MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Thursday, August 30, 2018, 3:00 p.m.
GIAA TERMINAL CONFERENCE ROOM #3

1. CALL TO ORDER AND ATTENDANCE

The August 30, 2018 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 3:07 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:
Ricardo C. Duenas
Katherine C. Sgro
Gurvinder "Bic" Sobti
Martin J. Gerber
Lucy M. Alcorn
Rosalinda A. Tolan
Deedee S. Camacho

Offices or positions:
Chairman
Vice Chairperson
Board Secretary

Directors Absent:

GIAA Officials:
Pedro R. Martinez
John A. Rios
Jean M. Arriola
Robert D. Camacho
Raymond Santos
Edward Muna
Victor Cruz
Rolenda Faasumalie
Janalynn C. Damian, Esq.
Frank R. Santos
Deputy Executive Manager
Comptroller
Airport Services Manager
Chief, Airport Police
Assistant Chief, ARFF
Superintendent of Operations
Engineering Supervisor
Airport Marketing Administrator
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

Motion to approve the agenda as presented duly made by Vice Chairperson Sgro, seconded by Director Alcorn; motion unanimously passed.
3. APPROVAL OF MINUTES

A. July 26, 2018 Regular Meeting

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

Resolution No. 18-41

The Board hereby approves the minutes of the July 26, 2018 regular meeting, subject to corrections.

4. CORRESPONDENCE

Deputy Executive Manager Martinez had no Correspondence to report.

5. OLD BUSINESS

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

Mr. Frank Santos, Consultant, provided brief highlights on Capital Improvement Projects for FY2018.

- International Arrivals Corridor with Building Seismic Upgrades: This project will be listed under FY2019 Capital Improvement Program and will be listed at $21.6M. GIAA will be using a supplemental appropriation from Congress of $1M, along with requesting for an additional $15M on top of the usual $5M.
- Noise Mitigation Program 65 DNL & Higher: Noise measurements underway. Bid documents to be prepared in September for sound proofing of those homes that are eligible. Number of homes is not available at this time, and noise measurements are being computed.
- Wildlife Management Assessment and Safety Management System are to be removed from the schedule as they are both complete.
- ARFF Facility – Phase 2 Construction – There’s a new grant to fund the project in full.
- Apron Rehabilitation - Design: $5.5M under the AIP program for FY2019.
- Rehabilitation of Runway 6L – Have $1.25M for phased construction. A Notice to Proceed will be issued by early September for the design.

Vice Chair Sgro inquired on the parking expansion. Mr. Santos replied that the parking expansion is on hold at the moment. All monies remaining will take care of the relocation of the accounting offices and the demolition of the car rental building. Funds were reprogrammed to take care of the 3rd floor project. Brief discussion followed regarding smaller projects on the schedule. Discussion followed on a few other matters.
6. NEW BUSINESS

A. Approval of FAA Grant Agreement AIP No. 3-66-0001-104-2018 – Modify Terminal Building Sterile Arrivals Corridors - Construction

The first matter discussed was the FAA Grant Agreement for the following: Modify Terminal Building Sterile Arrivals Corridors – Construction project in the amount of $4,474,299.00.

There was discussion on the Airport’s share of $274,923 for the project, which will be from existing funds in the Capital Improvement Fund.

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

**Resolution No. 18-42**
The Board hereby approves the acceptance of the FAA Grant Agreement AIP No. 3-66-0001-104-2018 – Modify Terminal Building Sterile Arrivals Corridors – Construction in the amount of $4,474,299.00, including the conditions associated with the grant agreement, and the appropriation of $274,923 as the Airport’s share from the Capital Improvement Fund.

B. Approval of FAA Grant Agreement AIP No. 3-66-0001-105-2018 – Construct ARFF Building – Construction

The second matter discussed was the FAA Grant Agreement for the following: Construct ARFF Building – Construction project in the amount of $16,043,259.00.

There was discussion on the Airport’s share of $1,782,585 for the project, which will be from existing funds in the Capital Improvement Fund.

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

**Resolution No. 18-43**
The Board hereby approves the acceptance of the FAA Grant Agreement AIP No. 3-66-0001-105-2018 – Construct ARFF Building - Construction in the amount of $16,043,259.00, including
the conditions associated with the grant agreement, and the appropriation of $1,782,585 as the Airport’s share from the Capital Improvement Fund.

C. Approval of GIAA Operating Budget Fiscal Year 2019

The fiscal year 2019 operating budget was presented by Mr. John Rios, Comptroller. In summary, Signatory Airline cost per enplanements (CP) was increased to $17.84, from current CP of $16.87. Operations and Maintenance expenses are projected to increase in FY19 by $1.5M when compared to the FY18 budget. Total Airport Revenues including PFC is projected to increase by $2.7 M in FY19. Mr. Rios noted that he met with airlines in mid-July with the initial draft of proposed rates and fees. Once the Board approves the proposed rates and sees, they will be presented to the airlines.

