MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Tuesday, September 26, 2017, 10:00 a.m.
GIAA TERMINAL CONFERENCE ROOM #3

1. CALL TO ORDER AND ATTENDANCE

The September 26, 2017 regular meeting of the Board of Directors of the A.B. Won Pat
International Airport Authority, Guam ("GIAA" or the "Authority") was called to order by
Chairman Duenas at 10:06 a.m. at the GIAA Terminal Conference Room #3, 355 Chalan
Pasaheru, Tamuning, Guam, 96913.

Directors Present:  
Ricardo C. Duenas  
Gurvinder "Bic" Sobti  
Martin J. Gerber  
Rosalinda A. Tolan  

Offices or positions:  
Chairman  
Board Secretary

Directors Absent:  
Katherine C. Sgro  
Lucy M. Alcorn  
Deedee S. Camacho  

Vice-Chairperson

GIAA Officials:  
Charles H. Ada II  
Pedro R. Martinez  
John A. Rios  
Jean M. Arriola  
Gerard Bautista  
Robert D. Camacho  
Rolenda Faasumalie  
Joseph Javellana  
Janalynn C. Damian, Esq.  
Frank R. Santos  

Executive Manager  
Deputy Executive Manager  
Comptroller  
Airport Services Manager  
Air Terminal Manager  
Airport Police Chief  
Airport Marketing Administrator  
Program Coordinator IV  
GIAA Legal Counsel  
GIAA Consultant

Chairman Duenas welcomed Airport tenants, stakeholders, and members of the public who are
noted in a sign-in sheet attached to these minutes.

2. APPROVAL OF AGENDA

Chairman Duenas announced that the agenda would be amended to cancel Executive Session.
Motion to accept the change to the agenda duly made by Director Tolan, seconded by Director Sobti; motion unanimously passed.
3. APPROVAL OF MINUTES

A. August 31, 2017 Reconvened Meeting

No corrections or changes were recommended. On motion duly made by Director Sobti, seconded by Director Tolan, the following resolution was unanimously passed:

Resolution No. 17-46
The Board hereby approves the minutes of the August 31, 2017 regular meeting, subject to corrections.

4. CORRESPONDENCE

Executive Manager Ada stated that he will discuss correspondence during his Executive Manager’s Report.

5. OLD BUSINESS

A. Status Updates of Capital Improvement Projects (“CIP”)

Mr. Frank Santos, Consultant, provided highlights on Capital Improvement Projects for FY2017.

- International Arrivals Corridor with Building Seismic Upgrades: Project ongoing. The first shipment of steel is expected to arrive on Guam in October, at which time the scheduling of construction of Pod #2 will begin, as well as the seismic upgrades in Phase I. Phase I expected to be completed in early 2018.
- Acquire ARFF Truck/RIV - Pkg 2: Project completed. The balance of $218,000.00 to be returned to the FAA by way of de-obligating.
- Noise Mitigation Program 65 DNL & Higher: Noise measurements to begin.
- Miscellaneous Airport Improvements: Additional projects, such as bus stops and old GPD buildings, to be added.
- Wildlife Management Assessment: Assessment ongoing. At the end of the study period, the assessment will determine what mitigation steps to be taken.

With regard to the Art Program, Mr. Santos informed the Board that Management is working to gather the correct numbers based on the schedule of values submitted by the various contractors. Once this is compiled, it will be presented to the Marketing Sub-Committee.
6. NEW BUSINESS

A. Approval of FY18 Insurance Renewal Program

AM Insurance ("AM") representative Ms. Ann Marie Muna presented the insurance quotes for FY2018. Nine (9) major insurance carriers were approached, with four (3) carriers responding with submittals.

The insurance program includes six (6) policies: Property Insurance with Catastrophe; Airport Operators Liability; Directors and Officers Liability; Workman’s Compensation, Automobile Insurance; and Crime Insurance. Quotes are as follows:

<table>
<thead>
<tr>
<th>Policy</th>
<th>Firm with Lowest Offered Premium</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>Calvo’s</td>
<td>$285,000.00</td>
</tr>
<tr>
<td>Airport Operators Liability</td>
<td>Calvo’s</td>
<td>$131,580.00</td>
</tr>
<tr>
<td>Directors &amp; Officers Liability</td>
<td>Calvo’s</td>
<td>$45,000.00</td>
</tr>
<tr>
<td>Workman’s Compensation</td>
<td>Moylan’s</td>
<td>$39,512.00</td>
</tr>
<tr>
<td>Automobile Insurance</td>
<td>Moylan’s</td>
<td>$38,496.00</td>
</tr>
<tr>
<td>Crime Insurance</td>
<td>Calvo’s</td>
<td>$6,000.00</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td><strong>$545,588.00</strong></td>
</tr>
</tbody>
</table>

The total premium costs for all coverage including catastrophic perils for FY2018 is $545,588.00. This represents a savings of $91,271.00 compared to FY2017 premium cost of $636,859.00. Management recommends that the Board approve the FY2018 insurance program as presented.

After further discussion, on motion duly made by Director Sobti, seconded by Director Tolan, the following resolution was unanimously approved:

**Resolution No. 17-47**

The Board hereby approves the FY2018 Insurance Renewal Program, in the total amount of $545,588.00 as follows:

<table>
<thead>
<tr>
<th>Policy</th>
<th>Firm with Lowest Offered Premium</th>
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<td><strong>TOTAL:</strong></td>
<td></td>
<td><strong>$545,588.00</strong></td>
</tr>
</tbody>
</table>

B. Approval of Air Seoul's Request for Signatory Airline Status

Executive Manager Ada announced that Air Seoul is requesting signatory airline status. Air Seoul is a South Korean low-cost carrier and a subsidiary of Asiana Airlines. The airline is based at Incheon International Airport in Seoul. It launched operations on July 11, 2016 and is committed to bringing the same low-fare and high quality service to Guam.

Air Seoul has committed to six (6) weekly routes from Seoul to Guam and Guam to Seoul commencing on September 12, 2017. Air Seoul's inaugural flight to Guam was September 13, 2017.

After further discussion, on motion duly made by Director Gerber, seconded by Director Tolan, the following resolution was unanimously approved:

**Resolution No. 17-48**
The Board hereby approves Air Seoul's request for signatory airline status, effective September 13, 2017.

C. Ratification of Grant Agreement AIP Project No. 3-66-0001-101-2017 - Construct Aircraft Rescue & Fire Fighting Building - Phase II

The Executive Manager informed the Board that on September 8, 2017 the grant offer was received for the construction of the Aircraft Rescue & Fire Fighting Building - Phase II in the amount of $3.5M.

After further discussion, on motion duly made by Director Tolan, seconded by Director Gerber, the following resolution was unanimously approved:

**Resolution No. 17-49**
The Board hereby ratifies Management's acceptance of the FAA Grant Agreement AIP Project No. 3-66-0001-101-2017 - Construct Aircraft Rescue & Fire Fighting Building - Phase II.

D. Ratification of Grant Agreement AIP Project No. 3-66-0001-102-2017 - Rehabilitate Terminal Apron - Design Phase II
The Executive Manager was pleased to announce that the grant offer was received on September 8, 2017 for the second design phase of the Rehabilitate Terminal Apron project in the amount of $1M.

After further discussion, on motion duly made by Director Sobti, seconded by Director Gerber, the following resolution was unanimously approved:

**Resolution No. 17-50**

The Board hereby ratifies Management's acceptance of the FAA Grant Agreement AIP Project No. 3-66-0001-102-2017 - Rehabilitate Terminal Apron - Design Phase II.

**E. Ratification of Grant Agreement AIP Project No. 3-66-0001-103-2017**

Rehabilitate Runway 6L - Design

The Executive Manager announced that the grant offer was received on September 8, 2017 for the design phase of the Rehabilitate Terminal Apron project in the amount of $750,000.00.

After further discussion, on motion duly made by Director Tolan, seconded by Director Gerber, the following resolution was unanimously approved:

**Resolution No. 17-51**

The Board hereby ratifies Management's acceptance of the FAA Grant Agreement AIP Project No. 3-66-0001-103-2017 - Rehabilitate Runway 6L - Design.

7. **REPORT OF THE EXECUTIVE MANAGER**

Reference is made to the Executive Manager's Report included as part of the Board’s packet, which was presented by Executive Manager Ada.

Discussion ensued relative to the discontinuation of flights from Narita provided by Delta Airlines, which is effective January 2018. The Executive Manager informed the Board of discussions with the Governor’s Office on plans to recapture the loss of those seats and ways to insure current operators maintain flight activity. Management will be working to come up with an incentive program to attract low-cost carriers, and will present this to the Board upon completion of the program.

At this time, Chairman Duenas offered his condolences to the family of Airport employee, Mr. Frank Salas of the Properties & Facilities division.

Mr. Gerard Bautista briefed the Board on the crash of a small aircraft owned by Sky Dive Aviation on September 25, 2017. A fire in the cockpit is what prompted the pilot to attempt to land the plane within Airport property. Of the three (3) passengers on board, two (2) were transported to the hospital, and there were no fatalities. Mr. Bautista informed the Board that the emergency response went smoothly and that the Airport's perimeter fence contained the
crash and prevented onlookers from penetrating the site.

8. **REPORT OF THE COMPTROLLER**

Mr. John Rios reported on the revenues and expenses of the Authority as of August 31, 2017. Mr. Rios reported that year-to-date Total Signatory Revenues are above budgeted revenues by 3.1%, year-to-date Total Concession Revenues and Passenger Facility Charges are below budget by -0.4% and above budget by 2.5%, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by 25.7%. Year-to-date Total Operating Revenues Actual of $71.3M is 7.0% above the budget estimate of $66.7M. Year-to-date Total Operating Expenses are below budget by -1.6%. Components of this line item include a -0.7% decrease in Personnel Service, a 2.0% increase in Contractual Services, a 46.6% decrease in Materials & Supplies and a -11.1% decrease in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date Net Revenues from Operations of $30.8M reflects an increase of 21.0% over the year-to-date budgeted amount of $25.5M. Mr. Rios reported that the year-to-date Debt Service Coverage is at 1.59 versus the requirement of 1.25.

9. **PUBLIC COMMENTS**

There were no Public Comments.

Legal counsel, Ms. Janalynn Damian requested for the Board to approve and authorize payment to Calvo Fisher & Jacob LLP, for the month of August 2017 invoices for general matters legal services that exceed the monthly cap of $45,000.00.

After further discussion, on motion duly made by Director Sobti, seconded by Director Gerber, the following resolution was unanimously approved:

**Resolution No. 17-60**

The Board hereby authorizes the Authority to issue payment to Calvo Fisher & Jacob LLP for the general matters legal fees incurred in August 2017, in the amount of $57,891.20 that exceed the monthly cap.

10. **ADJOURNMENT**

Motion to adjourn duly made by Director Tolan, seconded by Director Sobti; motion unanimously passed. The meeting adjourned at 10:51 a.m.

Dated this 26TH day of October, 2017.
GIAA Board of Directors Regular Meeting
September 26, 2017
Page 7 of 7

Katherine C. Sgro
Vice Chairperson

Attest:

Gurvinder Sobti
Secretary

Prepared and Submitted By:

Amanda O'Brien-Rios
Corresponding Secretary
BOARD OF DIRECTORS REGULAR MEETING
10:00 a.m., Tuesday, September 26, 2017
GIAA TERMINAL CONFERENCE ROOM #3

AGENDA

1. Call to Order and Attendance

2. Approval of Agenda

3. Approval of Minutes
   A. August 31, 2017 Regular Meeting

4. Correspondence

5. Old Business
   A. Status Updates of Capital Improvement Projects

6. New Business
   A. Approval of FY18 Insurance Renewal Program
   B. Approval of Air Seoul's Request for Signatory Airline Status
   C. Ratification of Grant Agreement AIP Project No. 3-66-0001-101-2017 - Construct Aircraft Rescue & Fire Fighting Building - Phase II
   D. Ratification of Grant Agreement AIP Project No. 3-66-0001-102-2017 - Rehabilitate Terminal Apron - Design Phase II
   E. Ratification of Grant Agreement AIP Project No. 3-66-0001-103-2017 - Rehabilitate Runway 6L - Design

7. Report of Executive Manager


9. Executive Session

10. Public Comments

11. Adjournment
# A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
## Board of Directors Regular Meeting
10:00 a.m., Tuesday, September 26, 2017
GIAA Terminal Conference Room #3

## SIGN-IN SHEET

<table>
<thead>
<tr>
<th>PRINT NAME</th>
<th>COMPANY/AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRICIA GRANILLO</td>
<td>AM INSURANCE</td>
</tr>
<tr>
<td>Henry Chu</td>
<td>GIAA</td>
</tr>
<tr>
<td>Tricia Benavente</td>
<td>Sen. Aguon's office</td>
</tr>
<tr>
<td>Anmarrue Muna</td>
<td>AM Doc</td>
</tr>
<tr>
<td>Tony Laylig Jr</td>
<td>ENGINEER</td>
</tr>
<tr>
<td>Vanessa Pang (INDIAN)</td>
<td>CAMPUS</td>
</tr>
<tr>
<td>J.N. JAVELANA</td>
<td>P&amp;D</td>
</tr>
<tr>
<td>Jean Mekol</td>
<td>Aero</td>
</tr>
<tr>
<td>ROBERT COMPTON</td>
<td>GIAA - ATM</td>
</tr>
<tr>
<td>Gerard Bautista</td>
<td>GIAA - MNG</td>
</tr>
<tr>
<td>CHUCK ADA</td>
<td>GIAA - MNG</td>
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</tbody>
</table>
Lawsuit: Multiple boys abused in rectory, river

By Mindy Aguon
mindy@postguam.com

At 9 years old, M.I.Q., who used initials in court documents to protect his identity, enjoyed hanging out with other kids his age from the village. Although he wasn’t a Boy Scout or an altar boy, the Barrigada parish priest at the time, Father Louis Brouillard, allowed him to participate in weekly outings. Brouillard was also a scoutmaster with the Boy Scouts of America. But in 1978, M.I.Q. said he experienced something that has haunted him for nearly 40 years.

