate municipal, county, school district, or improvement district taxes, and no sales tax imposed in Guam.

4. **Government:** Guam shares the same system of government as the United States. As a United States Territory, Guam serves as a convenient location to acclimate to American laws and regulations. The governmental and judicial system in Guam meets United States standards. All proceedings are in English, and based on the American common law legal system and U.S. standards of integrity. The terms used in court documents and settlement agreements are recognized by any other court nationwide.

5. **Telecommunications:** Guam is considered the telecommunications hub of the Western Pacific, as all transpacific undersea cables pass through Guam, to and from Asia. Guam has telecommunications infrastructure in place far exceeding most communities with equivalent population. Guam's fixed line, mobile, cable and satellite communications infrastructure support a full range of domestic and international services encompassing voice, video, data, internet, and other advanced communication services.

6. **Infrastructure and Housing:** The Port Authority of Guam operates the largest U.S. deep-water port in the Western Pacific handling about two million tons of cargo a year. The Guam International Airport processed 1.4 million passengers in Calendar Year 2013 as well as air cargo operations. Guam's main highways and roadways are well paved, and there is easy access to utilities, including power and water, for new business startups. In addition, Guam offers a wide variety of housing options ranging from ocean-view villas and executive homes, to condominiums, duplexes, and single-family homes. Housing for purchase or lease in Guam is readily available. There are privately owned lands that are available for sale, lease or development under a joint venture in Guam. Ocean front Real Estate is less expensive compared to other tropical destinations, such as Hawaii.

7. **Labor Environment:** The Guam Employment Service, under the Guam Department of Labor, serves as the Territory's primary labor exchange. It provides free labor exchange services to job seekers, employers and community agencies by maintaining a comprehensive labor exchange system which recruits, assesses, counsels, and matches individuals to the workforce needs of Guam's employers. Guam's two accredited collegiate universities by the Western Association of School and Colleges provide specific programs and training that cater to the island's main economic industries.

8. **Military Build Up:** A treaty has been signed between U.S. & Japan which has resulted in the establishment and operation of intelligence, surveillance, reconnaissance, and strike capability build up in Guam. President Obama's proposed budget for fiscal 2016 lists a total of $266.9 million in proposed military construction projects in Guam. As of July 2015, the revised Supplemental Environmental Impact Statement (SEIS) was released for the Guam military buildup, which paves the way for the final record of decision and groundbreaking of increased military buildup activities.
http://www.guampdn.com/article/20150204/NEWS01/302040001/Obama-proposes-266-9M-buildup

Guam's Economy

Tourism revenues and U.S. federal and military spending are the two main engines of the island's economy. While tourism has been the primary driver of the island's economy for the last three decades, the government of Guam and leaders in the private sector jointly have made aggressive strides in creating an environment conducive to the development of other industries, such as financial services, telecommunications and transportation. The other driver of the island's economy, U.S. Military and federal spending, is currently making tremendous amounts of investments into Guam. This is due in part to the transfer of U.S. Marines and their families from Okinawa to Guam. In addition, the military will be constructing many new facilities to accommodate this increased growth. The projected growth will provide further business opportunities in Guam.

Guam Gross Domestic Product
Calendar Years 2007 – 2013
(Millions of Dollars)

Calendar Year	Gross Domestic Product
2007	4,207
2008	4,340
2009	4,541
2010	4,597
2011	4,562
2012	4,756
2013	4,882

Source: Department of Commerce Bureau of Economic Analysis.

Most food and goods are imported, approximately 70% of which are from the United States. Guam's commercial shipping port, the Jose D. Leon Guerrero Commercial Port, owns five cargo-handling piers along with two fuel piers and three marinas. The Port is the entry point for more than 90% of Guam's imports and also serves as a transshipment center for Micronesia. The Port handled approximately 1.9 million revenue tons, including the contents of over 85,000 twenty-foot-equivalent unit containers, and received approximately 15,000 passengers (including cruise ship calls) in fiscal year 2012. The Port is located within Apra Harbor, a natural lagoon enclosed by a submerged coral bank and a barrier reef, and is operated by the Port Authority of Guam (the "Port Authority"), a public corporation and autonomous instrumentality of the Government.

Guam Tourist Industry

Tourism has represented the primary source of revenue for Guam's economy for over twenty-five years. Visitor arrivals rose to over 1,000,000 travelers for the first time in 1994 and have remained near or above that level since.

The following Table illustrates the annual number of visitors to Guam for Calendar Years 2006 through 2014.

Annual Visitor Arrivals to Guam
Calendar Years 2006-2014

2006	1,211,674
2007	1,224,894
2008	1,141,779
2009	1,052,871
2010	1,197,408
2011	1,159,778
2012	1,308,035
2013	1,334,497
2014	1,343,092

Source: Guam Visitors Bureau.

The following Table provides a comparison of cumulative visitor arrivals by month to Guam for calendar years 2006 through 2014. A year-over-year comparison of 2013 to 2014 reflects an increase of visitors for each month except February, March and April. Several factors account for the annual increase in arrivals, such as the expanded number of airline flight routes to Guam, the favorable exchange rate for Asian visitors, the preparations for the military expansion, and the relative improvement of the overall global economy.