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

Resolution No. 18-44
The Board hereby approves the Operating Budget for fiscal year 2019 as presented, subject to adjustments.

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 Deputy Executive Manager Martinez.

8. REPORT OF THE COMPTROLLER

Mr. John Rios reported on the revenues and expenses of the Authority as of July 31, 2018. Mr. Rios reported that year-to-date Total Signatory Revenues are below budgeted revenues by -8.1%, year-to-date Total Concession Revenues and Passenger Facility Charges are below budget by -2.1% and -13.9%, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by 25.5%. Year-to-date Total Operating Revenues Actual of $63.5M is -0.2% above the budget estimate of $63.6M. Year-to-date Total Operating Expenses are below budget by -1.3%. Components of this line item include a -0.1% increase in Personnel Service, a 4.7% increase in Contractual Services, a -69.3% decrease in Materials & Supplies and a 45.8% increase in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date Net Revenues from Operations of $23.5M reflects an increase of 1.7% over the year-to-date budgeted amount of $23.2M. Mr. Rios reported that the year-to-date Debt Service Coverage is at 1.39 versus the requirement of 1.25.
9. EXECUTIVE SESSION

The next item on the agenda was Executive Session.

Upon written recommendation of counsel, on motion duly made by Director Sobti, seconded by Director Alcorn, and unanimously approved, the Board recessed to convene into Executive Session at 3:57 p.m.

The Board convened into Executive Session at 4:10 p.m. to discuss pending or threatened litigation to which GIAA is or may be a party. Attending Executive Session were Directors Duenas, Sgro, Sobti, Gerber, and Alcorn, Deputy Executive Manager Martinez, and Legal Counsel, Janalynn C. Damian, Eduardo Calvo, Kathleen Fisher and Genevieve Rapadas. Also present was the court reporter who will prepare a transcript of the Executive session.

On motion duly made by Director Alcorn, seconded by Director Sobti, Executive Session adjourned at 5:03 p.m., at which time the Board reconvened the regular session.

Legal Counsel announced for the record that Director Tolan and Director Camacho did not participate in Executive Session due to conflicts of interest and were both excused from the Board meeting at 4:00 p.m.

As a result of discussion during Executive Session, Chairman Duenas announced that there was a number of matters for Board approval, and presented the matter to the Board.

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

Resolution No. 18-45

The Board hereby approves the rejection of the DFS counter offer with regard to the DFS arbitration matter and to proceed with the hearing.

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

Resolution No. 18-46

The Board hereby authorizes Legal Counsel to represent current and former GIAA employees and Board members in the DFS vs. Lotte case.

10. PUBLIC COMMENTS

There were no Public Comments.
11. ADJOURNMENT

Motion to adjourn duly made by Director Alcorn, seconded by Director Sobti; motion unanimously passed. The meeting was adjourned at 5:06 p.m.
Dated this 25th, day of September, 2018.

Ricardo C. Duenas
Chairman

Attest:

Gurvinder Sobti
Secretary

Prepared and Submitted By:

Amanda O'Brien-Rios
Corresponding Secretary
BOARD OF DIRECTORS REGULAR MEETING
3:00 p.m., Thursday, August 30, 2018
GIAA TERMINAL CONFERENCE ROOM #3

Public Notice
First Notice:
Guam Daily Post—August 23, 2018
Notice to Media – August 23, 2018

Second Notice:
Guam Daily Post—August 28, 2018
Notice to Media –August 28, 2018

AGENDA

1. Call to Order and Attendance
2. Approval of Agenda
3. Approval of Minutes
   A. July 26, 2018 Regular Meeting
4. Correspondence
5. Old Business
   A. Status Updates of Capital Improvement Projects
6. New Business
   A. Approval of FAA Grant Agreement AIP No. 3-66-0001-104-2018 - Modify Terminal Building Sterile Arrivals Corridors - Construction
   B. Approval of FAA Grant Agreement AIP No. 3-66-0001-105-2018 - Construct ARFF Building - Construction
   C. Approval of GIAA Operating Budget Fiscal Year 2019
7. Report of Executive Manager
9. Executive Session
10. Public Comments
11. Adjournment
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The A.B. Won Pat Guam International Airport Authority has been awarded a $15.9 million grant from the Federal Aviation Administration.

The funds will allow the airport to build a new aircraft rescue and firefighting building to improve safety and rescue capabilities at the airport.

Last year, the airport received two other grants totaling $8.5 million to fund the building project's design.

Groundbreaking on the project is slated for later this year.

Guam Del. Madeleine Bordallo announced the grant award, saying the much-needed federal funding will improve airport safety. She congratulated airport officials for their work in obtaining the federal funding.