Details of the complaint

A civil complaint filed in the District Court of Guam yesterday alleges Brouillard sexually molested and raped M.I.Q. after one of the swimming outings—after the same priest allegedly sexually molested other boys at the Barrigada parish rectory.

M.I.Q. recalls being picked up by the priest and taken with other boys from Barrigada to swim at the Lonoit River. Brouillard instructed the boys to remove their clothes and swim naked. The priest allegedly fondled and touched M.I.Q.’s private parts and after swimming, took the boys to McDonald’s to eat. He instructed them to meet at the Barrigada parish the following day, court documents state.

The priest returned the following day and took the boys swimming again and promised to reward them with McDonald’s afterward and then took them back to the Barragada rectory to hang out, court documents state.

‘Terrified, scarred and in so much pain’

Brouillard allegedly enticed the boys to get naked and promised to buy them whatever snacks they wanted at the store. He then began “taking turns” sexual molesting the boys and then raped M.I.Q., the complaint states.

“Extremely terrified, scarred and in so much pain,” the boy ran home but witnessed Brouillard raping another boy before he left, the lawsuit alleges. M.I.Q.’s attorney, David Lujan, alleges the Archdiocese of Agana and the Boy Scouts were aware that Brouillard was a “sexual predator,” and “deliberately remained quiet” and withheld information in order to protect Brouillard, the church and the Boy Scouts organization.

The lawsuit seeks $10 million in damages.
MENO continued from page 1

old died from asphyxia due to a tumor that obstructed his airway.

But Justin Meno’s family doesn’t believe it.

Family expresses frustration

Brianna Meno spoke to her broth-
er’s doctor, who said he wasn’t aware of a tumor. In Justin’s throat. She has requested copies of all of her broth-
er’s X-rays and tests since he was hospitalized in March.

“It’s so frustrating,” she said. “If my brother had a tumor, then the Guam Medical Hospital was negligent because they did all sorts of testing and X-rays on him. How could that have been growing for some time and nobody knew about it?”

Justin Meno’s father, Jose Gumataota, of Washington state, was in disbelief when he learned of the medical examiner’s ruling.

“The cause of death is because they beat him up. My son was a healthy kid,” he told The Guam Daily Post in a phone interview yesterday. “If there was a tumor, they should have noticed and informed our family.

Gumataota blamed the Depart-
ment of Corrections for his son’s death and said the department taking of the funeral, casket and burial plot is little comfort knowing he will never see his son alive again.

Four days before Justin Meno died, Gumataota watched via FaceTime as his son stood up by himself and rolled around his room in the Skilled Nursing Unit in a wheelchair.

“He was very happy. He couldn’t talk, but he gave hand signals,” Gumataota recalled as he noted that his son was still paralyzed on his right side.

On the day of Justin Meno’s death, Brianna Meno was working to gain power of attorney so she could get her brother moved to Washington to be with their dad and get better treat-
ment and therapy.

“I really wanted him back here with me,” Gumataota said as his voice faded.

Gumataota is hoping the family will be able to gather enough financial resources to get him back to Guam in time for his son’s funeral next Tuesday. “Maybe (DOC) Director Tony Lamorena would pay for my travel expenses because I don’t know if I’m going to be able to get back to lay my son to rest,” he said.

Brianna Meno is left to handle her brother’s funeral arrangements, mourning the loss of her baby brother, and knowing that his child due next month will grow up without her father.

“He’s gone,” Brianna Meno said. “They owe my brother’s kids a life.”

“There’s no justice for my brother on Guam,” Brianna Meno said she’s disgusted at the thought that the individuals charged with beating her brother will not be charged with murder.

The medical examiner said he confirmed with the Office of the Attorney General that there was insufficient evidence to charge Jereme-

miah Iseazki, Albert Babauta Santos II, and Peter Gines with murder.

“They just keep messing up. This is the island of who you know not what you know,” Brianna Meno said.

“There’s no justice system on Guam.”

FRAUD CASE continued from page 1

of conspiring to maintain Section 8 payments for Smith.

After just a few days of trial, both the prosecution and Smith’s defense have motioned for mistrial. The issue stemmed from the admission of evidence mentioning Smith’s lawyer, David Lujan.

Lujan served as GHURA counsel in the years before Smith and faced simi-
lar conflict-of-interest issues at that time. Lujan has argued that maintain-
ing his name on the conflict would impair his ability to effectively defend Smith before the jury.

The prosecution indicated it wished to introduce evidence with Lujan’s name to show that Smith knew of the prior conflict and similarities with his own situation.

This caused Lujan to request a mistrial, which was initially denied.

Instead, the judge ordered that Lujan’s name be redacted. The prosecution then motioned for the redaction order to be considered, noting that it was a key element for their case to show that Lujan—a prominent Guam attorney—knew of his own conflict and took appropriate action, separate from the actions Smith took.

They also argued that, even with the redaction, it would eventually be deduced by the jury that the former GHURA counsel being referred to is Lujan. Moreover, the prosecution stated it did not want the jury to speculate about the redaction or the reasons for it.

The initial evidence the prosecution wanted to submit is a series of emails between Smith and former GHURA board Chairman David Sablan, in which Lujan’s conflict is discussed.

The submission was attempted early last week but has not yet been published to the jury. Lujan has been fighting against its submission in the time since.

Manglona is the chief judge in the District Court of the Northern Mariana Islands, and is presiding over the trial because Guam Judges have a conflict.

Lujan has argued that, by continu-
ously seeking to publish evidence link-
ing himself and a conflict, the prose-
cution is infringing on his client’s right to adequate counsel because the jury would be influenced by the statements.

‘I’ll never testify against Mr. Smith”

Both parties noted there is a conflict between Lujan and his client. Lujan stated in court yesterday that he has become a liability to his client because of the proceedings so far and ques-
tioned whether he should remain as counsel for Smith. He added that withdrawal would not be of his desire but may be necessary for his client.

At the same time, Lujan was adamant that he would not testify against Smith as a witness with prior experience of GHURA issues, even if he was compelled to do so by the government.

“I’ll never testify against Mr. Smith.... I don’t care if I go to jail,” Lujan stated.

Manglona initially indicated that she was inclined to deny Lujan’s motion for mistrial reconsideration. A mistrial would essentially restart proceedings and initiate a search for a new jury.

The trial has already gone through some delays and as Manglona stated yesterday, “we were moving moun-
tains to even impanel a jury.”

But after counsel argued the matter— and taking into account the govern-
ment’s motion to reconsider redaction of evidence— Manglona said she was inclined to declare a mistrial and took the matter under advisement. The jury returns today.

DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES
GOVERNMENT OF GUAM
123 CHULAN KUAPA
MANGAL, GUAM 96913-5304

REQUEST FOR PROPOSAL (RFP)
The Department of Public Health and Social Services (DPHSS), Division of Senior Citizen (DSC), is requesting proposals from qualified contractors for the following program service:

RFP:PSMS-2017-011 IN-HOME SERVICES (IHS) PROGRAM

The purpose of the in-Home Services Program is to provide assistance to individuals age 50 and older, in their home. These services include: Homemaker, Personal Care, Companionship, and Telecommunications.

RFP Program Specifications are available for public viewing, may be picked up at the DPHSS, DSC, located at 130 University Drive, Suite B, University Castle Mall, Mangilao, beginning September 27, 2017 at 8:00 a.m. to 12:00 p.m. and 1:00 to 5:00 p.m. Cronusman Standard Time (Guam Time) and is downloadable at www.mangal.gov.gu under a quick search, DPHSS, DSC requires that prospective offerors/repondents register with the DPHSS, DSC in order to be considered. Offerors may request a list of potential offerors/repondents in order to contact potential offerors/repondents.

The deadline for submissions is October 18, 2017, 2:30 p.m. Cronusman Standard Time (Guam Time). Submit one copy of your proposal by October 18, 2017. The proposal must be submitted in a 3-ring binder. Questions or concerns will be answered no later than 10:00 a.m. Cronusman Standard Time (Guam Time), September 28, 2017. Questions or concerns after 10:00 a.m. Cronusman Standard Time (Guam Time), September 28, 2017 will not be accepted. All questions or concerns must be submitted in writing no later than 3:00 p.m. Cronusman Standard Time (Guam Time), Friday, October 6, 2017. Contact person: Mrs. L. San & Y. Pardue, Program Coordinators, Telephone: 727-7361 or 726-1403, Intercom: 726-1403, Internet: info@dphss.dgs.gu. All offerors shall submit proposals to: Office of Senior Citizen, Attention: Mr. Arthur J. San Agustin, NH, Senior Citizens Administrator, 130 University Drive, Suite B, University Castle Mall, Mangilao, no later than 3:00 p.m. Cronusman Standard Time (Guam Time), October 18, 2017. Late submissions shall not be evaluated.

The Honorable
ERIDIE H. CALYO
Governor

The Honorable
RANER E. CHONG
Lt. Governor

PUBLICATION NOTICE
In accordance with the provisions of Guam Code Annotated, Title XI, Chapter 31, Section 3315, notice is hereby given that:

SONG, HOJIN
dba: La Tofu & Galbi
has applied for a Class: 4 / General On Sale Beer Alcoholic Beverage License said premises being marked as Lot: 2150-2-6 Villo Trust Bldg., Tamuning,

This ad paid for by GIAA
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Thursday, August 31, 2017, 3:00 p.m.
GIAA TERMINAL CONFERENCE ROOM #3

1. CALL TO ORDER AND ATTENDANCE

The August 31, 2017 regular meeting of the Board of Directors of the A.B. Won Pat International Airport Authority, Guam ("GIAA" or the “Authority”) was called to order by Acting Chairperson Sgro at 3:02 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present: Offices or positions:
Katherine C. Sgro    Acting Chairperson
Gurvinder "Bic" Sobti    Board Secretary
Martin J. Gerber
Lucy M. Alcorn
Rosalinda A. Tolan
Deedee S. Camacho

Directors Absent:
Ricardo C. Duenas (Excused)    Chairman

GIAA Officials:
Charles H. Ada II    Executive Manager
Pedro R. Martinez    Deputy Executive Manager
Jean M. Arriola    Airport Services Manager
Gerard Bautista    Air Terminal Manager
Robert D. Camacho    Airport Police Chief
Ray Santos    Assistant Fire Chief, ARFF
Edward Muna    Airport Operations Superintendent
Victor Cruz    Engineering Supervisor
Rolenda Faasumalie    Airport Marketing Administrator
Antoinette Bautista    General Accounting Supervisor
Joseph Javellana    Program Coordinator IV

Janalynn Cruz Damian, Esq.    GIAA Legal Counsel
Frank R. Santos    GIAA Consultant

Acting Chairperson Sgro welcomed Airport tenants, stakeholders, and members of the public who are noted in a sign-in sheet attached to these minutes.
2. APPROVAL OF AGENDA

Acting Chairperson Sgro announced that there had been a request to amend the Agenda to hold Executive Session following Correspondence. Motion to accept the change to the agenda duly made by Director Camacho, seconded by Director Sobti; motion unanimously passed.

3. APPROVAL OF MINUTES

A. July 27, 2017 Regular Meeting  
B. August 1, 2017 Reconvened Meeting

No corrections or changes were recommended. On motion duly made by Director Alcorn, seconded by Director Sobti, the following resolution was unanimously passed:

Resolution No. 17-42
The Board hereby approves the minutes of the July 27, 2017 regular meeting and minutes of the August 1, 2017 reconvened meeting, subject to corrections.

4. CORRESPONDENCE

Executive Manager Ada had no Correspondence to report.

5. EXECUTIVE SESSION

The next item on the agenda was Executive Session.

Upon written recommendation of counsel, on motion duly made by Director Alcorn, seconded by Director Tolan, and unanimously approved, the Board recessed to convene into Executive Session after the recess at 3:05 p.m.

The Board convened into Executive Session at 3:06 p.m. to discuss pending or threatened litigation to which GIAA is or may be a party. Attending Executive Session were Directors Sgro, Sobti, Gerber, Alcorn, Tolan and Camacho, Executive Manager Ada, and Legal Counsel, Janalynn Cruz Damian. Also present was the court reporter who will prepare a transcript of the Executive Session.

Executive Session adjourned at 3:28 p.m., at which time the Board reconvened the regular session.

At this time, due to discussions during Executive Session Acting Chairperson announced that there was a motion to be made.

After further discussion, on motion duly made by Director Alcorn, seconded by Director Tolan, the following resolution was unanimously approved:
Resolution No. 17-43
The Board hereby halts all further collection efforts in reference to the Freedom Air case.

6. OLD BUSINESS

A. Status Updates of Capital Improvement Projects (“CIP”)

Mr. Frank Santos, Consultant, provided highlights on Capital Improvement Projects for FY2017.