Cumulative Visitor Arrivals to Guam by Month

2006-2013

	2006	2007	2008	2009	2010	2011	2012	2013
January	119,562	109,073	108,100	98,298	103,262	108,243	116,588	116,558
February	226,486	216,072	212,450	191,753	212,583	219,894	228,717	238,630
March	340,561	324,276	319,011	292,693	322,380	328,596	355,093	375,358
April	427,577	414,661	405,898	373,399	405,136	399,490	442,899	466,857
May	520,036	501,054	497,388	445,296	493,628	469,961	525,596	553,027
June	608,955	600,331	592,270	505,396	579,263	545,654	620,544	652,177
July	718,678	711,641	699,103	603,046	690,071	645,240	732,514	763,484
August	833,660	840,564	803,982	706,623	810,220	766,028	864,502	897,839
September	921,312	932,928	887,280	798,749	916,735	866,461	976,844	1,006,474
October	1,012,011	1,024,240	973,493	877,060	1,005,277	956,737	1,081,178	1,108,429
November	1,108,396	1,120,811	1,054,045	958,988	1,099,731	1,056,082	1,190,311	1,215,909
December	1,211,674	1,224,894	1,141,779	1,052,871	1,196,296	1,159,778	1,308,035	1,334,497

Source: Guam Visitors Bureau.

Guam Visitors Bureau

The Guam Visitors Bureau (GVB) is the official marketing agency for the Government of Guam. GVB is a nonprofit membership corporation and has existed in its current form since 1984. Its mission is to efficiently and effectively promote Guam as a choice destination for visitors and to develop the tourism industry on Guam. Recent efforts to promote tourism include a Guam branding initiative; efforts to grow visitor markets through expansion of the visa waiver program and similar initiatives to increase the number of airline arrivals to Guam; and encouraging longer stays and repeat visits by enhancing and promoting tourist and cultural destinations and events on the island.

GUAM VISITORS BUREAU

Tourism 2020

In addition to marketing Guam and promoting our island's culture, the Guam Visitors Bureau (GVB) has put together "Tourism 2020", a five-year strategic tourism plan to enhance the tourism industry on Guam. The eight goals as outlined in the plan are:

1. **Improve Quality in order to Improve Yield.** This includes further beautifying Tumon, making Guam safer for visitors, improving the airport, and establishing a "business improvement district" in Tumon with defined rules and regulations.

2. **Grow Arrivals and Diversify.** This includes aggressively pursuing Russia, China, and other emerging markets; a continued push for a China Visa Waiver; and targeting Chinese visitors without the need of a visa waiver.

3. **Add Hotel Rooms.** The overall goal is to add 1,600 new rooms by 2020. In order to accomplish this, the Guam Economic Development Authority offers significant tax incentives for businesses looking to invest $100 to $200 million for the construction of new, five-star resorts.

4. **Focus on Meetings, Incentives, Conferences and Exhibitions (MICE) Market.** This new group-based market can help Guam during traditionally slow visitor periods. The newly opened Dusit Thani will feature Guam's largest ballroom, which will increase Guam's capacity to host large conferences. GVB has already reached out to its Japan office to begin attracting MICE markets to Guam.

5. **Actively promote the Chamorro culture.** Guam's 4,000 year-old culture, our Chamorro people, and our unique multi-cultural Chamorro, Spanish & American heritage, are what make Guam unique compared to our competition who also offer sun, sand and sea. GVB seeks to incorporate our culture from the moment of arrival to the moment of departure.

6. **Extend the Average Length of Stay.** The average length of stay for Guam's visitors is three days. This means increasing the average by just one day will mean a 33 percent increase in hotel occupancy, tax revenues related to tourism, and overall tourism-related economic activity—all without raising any taxes.

7. **Promote our Unique Attractions.** Guam currently has more than 100 attractions for our tourists to enjoy—more than our regional destination competitors. These activities are diverse, including marine sports, SCUBA diving, golf, skydiving, deep sea fishing, submarine rides, flying lessons, day tours, eco and jungle hiking tours and much more. This plan outlines GVB's mission to develop more high quality, large-scale attractions and better promote our unique offerings.

8. **Extend Tourism Beyond Tumon.** GVB will work toward our Governor's vision of a revitalized capital city of Hagåtña. It will also continue to encourage our tourism partners to support local businesses and organizations outside of Tumon, thus extending the reach and benefits of tourism beyond the borders of Tumon.

Guam International Airport

Guam's international airport, the Antonio B. Won Pat Guam International Air Terminal (the "Airport") was established in 1976. According to the Federal Aviation Administration (the "FAA"), 1,488,187 enplaned passengers were processed through the Airport in calendar year 2013, making the Airport the 70th busiest primary airport within the FAA system. According to data published by U.S. Department of Commerce Office of Travel and Tourism Industries, for calendar year 2013, the Airport was the 8th busiest port of entry to the United States for non-U.S. resident arrivals (excluding arrivals from Canada and Mexico).

Airline Partners currently operating at the A.B. Won Pat International include United, Delta, Korean Air, Jin Air, JeJu Air, China Airlines, Eva Air, Japan Airlines and Asia Pacific Airlines.