Bordallo is quoted in a release as saying, “This much-needed federal funding supports the capital improvement projects underway at our airport to better serve Guam residents and visitors alike and keep us all safe.”

Guam’s international airport serves about 3.6 million travelers each year.

The A.B. Won Pat Guam International Airport Authority terminal is shown. Guam’s only airport for civilians has been awarded a $15.9 million grant from the Federal Aviation Administration. Post file photo

2 US airlines cut China routes

DENVER/SHANGHAI (Reuters) - Two U.S. airlines on Tuesday cut routes between China and the United States, underscoring the tough competition from state-backed Chinese rivals as they aggressively expand their fleets with cut-price tickets.

American Airlines, the largest U.S. carrier by passengers, said it would drop a route between Chicago and Shanghai, canceling the second direct flight from the U.S. city to China in four months. It had canceled a flight to Beijing in May, although it still operates daily flights to the capital from Los Angeles and Dallas-Fort Worth, Texas.

"The two China routes ... have been colossal loss makers for us," said Vasu Raja, vice president of network and schedule planning, adding that high fuel costs also made the route unsustainable.

Hawaiian Airlines said it would from October suspend its thrice-weekly nonstop service between Honolulu and Beijing, which it opened in 2014, citing slower-than-expected growth in demand.

Competition from Chinese airlines is expected to grow with the anticipated easing of China's near-decade-old "one route, one airline" policy, which would allow more local airlines to fly long-haul international routes.

"U.S. airlines are at a severe disadvantage," said Mike Boyd, president of aviation forecaster Boyd Group. "The majority of demand is China-generated, and that gives Chinese carriers the advantage."

Chinese passengers arriving at U.S. airports are expected to nearly triple to 12.8 million in 2024 from 4.3 million this year, and the profile is shifting from groups to independent travelers, according to Boyd.

United Airlines President Scott Kirby said Shanghai and Beijing had rebounded for the airline after several years of weakness, although revenue per available seat mile was below levels of two or three years ago.

"We've had several years of weakness as there was an awful lot of capacity growth out of Beijing and Shanghai," Kirby said on the sidelines of the International Aviation Forecast Summit in Denver.

American and Hawaiian said the route cancellations were unrelated to demands placed by China's civil aviation regulator on foreign airlines to amend the way they referred to Hong Kong, Macau and Taiwan on their websites.

Chinese state media had earlier this month singled out the two companies and other U.S. airlines as being among the last firms to comply with China's demands.

Construction boot camp marks completion

Guam Community College and island construction employers will celebrate the completion by 33 participants of GCC’s Future Builders of Guam Construction Boot Camp at 9 a.m. Aug. 28 in the GCC Learning Resource Center.

GCC offered the free construction boot camp this summer in order to address the critical shortage of construction workers on the island. The camp ran from July 2 through Aug. 10, and is now helping program participants with jobs in the construction industry.

Several employers are planning to hire the boot camp participants, two of whom have scored platinum, which is the highest possible, on the National Career Readiness Certificate exam. The participants also will take the National Occupational Competency Testing Institute certification exam next month.

The free boot camp consisted of a six-week training cycle that ran from 8 a.m. to 4 p.m. on the GCC campus, focusing on the construction fields of carpentry, welding, electrical, masonry and plumbing. It provided participants with the opportunity to earn nationally recognized certifications in those five fields.

"We are very proud of these completers, because they took an opportunity to get into the construction industry and succeeded. They now have skills with which they can make a sustainable living as proud members of a very viable industry on island," GCC President Mary Okada said.

The camp was initially open for 20 participants, but the response was so overwhelming that GCC opened a second cohort, bringing the initial boot camp participation up to 40 participants. Another free construction boot camp is planned for summer 2019.

(Daily Post Staff)
Aguon achieves milestone for women in Guam Guard

By Lannie Walker
lannie@postguam.com

Second Lt. Estella Blas Aguon, of the Guam Army National Guard 1st-294th Infantry Regiment Delta Company, became the island’s first female Guard member to complete the Ranger Training Assessment Course at the U.S. Army Warrior Training Center at Fort Benning, Georgia. Aguon joined the Guard in 2015 as a combat medic and became a second lieutenant in 2007. The training takes 16 days and is divided into two phases. The first is an assessment phase, which includes a physical fitness test that must be passed in order to proceed to the next phase. During the second phase, students are evaluated on their ability to lead squad-sized patrols. Once completed, students will be recommended for attendance at the ranger course.

Aguon said she learned a lot during the course.

‘A true testament of will and desire’

“It doesn’t matter if you are male or female, it’s a great course, … A true testament of will and desire. You test your mind and body – thinking under stress, making a decision that will affect you and others, and learning to operate with little to no sleep. The great thing is that we all endured the same pain together. This allowed us to come together and work as a team. It was the only way to accomplish the mission,” Aguon said.