- International Arrivals Corridor with Building Seismic Upgrades: Project proceeding, the first shipment of steel is expected to be delivered in September. Installation occurring in October. Issues with regard to contractor, steel manufacturer, construction manager, and designer are being ironed out currently to ensure no delays in future phases.
- Acquire ARFF Truck/RIV - Pkg 2: Commissioning was held in August. Project is complete, the balance of $218,000.00 to be returned to the FAA.
- Noise Mitigation Program 65 DNL & Higher: Schedule for noise measurements for homes in noise compacted area is ongoing. Mr. Santos gave a brief background on this project to the Board stating that 200 homes have already been noise and sound proofed within the general area. Brief discussion followed.
- ARFF Facility: Phase 1 bid was already awarded and approved by the Board, currently awaiting a grant from the FAA.
- SSCP Improvements: Two (2) additional lanes to be added. Design is ongoing. Anticipated completion is June 2018. This project to be funded by Airline credits.

Director Gerber inquired on the Art Program, listed as $639,000.00. Discussion followed with the Board suggesting that the Marketing Committee meet to discuss further.

7. NEW BUSINESS

A. Approval of GIAA Operating Budget Fiscal Year 2018

The fiscal year 2018 operating budget was presented by Ms. Antoinette Bautista. In summary, cost per enplanements (CP) was increased to $16.87, from current CP of $15.51. Operation and Maintenance expenses are projected to increase in FY18 by $2.9M compared to the FY17 budget.

After further discussion, on motion duly made by Director Camacho, seconded by Director Sobti, the following resolution was unanimously approved:
Resolution No. 17-44
The Board hereby approves the Operating Budget for fiscal year 2018 as presented, subject to adjustments.

At this time the Executive Manager asked that he may excused from the Board meeting to take care of another Airport related matter.

B. Ratification of Quarterly Travel

Deputy Executive Manager Martinez presented the quarterly travel from April 2017 to June 2017 for ratification by the Board.

After further discussion, on motion duly made by Director Alcorn, seconded by Director Camacho, the following resolution was unanimously approved:

Resolution No. 17-45
The Board hereby ratifies the FY2017 3rd quarter travel report from April 2017 to June 2017 as presented.

8. REPORT OF THE EXECUTIVE MANAGER

Reference is made to the Executive Manager’s Report included as part of the Board’s packet, which was presented by Deputy Executive Manager Martinez.

9. REPORT OF THE COMPTROLLER

Ms. Antoinette Bautista reported on the revenues and expenses of the Authority as of July 31, 2017. Ms. Bautista reported that year-to-date Total Signatory Revenues are above budgeted revenues by 3.7%, year-to-date Total Concession Revenues and Passenger Facility Charges are below budget by -0.6% and above budget by 2.6%, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by 26.9%. Year-to-date Total Operating Revenues Actual of $64.6M is 7.5% above the budget estimate of $60.1M. Year-to-date Total Operating Expenses are below budget by -2.7%. Components of this line item include a -0.6% decrease in Personnel Service, a -0.3% decrease in Contractual Services, a -50.7% decrease in Materials & Supplies and a -11.1% decrease in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date Net Revenues from Operations of $27.8M reflects an increase of 24.7% over the year-to-date budgeted amount of $22.3. Ms. Bautista reported that the year-to-date Debt Service Coverage is at 1.58 versus the requirement of 1.25.

10. PUBLIC COMMENTS

There were no public comments.
11. ADJOURNMENT

Motion to adjourn duly made by Director Alcorn, seconded by Director Camacho; motion unanimously passed. The meeting adjourned at 4:13 p.m.

Dated this __________, day of __________________, 2017.

Attest:

__________________________   _____________________________
Ricardo C. Duenas             Gurvinder Sobti
Chairman                      Secretary

Prepared and Submitted By:

__________________________
Amanda O'Brien-Rios
Corresponding Secretary
<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>Bond</th>
<th>Federal</th>
<th>CIF</th>
<th>Total</th>
<th>Payment</th>
<th>Balance</th>
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<td>96,108,007</td>
<td>13,200,000</td>
<td>1,126,940</td>
<td>110,434,947</td>
<td>20,544,316</td>
<td>89,890,631</td>
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<td>2 AIP91 Acquire ARFF Truck/RIV - Pkg 2</td>
<td>1,251,000</td>
<td>139,000</td>
<td>1,390,000</td>
<td>1,171,046</td>
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<td>3 AIP93 Noise Mitigation Program 65 DNL &amp; Higher - Phase</td>
<td>2,000,000</td>
<td>200,000</td>
<td>2,200,000</td>
<td>97,379</td>
<td>2,102,621</td>
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<td>4 AIP94 Miscellaneous Airport Improvements - Ph 5</td>
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<td>784,530</td>
<td>681,056</td>
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<td>5 AIP95 Wildlife Management Assessment</td>
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<td>110,000</td>
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<td>6 AIP96 Safety Management System</td>
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<td>7 AIP98 ARFF Facility-Design/Construction Phase 1</td>
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<td>8 AIP99 Apron Rehabilitation - Design</td>
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<td>2,559,793</td>
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<td>11 Upgrade Airport IT &amp; FMS</td>
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<td>1,389,118</td>
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<td>12 SSCP Improvements</td>
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<td>18,403</td>
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<tr>
<td>13 Art Program</td>
<td>639,000</td>
<td>-</td>
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<tr>
<td>14 Improve Leasehold Facilities (GSE, Tech, HC-5)</td>
<td>2,669,248</td>
<td>2,669,248</td>
<td>1,797,621</td>
<td>871,627</td>
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<tr>
<td>15 Tiyan Land Acquisition &amp; Redevelopment</td>
<td>787,415</td>
<td>787,415</td>
<td>703,703</td>
<td>83,712</td>
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<tr>
<td>16 Facilities Fire Alarm/Suppression System</td>
<td>3,223,301</td>
<td>3,223,301</td>
<td>3,126,675</td>
<td>96,626</td>
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<tr>
<td>17 Upgrades to Public Restrooms - Final Phase</td>
<td>2,593,937</td>
<td>2,593,937</td>
<td>2,446,047</td>
<td>147,890</td>
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<tr>
<td>18 Maintenance Equipment</td>
<td>100,000</td>
<td>100,000</td>
<td>-</td>
<td>100,000</td>
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<tr>
<td>19 Airport Facilities Upgrades, Phased</td>
<td>4,962,771</td>
<td>4,962,771</td>
<td>4,762,700</td>
<td>200,071</td>
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<tr>
<td>20 Painting &amp; Exterior Surface Improvements and Replace Roofing Systems</td>
<td>2,509,934</td>
<td>2,509,934</td>
<td>2,431,734</td>
<td>78,200</td>
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GIAA BOARD OF DIRECTORS
Executive Summary
Regular Board Meeting
September 26, 2017

GENERAL AIRPORT INSURANCE – RENEWAL FOR FISCAL YEAR 2018

INTRODUCTION

The A.B. Won Pat International Airport Authority, Guam as required by the GIAA Bond Indenture is required to carry on adequate amount of insurance coverage to protect the Authority, its officers and bondholders. The Airport Insurance Program, which consists of Conventional Insurance covers general airport operations and was developed by GIAA with the assistance of its Insurance Consultant. The Insurance Program includes six (6) policies, Property Insurance with Catastrophe; Airport Operators Liability, Directors & Officers Liability, Workman’s Compensation, Automobile Insurance, and Crime Insurance, all of which are described in detail below.

CONVENTIONAL INSURANCE COVERAGE

The General Airport Insurance is provided to protect GIAA from potential losses resulting from its operations. Listed below are the types of insurance and coverage provided and described in the Premium Comparison analysis and Markets & Underwriters indications attached:

- **Property Insurance Including Catastrophe**
  Blanket coverage for All risks of direct and physical loss or damage to all Real and Personal Property. Renewal of coverage includes limit of $200M with $450,000 deductible and B&M sub-limit of $5M.
  - Catastrophe insurance; Windstorm, Typhoon & Earthquake. Renewal of coverages includes sub-limit of $5M with $5M deductible.

- **Airport Operators Liability**
  Legal Liability Coverage against claims from members of the general public (third parties) arising from operations at the Airport or elsewhere in the course of the Airports business.
  - Renewal of coverage includes limit of $500M with Personal Injury limit of $25M and $75,000 deductible for Property Damage.

- **Directors & Officers Liab.**
  Coverage for GIAA’s Directors & Officers for loss in which the parties become legally obligated to pay for a Wrongful Act. Includes Employment Practices Liability (EPL) that provides coverage for loss in which the GIAA becomes legally obligated to
pay for employee's or former employee's claim for Wrongful Termination, Unfair Dismissal, Harassment, Discrimination, Emotional Distress, invasion of Privacy, Failure to Employ or Promote, Wrongful discipline, etc.

Renewal of coverage includes limit of $4M with EPL sub-limit of $1M and no deductible.

**Workman's Compensation**

Coverage for costs and benefits for job related injuries sustained by GIAA employees. Provides Employer's Liability in the event the Authority is sued by the employee.

Renewal of coverage includes P.L. 80 Statutory Benefits, Employers Liability limit of $1M with no deductible.

**Automobile Insurance**

Coverage provides for bodily injury and property damage to third parties arising from the use of owned, non-owned or hired vehicles. Coverage has no Aviation Risk Exclusion clause. Coverage on comprehensive, collision & typhoon on all vehicles with a current market value of $10,000 or more.

Renewal of coverage includes combined single limit of $2M for bodily injury and property damage liability. Comprehensive & Collision on all vehicles covers actual cash value with deductible of $1,000.

**Crime Insurance**

Employee Dishonesty - Coverage provides indemnity to the Authority for the loss of money or other property through the fraudulent or dishonest acts committed by employees. Renewal of coverage includes limit of $1M with $50,000 deductible.

Money & Securities - Coverage provides indemnity for loss or destruction of money, securities or negotiable instruments inside the premises and off premises. Coverage sustained from accepting counterfeit money orders or currency.

Renewal of coverage includes limit of $100,000 for Loss inside of premises, $100,000 for Loss outside premises and $100,000 for Counterfeit Paper Currency. Deductible is $10,000 for each occurrence for Premises, Transit, and Offices & $50,000 for Counterfeit paper.

Depositors Forgery – Coverage provides indemnity for loss of money as a result of forgery or alteration of or in any check, draft, promissory note, bill of exchange or similar written promise made or drawn from the account.

Renewal of coverage includes limit of $100,000 with $50,000 deductible.
Computer Fraud – Coverage provides loss resulting directly from fraudulent acts involving electronic data or computer systems. Renewal of coverage includes limit of $100,000 with $50,000 deductible.

RECOMMENDATION

The appended schedule illustrates the recommended program for FY2018. Management recommends the Board adopt the FY2018 insurance program as appended.

The total premium costs for all coverage including Catastrophic perils for FY2018 is $545,588 net of the broker’s commissions. This represents a total savings of $91,271 per annum compared to FY2017 premium cost of $636,859.
MEMORANDUM

19 September 2017

To: Charles Ada, Executive Manager

Copy: Jean Arriola, Joe Javellana, Vanessa Pangindian

From: Mike Moody

Re: Purchase Recommendations, Insurance FY2018

I have reviewed the FY2018 Insurance Quotes submitted to staff by AM Insurance and have the following purchase recommendations:

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<thead>
<tr>
<th>Insurance Type</th>
<th>Company</th>
<th>Premium</th>
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</thead>
<tbody>
<tr>
<td>Property Insurance</td>
<td>Calvo's Insurance</td>
<td>$285,000</td>
</tr>
<tr>
<td>Airport Operator's Liability</td>
<td>Calvo's Insurance</td>
<td>$131,580</td>
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<tr>
<td>Directors &amp; Officers Liability</td>
<td>Calvo's Insurance</td>
<td>$45,000</td>
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<tr>
<td>Workers' Compensation</td>
<td>Moylan's Insurance</td>
<td>$39,512</td>
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<tr>
<td>Crime Insurance</td>
<td>Calvo's Insurance</td>
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<tr>
<td>Automobile Insurance</td>
<td>Moylan's Insurance</td>
<td>$38,496</td>
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</table>