The Airport is currently implementing its Capital Improvement Program, which will see $167 million dedicated to improve facilities and services to travelers transiting through or visiting the island. First priority projects include an international arrivals corridor, a requirement by the Transportation Security Administration (TSA) to separate arriving and departing passengers. Other projects include terminal upgrades to withstand earthquakes, relocation of baggage screening equipment to the back of ticket counters and an inter-island passenger facility.

A.B. WON PAT INTERNATIONAL AIRPORT GUAM

ATURIDAT PUETTON BATKON AIREN GUAHAN ENTENASIONAT

Key Visitor Markets

Guam receives visitors from a variety of countries, and GVB is committed to further diversifying Guam's visitor base. Guam's top four visitor markets include Japan, South Korea, U.S./Hawaii and Taiwan. A majority of visitors to Guam originate from Japan, and Guam is one of only four markets worldwide that attracts nearly one million Japanese tourists per year. GVB continues to market to South Korea, Taiwan, Hong Kong and China and plans to increase its marketing efforts to Russia.

In November 2009, the U.S. updated its policies relating to the visa waiver program available for travel to Guam for tourism or business. The current program allows visitors holding passports from Australia, Brunei, Hong Kong, Japan, Malaysia, Nauru, New Zealand, Papua New Guinea, Republic of Korea, Singapore, Taiwan and the United Kingdom to visit Guam and/or CNMI without a visa for a period of up to 45 days. On January 15, 2012, the U.S. Department of Homeland Security granted parole authority for Russia allowing visa waivers for Russian visitors to Guam.

The Government of Guam and GVB continue to lobby for expansion of the visa waiver program to visitors to Guam from Mainland China. While request for a visa-waiver pro- gram for Mainland Chinese tourists remains pending, a November 2014 agreement between the United States and China now allows for Chinese tourist and business visas to be valid from one year up to ten years. U.S. citizens will also receive a reciprocal visa for entry into China for up to ten years.

The table below sets forth a comparison of visitor arrivals to Guam by country for Calendar Years 2007 through 2013.

Visitor Arrivals by Country
Calendar Years 2010-2014

	2010	2011	2012	2013	2014		
	Arrivals	Arrivals	Arrivals	Arrivals	Arrivals	% from previous year	Mix
Japan	893,865	824,005	929,229	893,118	810,856	-9.20%	60.40%
Korea	134,718	149,076	182,829	245,655	308,037	25.40%	22.90%
Taiwan	31,320	45,086	49,144	48,653	49,136	1.00%	3.70%
China, P.R.C.	4,774	7,068	8,939	11,225	16,280	45.00%	1.20%
U.S. Mainland	50,444	50,239	51,321	48,836	55,192	13.00%	4.10%
Hawaii	11,595	11,109	11,297	9,746	13,571	39.20%	1.00%
CNMI	18,301	18,059	16,717	16,154	14,761	-8.60%	1.10%
Palau	3,436	3,711	3,419	2,935	3,143	7.10%	0.20%
FSM	9,537	10,222	10,069	9,842	9,216	-6.40%	0.70%
RMI	1,247	1,192	1,152	879	823	-6.40%	0.10%
Philippines	12,361	10,097	10,483	10,920	12,079	10.60%	0.90%
Australia	3,121	3,867	3,763	3,339	3,864	15.70%	0.30%
Canada	661	757	814	1,096	872	-20.40%	0.10%
Europe	1,526	1,485	1,683	2,131	1,862	-12.60%	0.10%
Hong Kong	6,890	8,903	8,609	8,857	8,180	-7.60%	0.60%
Thailand	318	488	383	396	384	-3.00%	0.00%
Vietnam	78	96	115	101	106	5.00%	0.00%
Russia	422	632	4,040	8,084	16,293	101.50%	1.20%
Other	4,103	4,109	4,635	6,794	6,066	-10.70%	0.50%
Sea Arrivals	8,691	9,577	9,394	5,736	12,371	115.70%	0.90%
Total	1,197,408	1,159,778	1,308,035	1,334,497	1,343,092	0.60%	

Note: Includes both Civilian/Armed Forces.
Source: Guam Customs Declaration Forms, Customs & Quarantine Agency. Processed by the Guam Visitors Bureau.

Hotels

Tumon Bay, located on Guam's west coast, is the heart of Guam's tourism industry. The hotels that line Tumon Bay provide lodging to majority of visitors to Guam. During the 1990s and early 2000s, Guam's inventory of hotel rooms increased over 100%, with substantial growth in the number of hotel rooms occurring from 1991 to 1993 and from 1995 to 2001. As of December 2014, there were 32 hotels in Guam, including many notable international hotel operators, with an inventory of over 8,520 rooms. As of July 2014, the year to date weighted average hotel occupancy rate and room rate are 67% and $147, respectively.

Top Fifteen Hotel Operations in Guam

As of May 2014

	Year Opened	Location	Number of Rooms[1]
Pacific Islands Club	1980	Tumon	777
Hilton Guam Resort & Spa	1972	Tumon	646
Leo Palace Resort Guam	1993	Yona	625
Outrigger Guam Resort	1999	Tumon	600
Guam Plaza Hotel	1983	Tumon	504
Hotel Nikko Guam	1992	Tumon	490
Hyatt Regency Guam	1994	Tumon	450
Pacific Star Resort & Spa(2)	1987	Tumon	436
Westin Resort Guam	1996	Tumon	432
Onward Beach Resort	1992	Tamuning	430
Guam Reef & Olive Spa Resort	1974	Tumon	420
Fiesta Resort Guam	2006	Tumon	318
Sheraton Laguna Guam	2007	Tamuning	318
Verona Resort & Spa	2012	Tumon	274
Holiday Resort Guam	2005	Tumon	250
		Total	**6,970**

[1]Numbers may not reflect actual capacity as hotel management may make rooms unavailable at any given time.
[2]Formerly the Guam Marriott Hotel.
Source: Guam Visitors Bureau.

Pursuant to Section 30101(b), Title 11, Guam Code Annotated, the Hotel Occupancy Tax is "an excise tax levied and imposed by the Government against transient occupants of a room or rooms in a hotel, lodging house or similar facility" located in Guam. The Hotel Occupancy Tax, a tax on occupied rooms of a hotel or similar facility has been levied at rate of 11% of the rental price charged or paid per occupancy per day since April 1, 1995.

Annual Hotel Occupancy Tax Revenues

Calendar Years 2004 – 2014

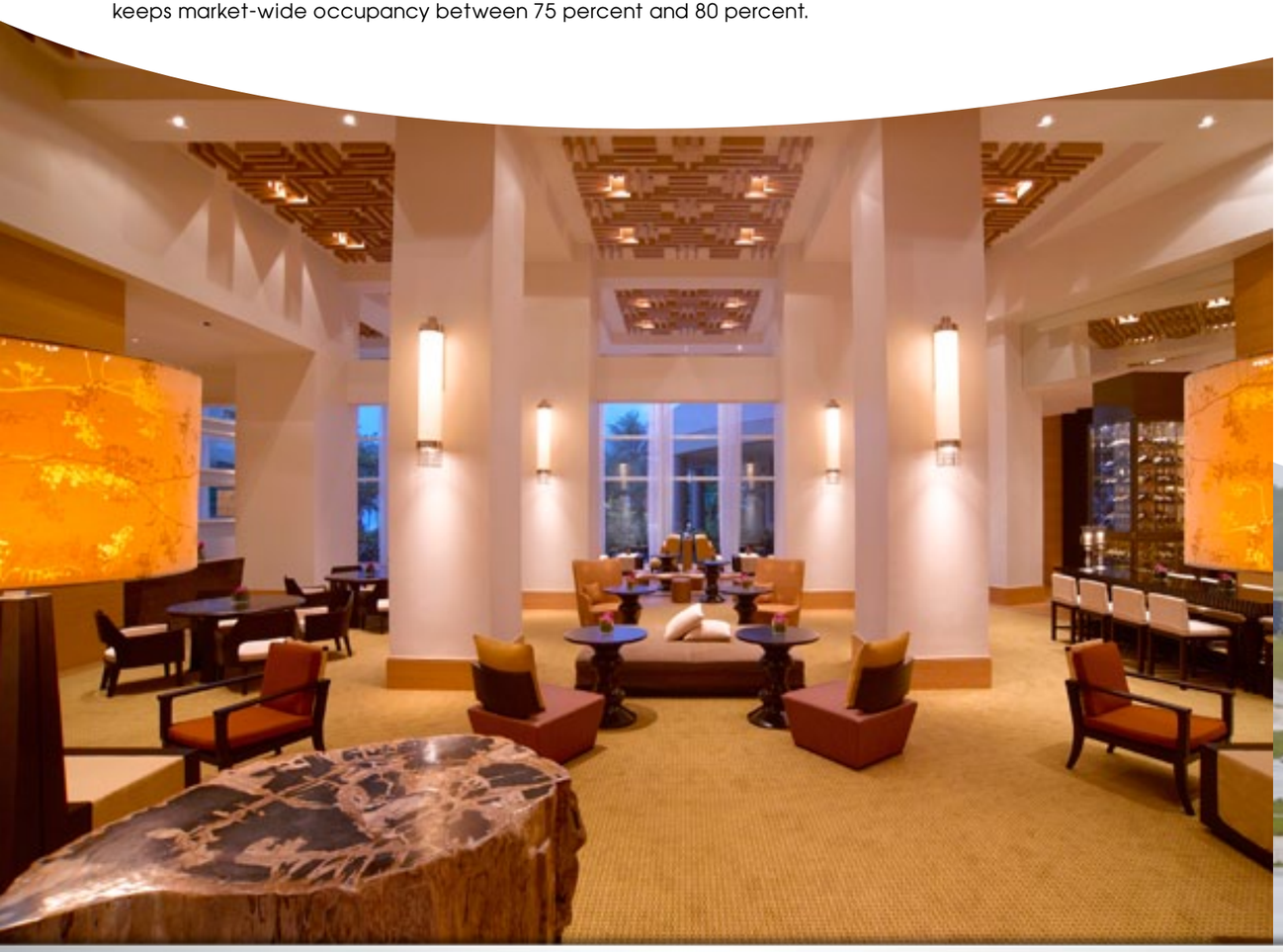
Calendar Year	Amount
2004	$17,859,367
2005	19,158,350
2006	19,528,390
2007	21,179,962
2008	20,822,521
2009	19,622,561
2010	22,334,104[1]
2011	22,961,598
2012	26,759,709
2013	28,606,196
2014	34,362,256

[1] Repeal of exemption applicable to certain Government employees was effective May 17, 2010.
Source: Guam Visitors Bureau.