The overall Premium reductions from FY2017 are $91,271.
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<tr>
<th>GENERAL AGENT</th>
<th>CARRIER</th>
<th>BEST RATING/FINANCIAL STRENGTH</th>
<th>PROPERTY</th>
<th>AIRPORT LIABILITY</th>
<th>WORKERS COMP</th>
<th>DIRECTORS &amp; OFFICERS</th>
<th>EPL</th>
<th>COMMERCIAL AUTO</th>
<th>CRIME</th>
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<tr>
<td>AON</td>
<td>Century</td>
<td>B++ / V</td>
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<td>Carrier did not respond to Request for Proposal</td>
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<tr>
<td>CALVO'S</td>
<td>National Union</td>
<td>A / XV</td>
<td>$285,000</td>
<td>$131,580</td>
<td>$40,000</td>
<td>$45,000</td>
<td>Included</td>
<td>No Quote</td>
<td>$6,000</td>
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<tr>
<td>CASSIDY'S</td>
<td>Pacific Indemnity</td>
<td>A- / V</td>
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<td>Carrier did not respond to Request for Proposal</td>
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<td>GNIU</td>
<td>Chung Kuo</td>
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<td>Carrier declined to quote due to company financial rating</td>
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<tr>
<td>MOYLAN'S</td>
<td>Dongbu</td>
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<td>$50,264</td>
<td>Included</td>
<td>$38,496</td>
<td>$6,185</td>
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<td>MOYLAN'S</td>
<td>First Net (100% Reinsured w/Lloyds)</td>
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<td>NANBO</td>
<td>Tokio Marine</td>
<td>A++ / XV</td>
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<td>GUAHAN</td>
<td>Sompo Japan/Nippon Koa</td>
<td>A+ / XV</td>
<td>$317,324</td>
<td>$141,071</td>
<td>$50,000</td>
<td>No Quote</td>
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<td>No Quote</td>
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<tr>
<td>TAKAGI &amp; ASSOCIATES</td>
<td>Aioli</td>
<td>A+ / XV</td>
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<td>Carrier declined to quote</td>
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<td>POLICY DESCRIPTION</td>
<td>CURRENT INSURER</td>
<td>COVERAGE</td>
<td>FY2017 PREMIUM</td>
<td>FY2018</td>
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<td>PROPERTY COVERAGE</td>
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<td>MOYLAN'S</td>
<td>Guahan</td>
<td>CALVOS</td>
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<tr>
<td>(All Risk incl Windstorm, Typhoon &amp; Earthquake)</td>
<td>(Sompo)</td>
<td></td>
<td></td>
<td>NO QUOTE</td>
<td>$317,324</td>
<td>$285,000</td>
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<td>FY17 Property &amp; Equipment Value - $430,573,253</td>
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<td>FY18 Property &amp; Equipment Value - $433,686,398</td>
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<td>Increase: $3,113,145</td>
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<td>Sublimits / Enhancements:</td>
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<td>Spec's Required</td>
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<td>Windstorm, Typhoon &amp; Earthquake Shock</td>
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<td>$5,000,000</td>
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<td>Automatic Acquisition</td>
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<td>Debris Removal</td>
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<td>Boiler Explosion &amp; Machinery Breakdown</td>
<td></td>
<td>$5,000,000</td>
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<td>DEDUCTIBLE</td>
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<tr>
<td>All Perils - Each and every Loss</td>
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<td>$450,000</td>
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<td>Including Boiler &amp; Machinery</td>
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<td>Windstorm, Typhoon &amp; Earthquake Shock</td>
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<td>$5,000,000</td>
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<td>$5,000,000</td>
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<td>Business Interruption</td>
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<td>72 Hours</td>
<td>72 Hours</td>
<td>Included</td>
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<td>72 Hours</td>
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<tr>
<td>AIRPORT OPERATORS LIABILITY</td>
<td>Calvo's</td>
<td>$500,000,000</td>
<td>$153,000</td>
<td>MOYLAN'S</td>
<td>$141,071</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>(National)</td>
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<td>Personal Injury Limit</td>
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<td>$25,000,000</td>
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<td>$25,000,000</td>
<td>$25,000,000</td>
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<tr>
<td>Deductible - Property Damage</td>
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<td>$75,000</td>
<td>$75,000</td>
<td>$75,000</td>
<td>$75,000</td>
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<tr>
<td>War &amp; Terrorism Excluded</td>
<td></td>
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<tr>
<td>Policy Enhancements</td>
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<td></td>
<td>Spec's Required</td>
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<tr>
<td>Contingent Contractors Legal Liability</td>
<td></td>
<td>$250,000</td>
<td>Not Required</td>
<td>$250,000</td>
<td>$250,000</td>
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<tr>
<td>AVN52G War Buy-Back</td>
<td></td>
<td>$150,000,000</td>
<td>Not Required</td>
<td></td>
<td>N/A</td>
<td></td>
<td></td>
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</table>

Please Note: This is a summary only. Please refer to policy for complete terms conditions.
## A.B. Won Pat Int’l Airport Authority, Guam
### FY2018 Insurance Quotes

<table>
<thead>
<tr>
<th>Policy Description</th>
<th>Current Insurer</th>
<th>Coverage</th>
<th>FY2017 Premium</th>
<th>MOYLAN’S</th>
<th>GUAHAN</th>
<th>CALVO’S</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Directors &amp; Officers Liability</strong></td>
<td>Moylan’s (Dongbu)</td>
<td>$4,000,000</td>
<td>$55,998</td>
<td>$50,264</td>
<td>NO QUOTE</td>
<td>$45,000</td>
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<tr>
<td>Employment Practices Liability Sublimit</td>
<td>Entity Coverage</td>
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<tr>
<td><strong>Workmens Compensation</strong></td>
<td>Moylan’s (Dongbu)</td>
<td>PL80 Stat. Benefits, $1,000,000 E.L.</td>
<td>$44,900</td>
<td>$39,512</td>
<td>$50,000</td>
<td>$40,000</td>
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<tr>
<td>Coverage is extended to apply in respect of Executive Officer of the Authority</td>
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<td></td>
<td></td>
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<td></td>
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<tr>
<td><strong>Crime Insurance</strong></td>
<td>Moylan’s (Dongbu)</td>
<td></td>
<td>$6,950</td>
<td>$6,185</td>
<td>NO QUOTE</td>
<td>$6,000</td>
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<tr>
<td><strong>Deductible:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$50,000 each &amp; every loss EXCEPT Premises &amp; Transit at $10,000 each occur</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>A. Aggregate</td>
<td></td>
<td></td>
<td>$1,000,000</td>
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<tr>
<td>B. Employee Dishonesty Coverage</td>
<td></td>
<td></td>
<td>$1,000,000</td>
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<td></td>
<td></td>
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<tr>
<td>C. Money &amp; Securities Loss Inside</td>
<td></td>
<td></td>
<td>$100,000</td>
<td></td>
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<tr>
<td>Money &amp; Securities Loss Outside</td>
<td></td>
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<td>$100,000</td>
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<tr>
<td>D. Money Orders and Counterfeit currency</td>
<td></td>
<td></td>
<td>$100,000</td>
<td></td>
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<tr>
<td>E. Depositors Forgery</td>
<td></td>
<td></td>
<td>$100,000</td>
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<tr>
<td>F. Cheque Forgery</td>
<td></td>
<td></td>
<td>$100,000</td>
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<tr>
<td>G. Third Party Computer &amp; Funds Transfer Fraud</td>
<td></td>
<td></td>
<td>$100,000</td>
<td></td>
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<tr>
<td>H. Cost</td>
<td></td>
<td></td>
<td>$100,000</td>
<td></td>
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<tr>
<td><strong>REQUIRED CONDITIONS:</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Retroactive date - 10/01/2004 - Employee Dishonesty in excess of $500,000 and 10/01/2003 - All other coverages</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Automobile Insurance</strong></td>
<td>Moylan’s (Dongbu)</td>
<td>$2,000,000</td>
<td>$37,621</td>
<td>$38,496</td>
<td>NO QUOTE</td>
<td>NO QUOTE</td>
</tr>
<tr>
<td>A. Bodily Injury &amp; Property Damage Liability</td>
<td>Actual Cash Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Comprehensive &amp; Collision Incl Typhoon Deductible Comp, Coll &amp; Typhoon - $1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Medical Payments - each person FY2017: 82 Vehicles FY2018: 83 Vehicles</td>
<td></td>
<td>$1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total FY2017 Premium:</strong></td>
<td></td>
<td>$636,859</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total FY2018 Premium:</strong></td>
<td></td>
<td>$545,588</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Total Savings:</strong></td>
<td></td>
<td>($91,271.00)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- 22 Aug 2017 - Transmitted Specs to all carriers;
- 15 Sept 2017 - Quotes due from all carriers;
- 18 Sept 2017 - Quotes due to GIAA

Please Note: This is a summary only. Please refer to policy for complete terms conditions.
<table>
<thead>
<tr>
<th>POLICY</th>
<th>FY2017</th>
<th>FY2018</th>
<th>PREMIUM DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property (Including Catastrophe Cover)</td>
<td>$ 338,390</td>
<td>$ 285,000</td>
<td>$(53,390)</td>
</tr>
<tr>
<td>Airport Operators Liability</td>
<td>$ 153,000</td>
<td>$ 131,580</td>
<td>$(21,420)</td>
</tr>
<tr>
<td>Directors &amp; Officers</td>
<td>$ 55,998</td>
<td>$ 45,000</td>
<td>$(10,998)</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>$ 44,900</td>
<td>$ 39,512</td>
<td>$(5,388)</td>
</tr>
<tr>
<td>Automobile Insurance</td>
<td>$ 37,621</td>
<td>$ 38,496</td>
<td>$ 875</td>
</tr>
<tr>
<td>Crime Insurance</td>
<td>$ 6,950</td>
<td>$ 6,000</td>
<td>$(950)</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>$ 636,859</td>
<td>$ 545,588</td>
<td>$(91,271)</td>
</tr>
</tbody>
</table>
GIAA BOARD OF DIRECTORS

REGULAR MEETING - September 26, 2017
Executive Summary

Air Seoul, Inc.- Request for Signatory Status

Purpose

To request for Board approval for Air Seoul's interest to become a Signatory Airline carrier at the A.B. Won Pat International Airport, Guam.

Background and History

Air Seoul is a South Korean low-cost carrier and a subsidiary of Asiana Airlines. The airline is based at Incheon International Airport in Seoul, from which it operates flights to eleven international destinations as of November 2016. It launched operations on 11 July 2016 and has committed to bring the same low-fare and high quality service to Guam.

Air Seoul has committed to a six (6) times weekly operation from Seoul to Guam and Guam to Seoul on Sunday, Monday, Tuesday, Wednesday, Thursday, and Saturday commencing September 12, 2017, utilizing an Airbus A321 aircraft with a seat capacity of 195 passengers.

Procurement Background

Air Seoul has indicated their interest in becoming a Signatory Airline Carrier at the A.B. Won Pat International Airport, Guam. Upon the Board of Directors approval of Air Seoul’s signatory status request, a Signatory Airline Operating Agreement & Terminal Building Lease will be prepared and executed by both parties.

Federal Authority

The U.S. Department of Transportation (USDOT) issued Air Seoul economic authority to conduct scheduled foreign air transportation of persons, property and mail from the Republic Korea to points in the United States and beyond, with specific reference to services for Incheon-Guam routes.

Financial Background

Upon approval of signatory status, Air Seoul revenue will include passenger fees and all related charges based on the GIAA Airport Tariff Schedule.
Récommandations

Management is pleased to recommend the GIAA Board of Directors approve Air Seoul's request to become a Signatory Airline Carrier at the A.B. Won Pat International Airport Authority, Guam, with the expiring term to conterminous with other Signatory Airline Agreements.
LETTER OF TRANSMITTAL

DATE: September 12, 2017

TO: Mr. Gordon K. Wong
    Acting Manager, Airports District Office
    U.S. Department of Transportation
    Federal Aviation Administration
    300 Ala Moana Blvd., Rm 7-128
    Honolulu, Hawaii 96850

FROM: Deputy Executive Manager

SUBJECT: FAA Grant Agreements

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 each</td>
<td>Fully Executed E copies FAA Grant Agreement AIP No. 3-66-0001-101-2017 DUNS Number 855035531 Construct Aircraft Rescue &amp; Fire Fighting Building – Phase II</td>
</tr>
<tr>
<td>1 each</td>
<td>Fully Executed E copies FAA Grant Agreement AIP No. 3-66-0001-102-2017 DUNS Number 855035531 Rehabilitate Terminal Apron – Design Phase II</td>
</tr>
<tr>
<td>1 each</td>
<td>Fully Executed E copies FAA Grant Agreement AIP No. 3-66-0001-103-2017 DUNS Number 855035531 Rehabilitate Runway 6L - Design</td>
</tr>
</tbody>
</table>

(X) For necessary action

Remarks: Please see attached digital copies of AIP No. 3-66-0001-101-2017, AIP No. 3-66-0001-102-2017, and AIP 3-66-0001-103-2017. We have received the original agreements and will get them signed and returned to FAA.
GRANT AGREEMENT

PART I—OFFER

Date of Offer  September 8, 2017

Airport/Planning Area  Guam International

AIP Grant Number  3-66-0001-101-2017

DUNS Number  855035531

TO:  The A.B. Won Pat Guam International Airport Authority
     (herein called the “Sponsor”)

FROM:  The United States of America (acting through the Federal Aviation Administration, herein called the “FAA”)

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated September 7, 2017, for a grant of Federal funds for a project at or associated with the Guam International Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Guam International Airport (herein called the “Project”) consisting of the following:

Construct Aircraft Rescue & Fire Fighting Building - Phase II

which is more fully described in the Project Application.

NOW THEREFORE, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. § 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. § 47101, et seq., (herein the AAIA grant statute is referred to as “the Act”), the representations contained in the Project Application, and in consideration of
(a) the Sponsor’s adoption and ratification of the Grant Assurances dated March 2014; and the Sponsor’s acceptance of this Offer; and, (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided.

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay ninety (90) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.
This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is $3,500,000.

   The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

   - $0 for planning
   - $3,500,000 for airport development or noise program implementation; and,
   - $0 for land acquisition.

   The source of this Grant may include funding from the Small Airport Fund.

2. **Period of Performance.** The period of performance begins on the date the Sponsor formally accepts this agreement. Unless explicitly stated otherwise in an amendment from the FAA, the end date of the period of performance is 4 years (1,460 calendar days) from the date of formal grant acceptance by the Sponsor.

   The Sponsor may only charge allowable costs for obligations incurred prior to the end date of the period of performance (2 CFR §200.309). Unless the FAA authorizes a written extension, the sponsor must submit all project closeout documentation and liquidate (pay off) all obligations incurred under this award no later than 90 calendar days after the end date of the period of performance (2 CFR §200.343).

   The period of performance end date does not relieve or reduce Sponsor obligations and assurances that extend beyond the closeout of a grant agreement.

3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.

4. **Indirect Costs - Sponsor.** Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.

5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with the regulations, policies, and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.

6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies, and procedures of the Secretary. The Sponsor also agrees to comply with the assurances which are part of this agreement.

7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.

8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before September 15, 2017, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.

11. **System for Award Management (SAM) Registration And Universal Identifier.**

   A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at [http://www.sam.gov](http://www.sam.gov)).

   B. Data Universal Numbering System: DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866-705-5771) or on the web (currently at [http://fedgov.dnb.com/webform](http://fedgov.dnb.com/webform)).

12. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

13. **Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by $25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

   The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA’s authority to increase the maximum obligation does not apply to the “planning” component of condition No. 1.

   The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

   An informal letter amendment has the same force and effect as a formal grant amendment.

14. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this agreement.
15. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.

16. **Buy American.** Unless otherwise approved in advance by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.

17. **Maximum Obligation Increase For Primary Airports.** In accordance with 49 U.S.C. § 47108(b), as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:
   
   A. May not be increased for a planning project;
   
   B. May be increased by not more than 15 percent for development projects;
   
   C. May be increased by not more than 15 percent for land project.

18. **Audits for Public Sponsors.** The Sponsor must provide for a Single Audit or program specific audit in accordance with 2 CFR part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse’s Internet Data Entry System at [http://harvester.census.gov/facweb/](http://harvester.census.gov/facweb/). Provide one copy of the completed audit to the FAA if requested.

19. **Suspension or Debarment.** When entering into a “covered transaction” as defined by 2 CFR §180.200, the Sponsor must:

   A. Verify the non-federal entity is eligible to participate in this Federal program by:
      
      1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-federal entity is excluded or disqualified; or
      
      2. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or
      
      3. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.
   
   B. Require prime contractors to comply with 2 CFR §180.330 when entering into lower-tier transactions (e.g. Sub-contracts).
   
   C. Immediately disclose to the FAA whenever the Sponsor (1) learns they have entered into a covered transaction with an ineligible entity or (2) suspends or debars a contractor, person, or entity.

20. **Ban on Texting While Driving.**
   
   A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
      
      1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
      
      2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
         
         a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
         
         b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
B. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts.

21. AIP Funded Work Included in a PFC Application.

Within 90 days of acceptance of this award, Sponsor must submit to the Federal Aviation Administration an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this grant award. The airport sponsor may not make any expenditure under this award until project work addressed under this award is removed from an approved PFC application by amendment.

22. Exhibit “A” Property Map. The Exhibit “A” Property Map dated June 23, 2010, is incorporated herein by reference or is submitted with the project application and made part of this grant agreement.

23. Employee Protection from Reprisal.

A. Prohibition of Reprisals –

1. In accordance with 41 U.S.C. § 4712, an employee of a grantee or subgrantee may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (A)(2), information that the employee reasonably believes is evidence of:
   i. Gross mismanagement of a Federal grant;
   ii. Gross waste of Federal funds;
   iii. An abuse of authority relating to implementation or use of Federal funds;
   iv. A substantial and specific danger to public health or safety; or
   v. A violation of law, rule, or regulation related to a Federal grant.

2. Persons and bodies covered: The persons and bodies to which a disclosure by an employee is covered are as follows:
   i. A member of Congress or a representative of a committee of Congress;
   ii. An Inspector General;
   iii. The Government Accountability Office;
   iv. A Federal office or employee responsible for oversight of a grant program;
   v. A court or grand jury;
   vi. A management office of the grantee or subgrantee; or
   vii. A Federal or State regulatory enforcement agency.

3. Submission of Complaint – A person who believes that they have been subjected to a reprisal prohibited by paragraph A of this grant term may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.

4. Time Limitation for Submittal of a Complaint - A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.

5. Required Actions of the Inspector General – Actions, limitations and exceptions of the Inspector General’s office are established under 41 U.S.C. § 4712(b)

6. Assumption of Rights to Civil Remedy - Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c).

24. Plans and Specifications Prior to Bidding. The Sponsor agrees that it will submit plans and specifications for FAA review and approval prior to advertising for bids.
The Sponsor’s acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor’s acceptance of this Offer.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

[Signature]

Gordon K. Wong
Typed Name

Acting Airport Manager, Honolulu Airport
District Office
Title of FAA Official
PART II - ACCEPTANCE

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct. ¹

Executed this 11th day of September 2017.

A. B. Won Pat Guam International Airport Authority

(Name of Sponsor)

(Signature of Sponsor’s Designated Official Representative)

By: Pedro R. Martinez
(Typed Name of Sponsor’s Designated Official Representative)

Title: Deputy Executive Manager
(Typed Title of Sponsor’s Designated Official Representative)

(SEAL)

Attest: Rosie U. Balajadia
Administrative Officer

CERTIFICATE OF SPONSOR’S ATTORNEY

I, Janalynn Cruz Damian, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the Territory of Guam. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor’s official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at Hagatna (location) this 11th day of September 2017.

By: Janalynn Damian
(Signature of Sponsor’s Attorney)

¹Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.
ASSURANCES
AIRPORT SPONSORS

A. General.

a. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.

b. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.

c. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

1. Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.

The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.

The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. Airport Planning Undertaken by a Sponsor.

Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 25, 30, 32, 33, and 34 in Section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:


It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

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b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.¹
e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.¹²

g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.¹
i. Clean Air Act, P.L. 90-148, as amended.
j. Coastal Zone Management Act, P.L. 93-205, as amended.
k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.¹
l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))

n. Title V of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
s. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.¹

w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.

EXECUTIVE ORDERS

a. Executive Order 11246 - Equal Employment Opportunity¹
b. Executive Order 11990 - Protection of Wetlands
c. Executive Order 11998 –Flood Plain Management
d. Executive Order 12372 - Intergovernmental Review of Federal Programs

e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction

f. Executive Order 12898 - Environmental Justice

FEDERAL REGULATIONS

a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).


c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment


e. 14 CFR Part 150 - Airport noise compatibility planning.


g. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.


i. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.

j. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).


l. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.

m. 49 CFR Part 20 - New restrictions on lobbying.

n. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.

o. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.


q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.

r. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.
specific assurances

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

footnotes to assurance C.1.

1. These laws do not apply to airport planning sponsors.
2. These laws do not apply to private sponsors.
3. 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
4. On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.
5. Cost principles established in 2 CFR part 200 Subpart E of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards issued by OMB are the guidelines for determining the eligibility of specific types of expenses.
6. Audit requirements established in 2 CFR part 200 Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are the guidelines for audits.

2. Responsibility and Authority of the Sponsor.

a. Public Agency Sponsor:

It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:

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It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. **Sponsor Fund Availability.**

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. **Good Title.**

   a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

   b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. **Preserving Rights and Powers.**

   a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

   b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

   c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

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d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. Consideration of Local Interest.

It has given fair consideration to the interest of communities in or near where the project may be located.

8. Consultation with Users.

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.


In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. Metropolitan Planning Organization.

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy
of the proposed amendment to the airport layout plan to depict the project and a copy of any 
airport master plan in which the project is described or depicted.


With respect to a project approved after January 1, 1995, for the replacement or reconstruction of 
pavement at the airport, it assures or certifies that it has implemented an effective airport 
pavement maintenance-management program and it assures that it will use such program for the 
useful life of any pavement constructed, reconstructed or repaired with Federal financial 
assistance at the airport. It will provide such reports on pavement condition and pavement 
management programs as the Secretary determines may be useful.

12. Terminal Development Prerequisites.

For projects which include terminal development at a public use airport, as defined in Title 49, it 
has, on the date of submittal of the project grant application, all the safety equipment required for 
certification of such airport under section 44706 of Title 49, United States Code, and all the 
security equipment required by rule or regulation, and has provided for access to the passenger 
enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft 
other than air carrier aircraft.

13. Accounting System, Audit, and Record Keeping Requirements.

a. It shall keep all project accounts and records which fully disclose the amount and disposition 
by the recipient of the proceeds of this grant, the total cost of the project in connection with 
which this grant is given or used, and the amount or nature of that portion of the cost of the 
project supplied by other sources, and such other financial records pertinent to the project. 
The accounts and records shall be kept in accordance with an accounting system that will 
facilitate an effective audit in accordance with the Single Audit Act of 1984.

b. It shall make available to the Secretary and the Comptroller General of the United States, or 
any of their duly authorized representatives, for the purpose of audit and examination, any 
books, documents, papers, and records of the recipient that are pertinent to this grant. The 
Secretary may require that an appropriate audit be conducted by a recipient. In any case in 
which an independent audit is made of the accounts of a sponsor relating to the disposition of 
the proceeds of a grant or relating to the project in connection with which this grant was given 
or used, it shall file a certified copy of such audit with the Comptroller General of the United 
States not later than six (6) months following the close of the fiscal year for which the audit 
was made.


It shall include, in all contracts in excess of $2,000 for work on any projects funded under this 
grant agreement which involve labor, provisions establishing minimum rates of wages, to be 
predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 
U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum 
rates shall be stated in the invitation for bids and shall be included in proposals or bids for the 
work.


It shall include in all contracts for work on any project funded under this grant agreement which 
involve labor, such provisions as are necessary to insure that, in the employment of labor (except 
in executive, administrative, and supervisory positions), preference shall be given to Vietnam era 
veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small 
business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title 

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49. United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.


It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.


In carrying out planning projects:

a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.


a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be
required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for-

1) Operating the airport's aeronautical facilities whenever required;
2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
3) Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.


It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
2) charge reasonable, and not unjustly discriminatory, prices for each unit or service,

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provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

a.) Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

b.) Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

c.) Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

d.) It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

e.) In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

f.) The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

g.) The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental
and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

a. All revenues generated by the airport and any local taxes or aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes or aviation fuel) shall not apply.

2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor’s acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.

a.) As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a

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manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

b.) Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. Reports and Inspections.

It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
   1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
   2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that –

a. by gross weights of such aircraft) is in excess of five million pounds Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied.


It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at

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Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.


a. It will keep up to date at all times an airport layout plan of the airport showing:

1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;

2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;

3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon; and

4) all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

a.) If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefitting from, funds received from this grant.

a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.

b. Applicability

1) Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the

March, 2014
sponsor's programs and activities.

2) Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

3) Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or

2) So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The A.B. Won Pat Guam International Airport Authority, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."


1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.

3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.

4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

   a.) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
b.) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.


a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was
notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.


It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated January 24, 2017 and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

35. Relocation and Real Property Acquisition.

a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.

b. It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.

c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.


The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its DBE and ADBE programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure
nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. 3801).

38. Hangar Construction.

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.


a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-

1) Describes the requests;

2) Provides an explanation as to why the requests could not be accommodated; and

3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

March, 2014
Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

Updated: 1/24/2017

View the most current versions of these ACs and any associated changes at:
http://www.faa.gov/airports/resources/advisory_circulars
http://www.faa.gov/regulations_policies/advisory_circulars/

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THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY

Updated: 01/24/2017

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GRANT AGREEMENT

PART I—OFFER

Date of Offer

September 8, 2017

Airport/Planning Area

Guam International

AIP Grant Number

3-66-0001-102-2017

DUNS Number

855035531

TO: The A.B. Won Pat Guam International Airport Authority

(herin called the “Sponsor”)

FROM: The United States of America (acting through the Federal Aviation Administration, herein called the “FAA”)

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated September 7, 2017, for a grant of Federal funds for a project at or associated with the Guam International Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Guam International Airport (herein called the “Project”) consisting of the following:

Rehabilitate Terminal Apron - Design Phase II

which is more fully described in the Project Application.

NOW THEREFORE, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. § 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. § 47101, et seq., (herein the AAIA grant statute is referred to as “the Act”), the representations contained in the Project Application, and in consideration of (a) the Sponsor’s adoption and ratification of the Grant Assurances dated March 2014, and the Sponsor’s acceptance of this Offer; and, (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided.

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay ninety (90) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.
This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is $1,000,000.

   The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>for planning</td>
</tr>
<tr>
<td>$1,000,000</td>
<td>for airport development or noise program implementation; and,</td>
</tr>
<tr>
<td>$0</td>
<td>for land acquisition.</td>
</tr>
</tbody>
</table>

   The source of this Grant may include funding from the Small Airport Fund.

2. **Period of Performance.** The period of performance begins on the date the Sponsor formally accepts this agreement. Unless explicitly stated otherwise in an amendment from the FAA, the end date of the period of performance is 4 years (1,460 calendar days) from the date of formal grant acceptance by the Sponsor.

   The Sponsor may only charge allowable costs for obligations incurred prior to the end date of the period of performance (2 CFR §200.309). Unless the FAA authorizes a written extension, the sponsor must submit all project closeout documentation and liquidate (pay off) all obligations incurred under this award no later than 90 calendar days after the end date of the period of performance (2 CFR §200.343).

   The period of performance end date does not relieve or reduce Sponsor obligations and assurances that extend beyond the closeout of a grant agreement.

3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.

4. **Indirect Costs - Sponsor.** Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.