Over the past few years significant hotel renovations totaling $100 million have been undertaken at various hotels to include: Hilton Guam Resort and Spa, Pacific Islands Club, Guam Marriott Resort, Hotel Nikko Guam, Royal Orchid Guam, Sheraton Laguna Guam Hotel, Hyatt Regency Guam and Westin Resort Guam. In addition, the property developer Tanota Partners recently opened a new $110 million, 400-room hotel tower, the Dusit Thani Guam, which will include a ballroom with a 2,000 person seating capacity. In addition, Lotte Hotels and Resorts ("Lotte Hotels") recently completed its $20 million renovation and rebranding of the Guam Aurora Resort Villa & Spa, which encompasses 222 rooms, four restaurants, three banquet halls, an outdoor swimming pool, a spa and a chapel. A new luxury hotel in Tumon is planned between the Hotel Nikko Guam and the newly opened Lotte Hotel. The new $120 million dollar tower is expected to add an additional 300 rooms to the island.

Horwath Study on Guam's Future Hotel Supply Requirements

In an independent study conducted by Horwath HTL on Guam's Hotel Supply, Horwath concludes that given the projected growth in arrivals, the Guam market can sustain a growth in supply of approximately 2,200 rooms, including Lotte, Dusit Thani and Pago Bay, over the next 10 years. Such growth is modeled as entering the market in even increments between 2020 and 2023; however in reality, supply growth will likely be more sporadic. This specific growth in supply is deemed reasonable because it keeps market-wide occupancy between 75 percent and 80 percent.



Military Activity

Recent world events have increased recognition of Guam's strategic military value that could result in increasing military presence in Guam and its contribution to the Guam economy. In January 2012, the U.S. Department of Defense indicated the importance of a strong U.S. military presence in Asia-Pacific region. A strong U.S. presence in the Pacific demonstrates active support for Japan, South Korea, Australia and other Pacific Rim allies and supports U.S. economic and security interests. Guam is positioned geographically to constitute an extended homeland defense perimeter, protecting the U.S. west coast and Hawaii from acts of aggression. Military bases on Guam can support forward deployed capabilities in Asia and allow rapid response to any threat to stability of the Asian region or any threat to the U.S. originating in the Asian region. Other advantages of Guam's military activity include:

- Geographic location: closer to potential flashpoints of conflict in Asia and the Middle East.
- U.S. Sovereign territory: no need for host nation consent to pre-position war munitions, to deploy weapons or to conduct operations.
- Air Force, Navy and Marine Corps, Coast Guard, National Guard and Reserve facilities with substantial munitions, fuel supply, communications, command and control capabilities.
- Unencumbered air and sea space for live fire and special operations training including EOD, SEALS and other joint war fighting and operational readiness initiatives.
- Deep-water harbor with 17,000 linear feet of wharfage with ability to handle three million pounds of ordnance (net explosive weight).
- Significant airfield capability including dual, two mile long runways with contingency, mobilization and surge capable civilian airfields on Guam and CNMI.
- Repair capabilities for surface vessels, submarines, aircraft and combat equipment at the Intermediate Maintenance Facility, the privatized ship repair facility, the submarine tender, Naval Base Guam and Andersen Air Force Base and civilian facilities.

Healthcare

Guam offers some significant health care advantages to Americans living in Asia. Guam's health care system includes two major hospitals, a widespread clinic network, a broad selection of general and specializing physicians, and medical evacuation operations to Hawaii, the U.S. mainland and the Philippines. The island's two hospital facilities are the Naval Regional Medical Center and the Guam Memorial Hospital. While the Naval hospital provides services to veterans, active-duty personnel and military dependents, Guam Memorial Hospital provides health care for the remainder of the general public. The Guam Memorial Hospital is a publicly owned facility operated by the government of Guam.

A new private hospital, the Guam Regional Medical Center, opened its doors in June 2015. The 130-bed hospital will be aligned with centers of excellence, featuring wellness, cardiology, medical oncology, endocrinology, pulmonology, neurology and other medical and surgical subspecialties.

Guam has ten specialty and emergency care clinics and about 30 pharmacies for prescription drug needs. Specialized healthcare facilities are the Guam Radiology Consultants, 2 renal care facilities, a privately owned and operated birthing center, a center for outpatient surgical procedures, and the Heart & Vascular Institute of Guam.

The medical board of physicians in Guam has set standards for practitioners, which are similar to those in California. All doctors must be U.S. trained and board eligible to practice in Guam. The Guam Regional Medical Center is one of the more recent beneficiaries of GEDA's Qualifying Certificate (QC) Program, which provided significant tax rebates for the island's newest hospital.

Housing

Guam offers a wide variety of housing options, ranging from oceanview villas and executive homes to cozy condominiums, duplexes and single-family dwellings well suited for new and growing families. Housing for purchase or lease in Guam is readily available. If looking to build your own home, Guam has many qualified and capable contractors. Construction costs range from $65 to $90 and up per square foot, depending on scope of the project, with an average three-bedroom house construction price of approximately $78,000 - $150,000.