5. **Determining the Final Federal Share of Costs.** The United States’ share of allowable project costs will be made in accordance with the regulations, policies, and procedures of the Secretary. Final determination of the United States’ share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.

6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies, and procedures of the Secretary. The Sponsor also agrees to comply with the assurances which are part of this agreement.

7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.

8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before September 15, 2017, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term “Federal funds” means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.

11. **System for Award Management (SAM) Registration And Universal Identifier.**

   A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at http://www.sam.gov).

   B. Data Universal Numbering System: DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866-705-5771) or on the web (currently at http://fedgov.cnb.com/webform).

12. **Electronic Grant Payments.** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

13. **Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by $25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

   The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA’s authority to increase the maximum obligation does not apply to the “planning” component of condition No. 1.

   The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

   An informal letter amendment has the same force and effect as a formal grant amendment.

14. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this agreement.
15. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.

16. **Buy American.** Unless otherwise approved in advance by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.

17. **Maximum Obligation Increase For Primary Airports.** In accordance with 49 U.S.C. § 47108(b), as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:
   - A. May not be increased for a planning project;
   - B. May be increased by not more than 15 percent for development projects;
   - C. May be increased by not more than 15 percent for land project.

18. **Audits for Public Sponsors.** The Sponsor must provide for a Single Audit or program specific audit in accordance with 2 CFR part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse’s Internet Data Entry System at [http://harvester.census.gov/facweb/](http://harvester.census.gov/facweb/). Provide one copy of the completed audit to the FAA if requested.

19. **Suspension or Debarment.** When entering into a “covered transaction” as defined by 2 CFR §180.200, the Sponsor must:
   - A. Verify the non-federal entity is eligible to participate in this Federal program by:
     1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-federal entity is excluded or disqualified; or
     2. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or
     3. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.
   - B. Require prime contractors to comply with 2 CFR §180.330 when entering into lower-tier transactions (e.g. Sub-contracts).
   - C. Immediately disclose to the FAA whenever the Sponsor (1) learns they have entered into a covered transaction with an ineligible entity or (2) suspends or debars a contractor, person, or entity.

20. **Ban on Texting While Driving.**
   - A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
     1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
     2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
        a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
        b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
B. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts.

21. **AIP Funded Work Included in a PFC Application.**

Within 90 days of acceptance of this award, Sponsor must submit to the Federal Aviation Administration an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this grant award. The airport sponsor may not make any expenditure under this award until project work addressed under this award is removed from an approved PFC application by amendment.

22. **Exhibit “A” Property Map.** The Exhibit “A” Property Map dated June 23, 2010, is incorporated herein by reference or is submitted with the project application and made part of this grant agreement.

23. **Employee Protection from Reprisal.**

   A. Prohibition of Reprisals —

   1. In accordance with 41 U.S.C. § 4712, an employee of a grantee or subgrantee may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (A)(2), information that the employee reasonably believes is evidence of:

      i. Gross mismanagement of a Federal grant;
      ii. Gross waste of Federal funds;
      iii. An abuse of authority relating to implementation or use of Federal funds;
      iv. A substantial and specific danger to public health or safety; or
      v. A violation of law, rule, or regulation related to a Federal grant.

   2. Persons and bodies covered: The persons and bodies to which a disclosure by an employee is covered are as follows:

      i. A member of Congress or a representative of a committee of Congress;
      ii. An Inspector General;
      iii. The Government Accountability Office;
      iv. A Federal office or employee responsible for oversight of a grant program;
      v. A court or grand jury;
      vi. A management office of the grantee or subgrantee; or
      vii. A Federal or State regulatory enforcement agency.

   3. Submission of Complaint – A person who believes that they have been subjected to a reprisal prohibited by paragraph A of this grant term may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.

   4. Time Limitation for Submittal of a Complaint - A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.

   5. Required Actions of the Inspector General – Actions, limitations and exceptions of the Inspector General’s office are established under 41 U.S.C. § 4712(b)

   6. Assumption of Rights to Civil Remedy - Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c).

24. **Plans and Specifications Prior to Bidding.** The Sponsor agrees that it will submit plans and specifications for FAA review and approval prior to advertising for bids.
25. **Design Grant.** This grant agreement is being issued in order to complete the design of the project. The Sponsor understands and agrees that within 2 years after the design is completed that the Sponsor will accept, subject to the availability of the amount of federal funding identified in the Airport Capital Improvement Plan (ACIP), a grant to complete the construction of the project in order to provide a useful and useable unit of work. The Sponsor also understands that if the FAA has provided federal funding to complete the design for the project, and the Sponsor has not completed the design within four (4) years from the execution of this grant agreement, the FAA may suspend or terminate grants related to the design.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

**UNITED STATES OF AMERICA**

**FEDERAL AVIATION ADMINISTRATION**

[Signature]

Gordon K. Wong

(Typed Name)

Acting Airport Manager, Honolulu Airports

District Office

(Title of FAA Official)
PART II - ACCEPTANCE

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct.¹

Executed this __11th__ day of September ______________, 2017_________.

A. B. Won Pat Guam International Airport Authority

(Name of Sponsor)

(Signature of Sponsor's Designated Official Representative)

By: Pedro R. Martinez

(Typed Name of Sponsor’s Designated Official Representative)

Title: Deputy Executive Manager

(Typed Title of Sponsor’s Designated Official Representative)

(SEAL)

Attest: 

Rosie U. Balajadia

Administrative Officer

CERTIFICATE OF SPONSOR’S ATTORNEY

¹, Janelynn Cruz Damian, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the Territory of Guam. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor’s official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at Hagatna (location) this __11th__ day of September ______________, 2017_________.

By: 

(Signature of Sponsor’s Attorney)

¹Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.
ASSURANCES
AIRPORT SPONSORS

A. General.

a. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.

b. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.

c. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

1. Airport Development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.

The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.

The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. Airport Planning Undertaken by a Sponsor.

Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 25, 30, 32, 33, and 34 in Section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:


It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

March, 2014
FEDERAL LEGISLATION

b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.¹
e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.¹²
i. Clean Air Act, P.L. 90-148, as amended.
j. Coastal Zone Management Act, P.L. 93-205, as amended.
k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.¹
l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))

n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
s. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.¹
w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.

EXECUTIVE ORDERS

a. Executive Order 11246 - Equal Employment Opportunity¹
b. Executive Order 11990 - Protection of Wetlands
c. Executive Order 11998 –Flood Plain Management

March, 2014
d. Executive Order 12372 - Intergovernmental Review of Federal Programs

e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction

f. Executive Order 12898 - Environmental Justice

**Federal Regulations**

a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).


c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment

d. 14 CFR Part 13 - Investigative and Enforcement Procedures


e. 14 CFR Part 150 - Airport noise compatibility planning.


h. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.


j. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.

k. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).

l. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).

m. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.

n. 49 CFR Part 20 - New restrictions on lobbying.

o. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.


q. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.

r. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.

s. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.
s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.

t. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.

u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)

v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).

w. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.

**SPECIFIC ASSURANCES**

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

**FOOTNOTES TO ASSURANCE C.1.**

1. These laws do not apply to airport planning sponsors.
2. These laws do not apply to private sponsors.
3. 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
4. On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.
5. Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
6. Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

2. **Responsibility and Authority of the Sponsor.**

a. Public Agency Sponsor:

It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:
It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.


It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. Good Title.

a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.


a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

March, 2014
d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. Consideration of Local Interest.

It has given fair consideration to the interest of communities in or near where the project may be located.

8. Consultation with Users.

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.


In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. Metropolitan Planning Organization.

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy
of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.


With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. Terminal Development Prerequisites.

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. Accounting System, Audit, and Record Keeping Requirements.

a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.


It shall include, in all contracts in excess of $2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.


It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title
49. United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.


It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.


In carrying out planning projects:

a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.


a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be
required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for-

1) Operating the airport's aeronautical facilities whenever required;

2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

3) Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.


It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

2) charge reasonable, and not unjustly discriminatory, prices for each unit or service,
provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

a.) Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

b.) Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

c.) Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

d.) It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

e.) In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

f.) The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

g.) The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental
and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.

a.) As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a

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manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

b.) Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. Reports and Inspections.

It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that—

a. by gross weights of such aircraft is in excess of five million pounds Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied.


It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at

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Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.


a. It will keep up to date at all times an airport layout plan of the airport showing:

   1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;

   2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;

   3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon; and

   4) all proposed and existing access points used to taxi aircraft across the airport’s property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

a.) If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary’s design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.

b. Applicability

   1) Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor’s program or activities, these requirements extend to all of the

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sponsor’s programs and activities.

2) Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

3) Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or

2) So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

“The A.B. Won Pat Guam International Airport Authority, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.”


1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.

3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.

4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

a.) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and

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b.) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

c. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.


a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was
notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.


It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated January 24, 2017 and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

35. Relocation and Real Property Acquisition.

a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.

b. It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.

c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.


The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its DBE and ACDBE programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure

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nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor’s DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1996 (31 U.S.C. 3801).

38. Hangar Construction.

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner’s expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.


a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-

1) Describes the requests;

2) Provides an explanation as to why the requests could not be accommodated; and

3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.
Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

Updated: 1/24/2017

View the most current versions of these ACs and any associated changes at:
http://www.faa.gov/airports/resources/advisory_circulars and
http://www.faa.gov/regulations_policies/advisory_circulars/

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### THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY

Updated: 01/24/2017

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GRANT AGREEMENT

PART I—OFFER

Date of Offer
September 5, 2017

Airport/Planning Area
Guam International

AIP Grant Number
3-66-0001-103-2017

DUNS Number
855035531

TO: The A.B. Won Pat Guam International Airport Authority
(Therein called the “Sponsor”)

FROM: The United States of America (acting through the Federal Aviation Administration, herein called the “FAA”)

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated April 17, 2017, for a grant of Federal funds for a project at or associated with the Guam International Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Guam International Airport (herein called the “Project”) consisting of the following:

- Rehabilitate Runway 6L - Design

which is more fully described in the Project Application.

NOW THEREFORE, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. § 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. § 47101, et seq., (herein the AAIA grant statute is referred to as “the Act”), the representations contained in the Project Application, and in consideration of (a) the Sponsor’s adoption and ratification of the Grant Assurances dated March 2014, and the Sponsor’s acceptance of this Offer; and, (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided.

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay ninety (90) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.
This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is $750,000. The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

   - $0 for planning
   - $750,000 for airport development or noise program implementation; and,
   - $0 for land acquisition.

   The source of this Grant may include funding from the Small Airport Fund.

2. **Period of Performance.** The period of performance begins on the date the Sponsor formally accepts this agreement. Unless explicitly stated otherwise in an amendment from the FAA, the end date of the period of performance is 4 years (1,460 calendar days) from the date of formal grant acceptance by the Sponsor.

   The Sponsor may only charge allowable costs for obligations incurred prior to the end date of the period of performance (2 CFR §200.309). Unless the FAA authorizes a written extension, the sponsor must submit all project closeout documentation and liquidate (pay off) all obligations incurred under this award no later than 90 calendar days after the end date of the period of performance (2 CFR §200.343).

   The period of performance end date does not relieve or reduce Sponsor obligations and assurances that extend beyond the closeout of a grant agreement.

3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.

4. **Indirect Costs - Sponsor.** Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.

5. **Determining the Final Federal Share of Costs.** The United States’ share of allowable project costs will be made in accordance with the regulations, policies, and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.

6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies, and procedures of the Secretary. The Sponsor also agrees to comply with the assurances which are part of this agreement.

7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.

8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before September 15, 2017, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term “Federal funds” means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.

11. **System for Award Management (SAM) Registration And Universal Identifier.**

   A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at http://www.sam.gov).

   B. Data Universal Numbering System: DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866-705-5771) or on the web (currently at http://fedgov.dnb.com/webform).

12. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi elnvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

13. **Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by $25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

   The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the “planning” component of condition No. 1.

   The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

   An informal letter amendment has the same force and effect as a formal grant amendment.

14. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this agreement.
15. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.

16. **Buy American.** Unless otherwise approved in advance by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.

17. **Maximum Obligation Increase For Primary Airports.** In accordance with 49 U.S.C. § 47108(b), as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:

   A. May not be increased for a planning project;
   
   B. May be increased by not more than 15 percent for development projects;
   
   C. May be increased by not more than 15 percent for land project.

18. **Audits for Public Sponsors.** The Sponsor must provide for a Single Audit or program specific audit in accordance with 2 CFR part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse’s Internet Data Entry System at [http://harvester.census.gov/facweb/](http://harvester.census.gov/facweb/). Provide one copy of the completed audit to the FAA if requested.

19. **Suspension or Debarment.** When entering into a “covered transaction” as defined by 2 CFR §180.200, the Sponsor must:

   A. Verify the non-federal entity is eligible to participate in this Federal program by:
      1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-federal entity is excluded or disqualified; or
      2. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or
      3. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.
   
   B. Require prime contractors to comply with 2 CFR §180.330 when entering into lower-tier transactions (e.g. Sub-contracts).
   
   C. Immediately disclose to the FAA whenever the Sponsor (1) learns they have entered into a covered transaction with an ineligible entity or (2) suspends or debars a contractor, person, or entity.

20. **Ban on Texting While Driving.**

   A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
      1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
      2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
         a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
         b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
B. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts.

21. AIP Funded Work Included in a PFC Application.

Within 90 days of acceptance of this award, Sponsor must submit to the Federal Aviation Administration an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this grant award. The airport sponsor may not make any expenditure under this award until project work addressed under this award is removed from an approved PFC application by amendment.