Condominiums and houses are available for sale in Fee Simple. There are certain restrictions to foreign individuals purchasing properties, but corporations registered in Guam can purchase properties freely. Purchases are usually handled at title and escrow companies with title insurance available to protect buyers. Price for a three-bedroom condominium (mid-level unit) averages about $150,000 with three-bedroom houses having an average price of $180,000.

The rental market indices show most residential leases are for one to three years. A security deposit of one month's rent is a standard charge. Mid-level rentals range from $900-$1,200 for a two-bedroom apartment or condominium and $1,200 to $1,700 for a three-bedroom house.

Education

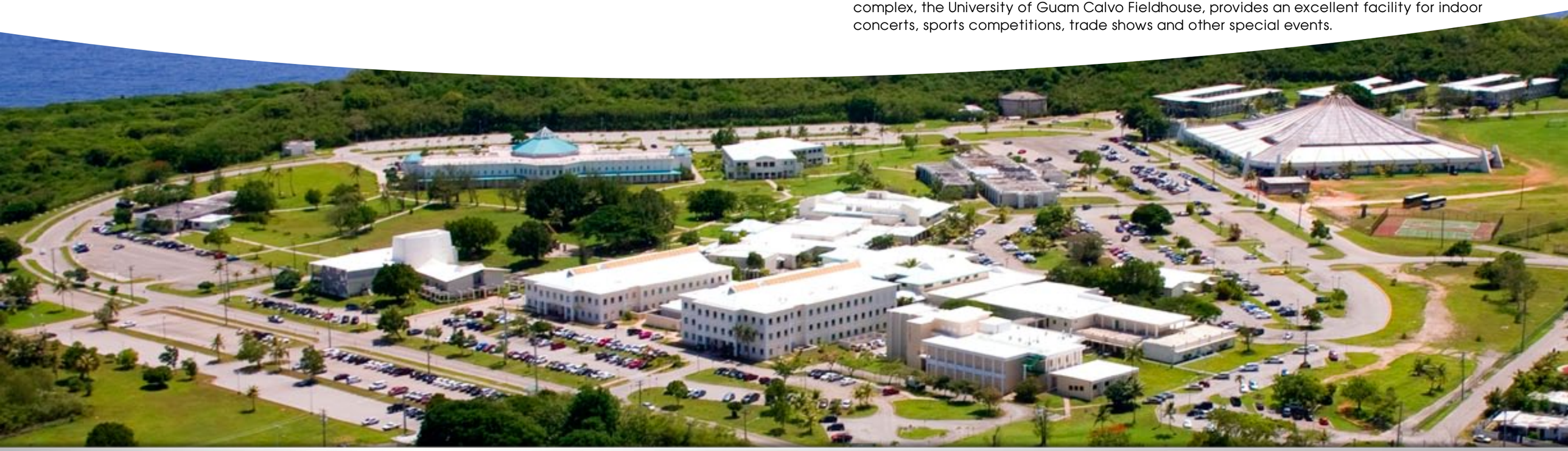
The Guam Department of Education offers comprehensive, U.S. based education, and is available to all citizens and residents of the Territory. The government places special emphasis on education, as close to half of the government's operating budget is committed to education expenditures. Additionally, Guam has some of the highest requirements for teaching credentials in the United States. There are 41 public schools and 25 private schools in Guam patterned after school systems in the continental United States. The Western Association of Schools and Colleges has accredited all public schools, including the main institutions of higher learning, namely the Guam Community College (GCC) and the University of Guam (UOG).

Guam Community College

Established in 1977 and accredited by the Western Association of Schools and Colleges, GCC offers more than 40 courses of study. By recognizing its role in the economic prosperity of the community by responding to fluid business trends, the college responds to the predominant training needs of the region by developing new and innovative educational programs. Programs at the college are intended to meet the many educational needs and interests of the community and include the following: accounting, supervision and management, information systems, computer science, construction trades, architectural engineering technology, civil engineering technology, criminal justice, electro-mechanical trades, horticulture, early childhood education, cosmetology, sign language interpreting, marketing, automotive technology, food and beverage operations, hotel operations, travel agency management, tour operations management, waterworks technology and the apprenticeship training program for construction and hotel industries. GCC also offers a variety of community service and special programs including English as a second language, adult basic education, general education development preparation and testing, and an adult high school diploma program. The college runs a comprehensive vocational high school program on its campus and offers vocational classes in all of Guam's public high schools.

University of Guam

Founded as the Territorial College of Guam in 1952, the University of Guam was officially chartered in 1968. It is a land-grant institution accredited by the Western Association of Schools and Colleges. The student body is made up of representatives from more than 40 countries in the Asia-Pacific Region and around the world. Enrollment in the University's five colleges, as well as specialized classes under the Center for Continuing Education and Outreach Program, has exceeded 7,000 students with projections for increased enrollment. Because of the diversity of the community, the University's English Language Institute offers courses in English as a second language throughout the year, the primary purpose of which is to prepare non-English speakers to attend American universities. The University has established relations with institutions of higher learning to provide a forum for shared learning in Taiwan, China, Japan and Korea. UOG was the venue for the first ever executive seminar for the Dun-Bu Insurance Co. of Korea, and the first ever real estate seminar for executives from the Misawa Home Corp. in Tokyo. Students from Japan wishing to obtain U.S. Certified Public Accountant certifications come to the University Of Guam for their examinations. UOG also offers Master's programs in the neighboring islands of Pohnpei in the Federated States of Micronesia and Saipan in the Commonwealth of the Northern Marianas Islands. UOG facilities are among the most up to date in the region, and the university's spacious recreational complex, the University of Guam Calvo Fieldhouse, provides an excellent facility for indoor concerts, sports competitions, trade shows and other special events.



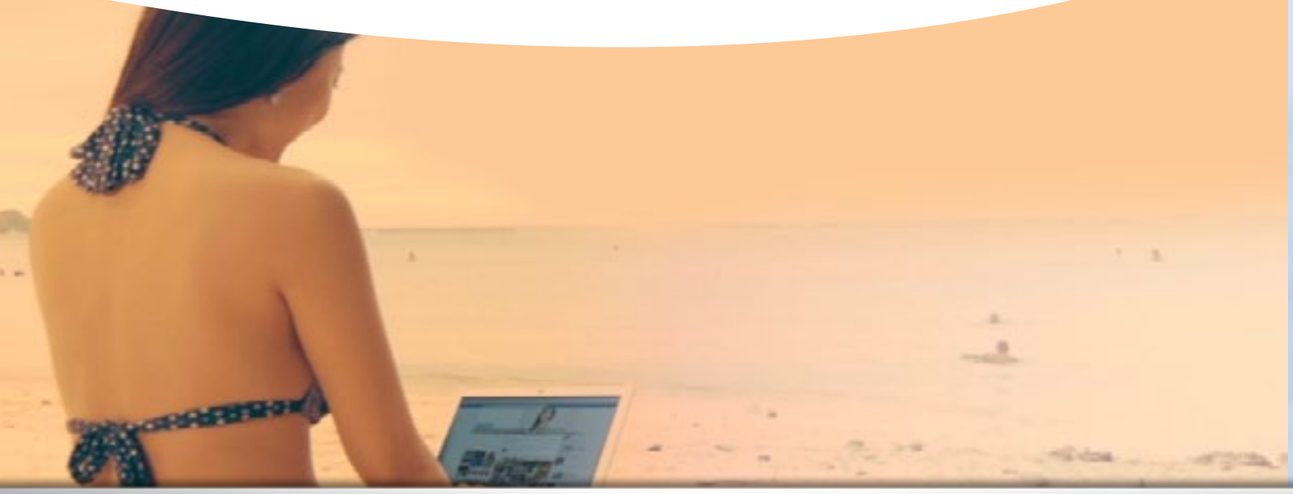
Telecommunications

Guam has one of the most advanced telecom systems in the Pacific region, with international connectivity ensured by no less than nine major submarine cable networks. As a result, Guam is considered a telecom hub, a link between the USA and Asia. Fixed broadband services are widely available in Guam, and mobile broadband access is growing thanks to the launch of HSPA and LTE services. The main broadband technologies are DSL and cable modem, both of which are available throughout the island and reach most of the population. In terms of coverage, Guam is one of the most connected states/territories of the USA. Despite its small size, Guam's telecom market is a highly competitive industry. The island has three major companies providing both fixed line and mobile services; of the three, two directly compete in the pay TV market as well. The Guam Telephone Authority (GTA) is the island's leader in fixed-line services, while Docomo Pacific is first in mobile and pay TV market, with several minor companies providing services primarily to corporate customers. IT&E, another one of Guam's major telecommunications companies, benefitted from GEDA's Qualifying Certificate program.

Subscribers to Telecom Services
2012-2014

Sector	2012	2013	2014
Fixed-line telephony	67,000	67,000	68,000
Fixed broadband	82,000	73,000	75,000
Mobile telephony	172,900	175,800	178,700

Source: http://www.budde.com.au/Research/Guam-Telecoms-Mobile-and-Broadband-Market-Insights-and-Statistics.html



Recreation

Guam's infrastructure is able to support inter- national competition in a variety of sports, as well as other recreational events and activities. Locally, there are many organized sports leagues take advantage of favorable weather and year-round opportunities to play and compete. There are various competitive leagues in baseball, bowling, soccer, football, rugby, swimming, running, cycling, volleyball, martial arts, golf, tennis, handball, boxing, wrestling, paddling, jet skiing and wind surfing. In fact, Guam recently hosted the first FIFA World Cup qualifier to be held on the island.

There are also public and commercially operated fitness centers and gyms. Guam is a paradise for water sports activities such as jet skiing, windsurfing, snorkeling, scuba diving, fishing and parasailing. Guam also has some of the best golf courses in the region. Other amusement centers include bowling alleys, movie theatres and community recreation centers.

Agriculture

Guam's unique geographic location provides many opportunities in the agriculture, aquaculture and fishing industry. Guam's tropical climate is ideal for the cultivation of various crops throughout the year. Since Guam is considered the "Gateway Between Asia and the USA", the island provides a unique opportunity for agricultural and aquaculture investors, new technology industries, and local farmers to penetrate other key markets in Asia and the US mainland. In addition the oceans surrounding Guam present a myriad of opportunities for fishing industry.