22. Exhibit “A” Property Map. The Exhibit “A” Property Map dated June 23, 2010, is incorporated herein by reference or is submitted with the project application and made part of this grant agreement.

23. Employee Protection from Reprisal.

A. Prohibition of Reprisals –

1. In accordance with 41 U.S.C. § 4712, an employee of a grantee or subgrantee may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (A)(2), information that the employee reasonably believes is evidence of:
   i. Gross mismanagement of a Federal grant;
   ii. Gross waste of Federal funds;
   iii. An abuse of authority relating to implementation or use of Federal funds;
   iv. A substantial and specific danger to public health or safety; or
   v. A violation of law, rule, or regulation related to a Federal grant.

2. Persons and bodies covered: The persons and bodies to which a disclosure by an employee is covered are as follows:
   i. A member of Congress or a representative of a committee of Congress;
   ii. An Inspector General;
   iii. The Government Accountability Office;
   iv. A Federal office or employee responsible for oversight of a grant program;
   v. A court or grand jury;
   vi. A management office of the grantee or subgrantee; or
   vii. A Federal or State regulatory enforcement agency.

3. Submission of Complaint – A person who believes that they have been subjected to a reprisal prohibited by paragraph A of this grant term may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.

4. Time Limitation for Submittal of a Complaint - A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.

5. Required Actions of the Inspector General – Actions, limitations and exceptions of the Inspector General’s office are established under 41 U.S.C. § 4712(b)

6. Assumption of Rights to Civil Remedy - Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c).
24. **Design Grant.** This grant agreement is being issued in order to complete the design of the project. The Sponsor understands and agrees that within 2 years after the design is completed that the Sponsor will accept, subject to the availability of the amount of federal funding identified in the Airport Capital Improvement Plan (ACIP), a grant to complete the construction of the project in order to provide a useful and useable unit of work. The Sponsor also understands that if the FAA has provided federal funding to complete the design for the project, and the Sponsor has not completed the design within four (4) years from the execution of this grant agreement, the FAA may suspend or terminate grants related to the design.

The Sponsor’s acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor’s acceptance of this Offer.

**UNITED STATES OF AMERICA**
**FEDERAL AVIATION ADMINISTRATION**

[Signature]

Gordon K. Wong
(Typed Name)

 Acting Manager, Honolulu Airports District Office
(Title of FAA Official)
PART II - ACCEPTANCE

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct.¹

Executed this 11th day of September, 2017.

A. B. Won Pat Guam International Airport Authority

(Name of Sponsor)

(Signature of Sponsor’s Designated Official Representative)

By: Pedro R. Martinez

(Typed Name of Sponsor’s Designated Official Representative)

Title: Deputy Executive Manager

(Typed Title of Sponsor’s Designated Official Representative)

(SEAL)

Attest: Rosie U. Balajadia
Administrative Officer

CERTIFICATE OF SPONSOR’S ATTORNEY

I, Jana Lynn Cruz Damian, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the Territory of Guam. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor’s official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at Hagatna (location) this 11th day of September, 2017.

By: [Signature of Sponsor's Attorney]

¹Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.
ASSURANCES
AIRPORT SPONSORS

A. General.

a. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.

b. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.

c. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

1. Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.

The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.

The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. Airport Planning Undertaken by a Sponsor.

Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 25, 30, 32, 33, and 34 in Section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:


It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

March, 2014
**Federal Legislation**

b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.¹
e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.¹²
g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.¹
i. Clean Air Act, P.L. 90-148, as amended.
j. Coastal Zone Management Act, P.L. 93-205, as amended.
k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.¹
l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))
n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
s. Power plant and Industrial Fuel Use Act of 1978 - Section 403 - 2 U.S.C. 8373.¹
w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.

**Executive Orders**

a. Executive Order 11246 - Equal Employment Opportunity¹
b. Executive Order 11990 - Protection of Wetlands
c. Executive Order 11998 — Flood Plain Management

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d. Executive Order 12372 - Intergovernmental Review of Federal Programs

e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction

f. Executive Order 12898 - Environmental Justice

FEDERAL REGULATIONS

a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).


c. 2 CFR Part 1200 - Nonprocurement Suspension and Debarment

d. 14 CFR Part 13 - Investigative and Enforcement Procedures


e. 14 CFR Part 150 - Airport noise compatibility planning.


g. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.

h. 29 CFR Part 1 - Procedures for predetermination of wage rates.¹

i. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.¹

j. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).¹

k. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).¹

l. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.³

m. 49 CFR Part 20 - New restrictions on lobbying.

n. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.

o. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.

p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.¹²

q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.

r. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.¹
s. 49 CFR Part 28—Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.

t. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.

u. 49 CFR Part 32—Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)

v. 49 CFR Part 37—Transportation Services for Individuals with Disabilities (ADA).

w. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.

**Specific Assurances**

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

**Footnotes to Assurance C.1.**

1. These laws do not apply to airport planning sponsors.

2. These laws do not apply to private sponsors.

3. 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

4. On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.

5. Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.

6. Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

2. **Responsibility and Authority of the Sponsor.**

   a. **Public Agency Sponsor:**

      It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

   b. **Private Sponsor:**
It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.


It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. Good Title.

a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.


a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.
d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. Consideration of Local Interest.

It has given fair consideration to the interest of communities in or near where the project may be located.

8. Consultation with Users.

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.


In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. Metropolitan Planning Organization.

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy

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of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.


With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. Terminal Development Prerequisites.

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. Accounting System, Audit, and Record Keeping Requirements.

a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.


It shall include, in all contracts in excess of $2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.


It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title

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49. United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.


It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.


In carrying out planning projects:

a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.


a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be
required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:

1) Operating the airport’s aeronautical facilities whenever required;

2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

3) Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.


It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:

1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

2) charge reasonable, and not unjustly discriminatory, prices for each unit or service.

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provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

a.) Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

b.) Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

c.) Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

d.) It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

e.) In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

f.) The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

g.) The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental

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and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.

a.) As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a

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manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

b.) Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. Reports and Inspections.

   It will:

   a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

   b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

   c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

   d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

      1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

      2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

   It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that –

   a. by gross weights of such aircraft) is in excess of five million pounds Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

   b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied.


   It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at

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Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

   a. It will keep up to date at all times an airport layout plan of the airport showing:
      1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
      2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
      3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon; and
      4) all proposed and existing access points used to taxi aircraft across the airport’s property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.
   a.) If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary’s design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.

b. Applicability
   1) Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor’s program or activities, these requirements extend to all of the

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sponsor's programs and activities.

2) Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

3) Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or

2) So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

“The A.B. Won Pat Guam International Airport Authority, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.”


1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.

3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.

4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

a.) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
b.) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.


a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was

March, 2014
notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.


It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated January 24, 2017 and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

35. Relocation and Real Property Acquisition.

a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.

b. It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.

c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.


The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its DBE and ACDBE programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure
nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. 3801).

38. **Hangar Construction.**

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner’s expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. **Competitive Access.**

   a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-

      1) Describes the requests;
      2) Provides an explanation as to why the requests could not be accommodated; and
      3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.

   b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.
Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

Updated: 1/24/2017

View the most current versions of these ACs and any associated changes at:
http://www.faa.gov/airports/resources/advisory_circulars
http://www.faa.gov/regulations_policies/advisory_circulars/

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### THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY

**Updated: 01/24/2017**

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AIRLINE ISSUES

Air Seoul
Air Seoul services from Incheon commenced at 5 x weekly, with the inaugural flight on September 13, 2017. They will increase flights to daily in October 2017. Air Seoul’s seat capacity is 195, utilizing an A321. This provides 1,365 seats weekly to the Korean market.

Japan Airlines
Joint community outreach events will be held later this week. On September 29, 2017, Japan Airlines will host media for an observation activity JAL’s pilot training program here at the Guam facilities. The following day, 50 students are invited to participate in a paper plane flying demonstration and activity to highlight careers in aviation. Airport Marketing is coordinating the events together with JAL administration.

Cathay Pacific
Cathay Pacific Airlines will be conducting a return charter operation servicing HKG/GUM/HKG, arriving on the 19th and departing on the 23rd of November 2017. They will operate an A320 with a capacity of 164 seats.

HK Express
HK Express has announced a delay to its plans to begin Nagoya/Guam services due to the continuing North Korea threat. It was originally scheduled to begin in late October 2017. They will delay the start of these services to Summer 2018.

Delta Airlines
Delta Airlines announced it will suspend all services from Japan to Guam in January 2018. They currently operate twice daily flights to Narita. The estimated loss of capacity by Delta’s suspension of services is 9,417 seats per month. United Airlines and JAL continue to service these routes.

FINANCIAL ISSUES

Fiscal Year 2017 Financial Audit
As the fiscal year enters into its final month, Accounting and Procurement with the support of all divisions are preparing for end of Fiscal Year 2017. Ernst and Young will be engaged and working closely with Accounting to review reports and financial activity of the fiscal year. As required by law, the Financial Audit Report will be completed no later than January 31, 2018.

REGULATORY ISSUES

FAA Certification Inspection
The annual FAA certification inspection is now underway through the end of the week. The new Honolulu ADO’s Airport Safety Inspector, William Brown, will conduct his first inspection of the Guam Airport Facilities. All concerned are intent in ensuring that we come up with a repeat, 0 discrepancy, 100% compliance report.
**FAA Grant Funding**

The Federal Aviation Administration (FAA) has awarded the Airport three (3) separate grants that funds several projects at the Airport, just ratified by the Airport Board of Directors. The federal funding will be applied as follows:

- $3.5 Million was awarded for Phase II of the Construction of the Aircraft Rescue and Firefighting Building Phase II;
- $1 Million will fund the Design Phase II of the Rehabilitation of Terminal Apron areas; and
- $750k was awarded for the Design work for the Rehabilitation of the Runway 6L

**PROCUREMENT ISSUES**

**IFB – Purchase and Delivery of Runway Continuous Friction Measuring Equipment**

Submission deadline: Tuesday, October 3, 2017; 2 p.m.; Executive Offices, 3rd Floor

Bid opening: Tuesday, October 3, 2017; 2:15 p.m.; GIAA Conference Room

**ANNOUNCEMENTS**

- A Congressional Delegation consisting of four US Representatives, Congressman Joe Wilson, Congresswoman Vicky Hartzler, Congressman Carlo Shea-Porter and Congresswoman Amata Radewagen arrived at Guam Airport on 9/21/17 with all protocol services extended to them.
- The Airport engages the community in many ways. This month, we highlight a randomly selected inquiry we received on our website:

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---------------------------------------------------------------
INQUIRY: AUGUST 30, 2017
Guam Airport Contact Form
Name.....................: Remi
Organization.............: Japan
Email....................: remi.takahiro@gmail.com
Phone....................: 09089490811
Message..................: Do you have a Victoria’s Secret shop?