With the rising trend of hydroponics, Guam welcomes new forms of technology and services that can benefit our island's evolving agriculture industry. The island's tropical weather yields two main seasons throughout the year. The dry season runs from January to June with the rainy season lasting from July to November. Guam's near constant temperatures produce rich topsoil that aids farmers in the growing of crops throughout the year. This climate also provides a myriad of opportunities within the Green Equipment Rental and Renewable Energy industries. Investors and companies involved with Green House projects will be able to produce crops that are in demand during the island's rainy seasons.

GEDA Incentive Programs

Select Tax Incentives

1. Qualifying Certificate Program: The Guam Economic Development Authority administers the Qualifying Certificate (QC) Program, created under Public Law 8-80, and amended under PL 20-178 and PL22-159. The QC program was initiated in 1965 as an economic incentive tool to encourage investment in activities that would strengthen the island economy, enrich its growth, and enhance the quality of life in Guam. Tax incentives for qualified firms may include:

- Up to 75 percent rebate of corporate income tax for up to 20 years.
- Up to 75 percent rebate of corporate dividends tax for up to five years.
- Up to 100 percent abatement of real property tax for up to 10 years on property utilized by the Qualifying Certificate beneficiary to operate its business.
- Up to 100 percent abatement of gross receipt tax on income derived from the sale of alcoholic beverages, and petroleum products manufactured in Guam for up to 10 years.
- Special incentives for Captive Insurance, Trusts, and Recycling.

2) Special Hotel Qualifying Certificate Program: In response to the demand and anticipated growth in Guam's tourism industry, a Special Hotel Qualifying Certificate program was created by Public Law 32-233. The special QC seeks to accomplish the Guam Visitors Bureau goal of developing 1,600 new hotel rooms by 2020. The Special Hotel QC provides additional incentives to hotel developers in order to meet this goal. Developers and owners are allowed a tax rebate, exemption or abatement in an amount equal to ten percent (10%) of their total construction costs, which can be applied by the developer, at their discretion, to the following taxes:

- 50% of unpledged Business Privilege Tax
- 75% Income Tax Rebate
- 100% Real property tax abatement
- 100% of Use Tax Exemption with respect to the property used to construct, furnish, and equip the new facility construction or substantial expansion of an existing building.

3) Special Qualifying Certificates for Financial Services Industries: Spurred by increasing inquiries from insurance underwriters throughout the world, Public Law 23-109 was enacted to provide for 100 percent abatement of business privilege taxes on insurance premiums and other revenues, and 100 percent rebates on all income taxes of an insurance underwriting entity domiciled in Guam. Beneficiaries can enjoy rebates for a maximum period of 20 years, which may be extended for an additional 20 years if in good standing under the laws of Guam and GEDA rules and regulations.

4) Guam-based Trusts: Guam law also authorizes tax incentives for Guam-based trusts through the Qualifying Certificate program. Benefits for choosing Guam as a domicile for Guam-based trusts include:

- 100 percent rebate of income tax paid to the Government of Guam by a Guam-based trust on all its earning from either inside or outside of Guam, provided that administration of the trust is in Guam, and;
- 100 percent rebate of income tax withheld from the non-resident beneficiaries of a Guam-based trust on the payments or distributions made to such beneficiaries from such a trust.

Beneficiaries can enjoy rebates for a maximum period of 20 years, which may be extended for an additional 20 years if in good standing under the laws of Guam and GEDA rules and regulations.

5) Telecommunications: Tax benefits are available for e-commerce and Internet systems, to include rebate of a percentage of income tax and shareholders dividends tax, and an abatement of real property tax, under GEDA's primary Qualifying Certificate program.

Other Incentives

1) General Headnote 3(a): This program, under the Tariff Schedules of the United States, allows duty-free entry into the United States on most exports for those items manufactured and assembled in Guam. Certain requirements enable Guam to be considered the "country of origin" for these products. Manufacturers may import foreign raw materials, or component parts, to which at least 50 percent of the value of the finished product must be added on Guam. These items must undergo a "substantial transformation" in order to benefit from the duty-free provision of this program.

2) Generalized System of Preferences (GSP): GSP is a trade incentive program that allows products manufactured in Guam to be imported by participating nations at a reduced tariff rate. Guam currently has arrangements with the following countries: Japan, Australia, and the European Common Market nations.

3) Guam Immigrant Investor Visa Program (EB-5): The EB-5 Investor Visa allows qualified applicants to obtain lawful Permanent Resident Status (Green Cards) through investment in a U.S. enterprise. Each year, 10,000 Immigrant Visas are available to foreign investors establishing a "new commercial enterprise," or actively in the process of investing in the enterprise in Guam. Minimum investment required in Guam is $500,000.

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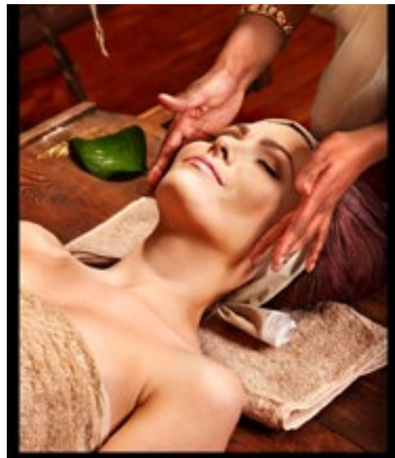

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