RESPONSE
Hafa Adai!
Thank you for visiting www.guamairport.com.
Yes, we are happy to advise you that there is a Victoria’s Secret shop here at the Guam Airport, in the concourse, accessible by ticketed passengers. Please visit their website at: http://lottedutyfreeguam.com/victorias-secret. We wish you safe travel and Happy shopping experience!
```
MEMORANDUM

To: Mr. Ricardo C. Duenas
Chairman
GIAA Board of Directors

From: John A. Rios
Comptroller

Subject: Operating Results – Revenues and Expenses as of August 31, 2017

Attached herewith is GIAA’s Operating Results Report for the month ending August 31, 2017. This report summarizes the Budgeted versus Actual Revenues and Expenses for the month and year-to-date results ended August 31, 2017.

The key operating results for 11 month(s) of FY2017 ending August 31, 2017 – (in $000’s) are

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<th>YEAR-TO-DATE</th>
<th>FORECAST FOR FULL YEAR-FY17</th>
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<td>Actual</td>
<td>Budget</td>
<td>% Variance</td>
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<td>FY17</td>
<td>Y-T-D</td>
<td>vs. Actual</td>
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<td>Total Signatory Revenues</td>
<td>$2,758.1</td>
<td>$30,175.8</td>
<td>3.1%</td>
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<td>Total Concession Revenues</td>
<td>$1,709.9</td>
<td>$19,612.7</td>
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<td>Total PFC’s</td>
<td>$694.2</td>
<td>$7,160.1</td>
<td>2.5%</td>
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<tr>
<td>Total Other Revenues</td>
<td>$1,595.5</td>
<td>$15,801.1</td>
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<tr>
<td>Total Operating Revenues</td>
<td>$6,757.7</td>
<td>$72,749.7</td>
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<tr>
<td>Total Operating Expenses</td>
<td>$3,714.8</td>
<td>$44,429.0</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Net Revenues from Operations</td>
<td>$3,042.9</td>
<td>$28,320.7</td>
<td>21.0%</td>
</tr>
<tr>
<td>Non-Operating Expenses</td>
<td>$42.8</td>
<td>$675.0</td>
<td>-2.4%</td>
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<tr>
<td>Other Available Moneys/other</td>
<td>$529.9</td>
<td>$6,759.4</td>
<td>-0.5%</td>
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<tr>
<td>sources of funds</td>
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<tr>
<td>Net Debt Service Coverage</td>
<td>1.67</td>
<td>1.37</td>
<td>17.3%</td>
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</table>
Year-to-date Total Signatory Revenues for the month ending August 31, 2017 are above Budgeted revenues by 3.1%. Signatory revenue estimates are based on projections submitted by Signatory airlines and adopted in the annual budget.

Year-to-date Total Concession Revenues are -0.4% below budget while Passenger Facility Charges are above the budget estimate by 2.5%.

Year-to-date Total Other Revenues, inclusive of non-signatory and non-airlines revenues, are above the budget estimate by 25.7%.

Year-to-date Total Operating Revenues actual of $71.3M is 7.0% above the budget estimate of $66.7M.

Year-to-date Total Operating Expenses are below budget by -1.6%. Components of this line item include a -0.7% decrease in Personnel Service, a 2.0% increase in Contractual Services, a -46.6% decrease in Materials & Supplies and a -11.1% decrease in Equipment/Furnishings from budgeted amounts for these respective categories.

The actual year-to-date Net Revenues from Operations of $30.8M represents a 21.0% increase over the year-to-date budgeted amount of $25.5M.

Finally, our year-to-date results for Debt Service Coverage is at 1.59 versus the requirement of 1.25.

Should you have any questions, please contact me at your convenience.

Attachments

Cc: Board of Directors  
    Executive Manager  
    Deputy Executive Manager  
    Airport Services Manager  
    Airport Terminal Manager
### GUAM INTERNATIONAL AIRPORT AUTHORITY

**KEY OPERATING RESULTS ($000’s)**

as of August 31, 2017

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<tbody>
<tr>
<td><strong>I. Signatory Airline Rents &amp; Fees</strong></td>
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<td>Terminal Bldg Rentals</td>
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<td>3,326.7</td>
<td>2,823.7</td>
<td>3,049.4</td>
<td>12.7%</td>
<td>3,714.1</td>
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<td>Departure Fees</td>
<td>599.8</td>
<td>682.6</td>
<td>661.2</td>
<td>-3.1%</td>
<td>7,107.2</td>
<td>5,851.6</td>
<td>6,510.6</td>
<td>1.4%</td>
<td>7,199.8</td>
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<tr>
<td>Arrival Fees</td>
<td>634.2</td>
<td>686.5</td>
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<td>7,056.5</td>
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<td>7,154.4</td>
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<tr>
<td>Immigration Inspection Fees</td>
<td>244.3</td>
<td>237.1</td>
<td>233.0</td>
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<td>2,439.6</td>
<td>2,382.2</td>
<td>2,234.4</td>
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<td>2,534.8</td>
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<tr>
<td>Loading Bridge Use Fees</td>
<td>596.2</td>
<td>535.3</td>
<td>520.5</td>
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<td>5,848.8</td>
<td>6,190.4</td>
<td>5,355.9</td>
<td>5,500.5</td>
<td>2.7%</td>
<td>5,993.4</td>
<td>2.5%</td>
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<td>Apron Use Fees</td>
<td>85.0</td>
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<td>126.7</td>
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<td>1,355.9</td>
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<td>1,481.4</td>
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<td>Landing Fees</td>
<td>213.7</td>
<td>267.3</td>
<td>248.4</td>
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<td>2,912.7</td>
<td>2,121.6</td>
<td>2,666.4</td>
<td>2,705.4</td>
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<td>2,951.7</td>
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<tr>
<td><strong>Total Signatory Revenue</strong></td>
<td>2,635.7</td>
<td>2,822.2</td>
<td>2,758.1</td>
<td>-2.3%</td>
<td>30,175.8</td>
<td>26,346.3</td>
<td>27,637.3</td>
<td>28,491.2</td>
<td>3.1%</td>
<td>31,029.7</td>
<td>2.8%</td>
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<tr>
<td>Enplaned Signatory Pax</td>
<td>166,085</td>
<td>175,216</td>
<td>169,547</td>
<td>-3.2%</td>
<td>1,824,395</td>
<td>1,620,351</td>
<td>1,671,248</td>
<td>1,693,068</td>
<td>1.3%</td>
<td>1,846,215</td>
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<td><strong>Cost per Enplaned Pax</strong></td>
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<td>$16.11</td>
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<td>$16.54</td>
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<td><strong>Revenues from Sources other than Signatory Airlines Rents &amp; Fees</strong></td>
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<td>Concession Revenues</td>
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<td>Gen Mdse</td>
<td>1,268.7</td>
<td>1,267.8</td>
<td>1,316.5</td>
<td>3.8%</td>
<td>15,214.0</td>
<td>13,950.9</td>
<td>13,946.2</td>
<td>13,995.9</td>
<td>0.4%</td>
<td>15,263.8</td>
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<td>In-flight Catering</td>
<td>84.5</td>
<td>102.5</td>
<td>77.2</td>
<td>-24.7%</td>
<td>1,031.3</td>
<td>819.4</td>
<td>946.4</td>
<td>803.8</td>
<td>-15.1%</td>
<td>888.7</td>
<td>-13.8%</td>
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<tr>
<td>Food &amp; Beverage</td>
<td>102.3</td>
<td>116.4</td>
<td>97.6</td>
<td>-16.2%</td>
<td>1,190.8</td>
<td>986.7</td>
<td>1,090.7</td>
<td>994.0</td>
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<td>1,094.0</td>
<td>-8.1%</td>
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<tr>
<td>Rental Cars</td>
<td>133.0</td>
<td>125.9</td>
<td>146.5</td>
<td>16.3%</td>
<td>1,343.2</td>
<td>1,166.3</td>
<td>1,225.6</td>
<td>1,374.4</td>
<td>12.1%</td>
<td>1,492.0</td>
<td>11.1%</td>
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<tr>
<td>Other Concession Rev</td>
<td>66.1</td>
<td>69.5</td>
<td>72.2</td>
<td>3.9%</td>
<td>833.5</td>
<td>682.9</td>
<td>764.0</td>
<td>737.9</td>
<td>-3.4%</td>
<td>807.4</td>
<td>-3.1%</td>
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<tr>
<td><strong>Total Concession Revenues</strong></td>
<td>1,654.6</td>
<td>1,682.1</td>
<td>1,709.9</td>
<td>1.6%</td>
<td>19,612.7</td>
<td>17,606.1</td>
<td>17,972.9</td>
<td>17,906.0</td>
<td>-0.4%</td>
<td>19,545.9</td>
<td>-0.3%</td>
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<tr>
<td>Passenger Facility Charges</td>
<td>712.9</td>
<td>687.7</td>
<td>694.2</td>
<td>0.9%</td>
<td>7,160.1</td>
<td>6,462.8</td>
<td>6,559.1</td>
<td>6,720.2</td>
<td>2.5%</td>
<td>7,321.2</td>
<td>2.2%</td>
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<tr>
<td>Other Revenue</td>
<td>1,685.0</td>
<td>1,387.6</td>
<td>1,595.5</td>
<td>15.0%</td>
<td>15,801.1</td>
<td>15,961.2</td>
<td>14,486.8</td>
<td>18,214.0</td>
<td>25.7%</td>
<td>19,528.3</td>
<td>23.6%</td>
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<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>6,688.2</td>
<td>6,579.6</td>
<td>6,757.6</td>
<td>2.7%</td>
<td>72,749.7</td>
<td>66,376.5</td>
<td>66,656.0</td>
<td>71,331.4</td>
<td>7.0%</td>
<td>77,425.1</td>
<td>6.4%</td>
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<td><strong>Operating Expenses:</strong></td>
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<tr>
<td>Personnel Services</td>
<td>1,676.0</td>
<td>1,528.6</td>
<td>1,488.2</td>
<td>-2.6%</td>
<td>19,872.1</td>
<td>18,356.1</td>
<td>18,343.5</td>
<td>18,207.7</td>
<td>-0.7%</td>
<td>19,736.3</td>
<td>-0.7%</td>
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<tr>
<td>Contractual Services</td>
<td>1,816.7</td>
<td>1,699.8</td>
<td>2,079.4</td>
<td>22.3%</td>
<td>22,315.0</td>
<td>17,657.1</td>
<td>20,679.8</td>
<td>21,100.7</td>
<td>2.0%</td>
<td>22,735.9</td>
<td>1.9%</td>
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<tr>
<td>Materials &amp; Supplies</td>
<td>76.1</td>
<td>129.3</td>
<td>147.2</td>
<td>13.9%</td>
<td>2,121.0</td>
<td>1,113.9</td>
<td>2,015.7</td>
<td>1,076.4</td>
<td>-46.6%</td>
<td>1,181.7</td>
<td>-44.3%</td>
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<tr>
<td>Equipment/Furnishings</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>121.0</td>
<td>121.0</td>
<td>121.0</td>
<td>107.6</td>
<td>-11.1%</td>
<td>107.6</td>
<td>-11.1%</td>
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<td><strong>Total Operating Expenses</strong></td>
<td>3,568.9</td>
<td>3,357.7</td>
<td>3,714.8</td>
<td>10.6%</td>
<td>44,429.0</td>
<td>37,127.1</td>
<td>41,160.0</td>
<td>40,492.4</td>
<td>-1.6%</td>
<td>43,761.5</td>
<td>-1.5%</td>
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<tr>
<td><strong>Net income from Operations</strong></td>
<td>3,119.3</td>
<td>3,221.9</td>
<td>3,042.8</td>
<td>-5.6%</td>
<td>28,320.7</td>
<td>29,249.4</td>
<td>25,496.1</td>
<td>30,838.9</td>
<td>21.0%</td>
<td>33,663.6</td>
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</table>
### III. Other Revenues and Expenses

| Less: Non Operating Expense(Ret/DOI/OHS) | FY2016 | 40.6 | 0.0 | 42.8 | 0.0% | 675.0 | 617.7 | 675.0 | 658.7 | -2.4% | 658.7 | -2.4% |
| Add: Interest on Investments            | 50.9   | 44.0 | 0.0 | -100.0% | 528.0 | 638.8 | 484.0 | 623.1 | 28.7% | 667.1 | 26.3% |

#### Net Revenues

| FY2017 | 3,129.6 | 3,265.9 | 3,000.0 | -8.1% | 28,173.7 | 29,270.4 | 25,305.1 | 30,803.4 | 21.7% | 33,672.1 | 19.5% |

| Add: Other Sources of Funds             | 33.2   | 33.3 | 0.0 | -100.0% | 400.0 | 348.4 | 366.7 | 333.7 | -9.0% | 367.1 | -8.2% |

| Add: Other Available Moneys             | 530.0   | 529.9 | 529.9 | 0.0% | 6,359.4 | 5,830.5 | 5,829.4 | 5,829.4 | 0.0% | 6,359.4 | 0.0% |

#### Net Revenues and Other Available Moneys

| FY2017 | 3,692.9 | 3,829.2 | 3,530.0 | -7.8% | 34,933.1 | 36,449.3 | 31,501.2 | 36,966.6 | 17.3% | 40,398.5 | 15.6% |

#### Debt Service payments

| FY2017 | 2,120.2 | 2,119.8 | 2,119.8 | 0.0% | 25,437.5 | 23,321.8 | 23,317.7 | 23,317.7 | 0.0% | 25,437.5 | 0.0% |

#### Debt Service Coverage

| FY2017 | 1.74 | 1.81 | 1.67 | -7.8% | 1.37 | 1.52 | 1.35 | 1.59 | 17.3% | 1.59 | 15.6% |

#### Debt Service Requirement

<p>| FY2017 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |</p>
<table>
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<tr>
<th>Enplanements</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>Total</th>
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<tbody>
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<td>FY 2017 Actual Enplanments</td>
<td>112,043</td>
<td>117,861</td>
<td>115,206</td>
<td>137,595</td>
<td>131,263</td>
<td>128,645</td>
<td>90,184</td>
<td>99,827</td>
<td>100,434</td>
<td>119,730</td>
<td>140,999</td>
<td>123,086</td>
<td>1,846,284</td>
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<tr>
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<td>121,031</td>
<td>143,545</td>
<td>137,851</td>
<td>149,600</td>
<td>113,893</td>
<td>107,914</td>
<td>122,061</td>
<td>141,014</td>
<td>165,376</td>
<td>135,017</td>
<td>1,846,284</td>
</tr>
<tr>
<td>FY 2017 Actual Enplanments</td>
<td>131,910</td>
<td>135,518</td>
<td>138,186</td>
<td>150,971</td>
<td>148,524</td>
<td>164,380</td>
<td>124,701</td>
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<tr>
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<td>11.03%</td>
<td>4.39%</td>
<td>6.61%</td>
<td>1.73%</td>
<td>-6.08%</td>
<td>1.74%</td>
<td>16.12%</td>
<td>6.50%</td>
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<td>2,703</td>
<td>20,379</td>
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<th>Cost Per Enplanement FY2017 Actual versus Projected</th>
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RECOMMENDATION OF COUNSEL

TO: Board of Directors
   ANTÓNIO B. WON PAT INTERNATIONAL
   AIRPORT AUTHORITY, GUAM

CC: Mr. Charles H. Ada II
    Executive Manager
    ANTÓNIO B. WON PAT INTERNATIONAL
    AIRPORT AUTHORITY, GUAM

FROM: Janalynn Cruz Damian
      CALVO FISHER & JACOB LLP

DATE: August 21, 2017

SUBJECT: Executive Session

Pursuant to 5 GCA § 8111(c)(1), I hereby recommend that the Board of Directors of
GIAA conduct an Executive Session at the next regularly scheduled Board meeting to discuss
pending or threatened litigation to which GIAA is or may be a party.