Aguon believes completing RTAC will help her as a leader.

“I know more about myself, and I know more about being a leader and leading soldiers,” she said. Defense Secretary Ashton Carter opened all combat jobs to women in January 2016. Aguon said that as the only female in her company, her “brothers-in-arms” pushed her to be better and pull her own weight, which earned her more respect.

“At the end of the journey, I completed the course and earned my blue cord,” Aguon said proudly.

Guam officials mourn McCain's passing

By Lannie Walker
lannie@postguam.com

Guam-based officials are joining the nation in honoring U.S. Republican Sen. John McCain, who died recently after having suffered from a form of brain cancer.

McCain leaves behind his wife of 38 years, Cindy McCain, and seven children and five grandchildren.

Gov. Eddie Calvo and Lt. Gov. Ray Tenorio called on the community to join them in praying for the U.S. senator’s family.

“We are deeply saddened to hear of Sen. McCain’s passing. He was a United States senator, a war hero and a man who stood up for his beliefs — working with others across political lines to find solutions. First lady Christine and I extend our heartfelt sympathies to his wife, Cindy, and the McCain family,” Calvo said.

Rear Adm. Shoshana Chatfield, commander of Joint Region Marianas, described McCain as “an inspirational sailor and a great patriot.”

“He set a bold example for us of the importance of service to the nation and by his actions during those dark times as a prisoner of war in Vietnam, he demonstrated the importance of loyalty to shipmates, refusing to leave others who arrived before him,” Chatfield stated. “Sen. McCain loved the Navy and we are proud to be the guardians of his legacy.”

McCain was a longtime Republican, though he was one of President Donald Trump’s vocal critics and dashed the party’s plans to dismantle the Affordable Care Act with a “No” vote in the U.S. Senate in July.

“A friend of Guam”


“Sen. John McCain was a friend of Guam, a true American hero who spent his life serving our country with distinction, courage and integrity.”

“Sen. McCain supported many initiatives that were beneficial to the people of Guam, especially those of our citizens that served in the armed forces,” Cristosoto added. “He will most certainly be missed as a guiding force for our government and our nation.”

Del. Madeleine Bordallo said McCain was a true patriot and statesman who dedicated his life to public service.

“Though Sen. McCain and I did not always agree on issues related to Guam, his leadership was inspiring, and he was truly a man of integrity,” Bordallo added.

Man facing federal drug charges given time for rehab

By Lannie Walker
lannie@postguam.com

Federal public defender Lelani Lujan told Judge Joaquín Manibusan that her client Jesse Pangdelan, who is facing drug charges in the District Court of Guam, had completed 30 days in the Lighthouse Recovery Center.

During a status hearing on Monday, Lujan asked to continue the hearing for 60 days. She said her client plans to enroll in the D.O.R.E., or drug offender re-entry, program. United States Assistant Attorney Fred Black supported Lujan’s request. He said while the defendant is facing three to nine months of jail time, he said he is not eager to put the defendant in jail.

Black called the completion of the 30 days a “huge step forward” and said he hopes the defendant is able to complete the D.O.R.E. program and come out with the ability to stay away from drugs.

Manibusan addressed the defendant and told him he hopes he can do his best and that his treatment “leads to good things.”

The status hearing was continued to Oct. 31.
1. CALL TO ORDER AND ATTENDANCE

The July 26, 2018 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 3:05 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:  
Ricardo C. Duenas  
Katherine C. Sgro  
Gurvinder "Bic" Sobti  
Martin J. Gerber  
Lucy M. Alcorn  
Rosalinda A. Tolan

Directors Absent:  
Deedee S. Camacho (Excused)

GIAA Officials:  
Pedro R. Martinez  
Jean M. Arriola  
Antonio Taitingfong  
Edward Muna  
Victor Cruz  
Antoinette Bautista  
Joseph Javellana  
Henry Cruz  
Elfrieda Koshiba  
Janalynn C. Damian, Esq.  
Thomas J. Fisher, Esq.  
Frank R. Santos

Offices or positions:  
Chairman  
Board Secretary  
Deputy Executive Manager  
Airport Services Manager  
Assistant Chief, Airport Police  
Superintendent of Operations  
Engineering Supervisor  
General Accounting Supervisor  
Program Coordinator IV  
Management Analyst I  
Program Coordinator IV  
GIAA Legal Counsel  
GIAA Conflicts 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

Motion to approve the agenda as presented duly made by Director Tolan, seconded by Director Sobti; motion unanimously passed.

3. APPROVAL OF MINUTES

A. June 28, 2018 Regular Meeting

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

Resolution No. 18-36
The Board hereby approves the minutes of the June 28, 2018 regular meeting, subject to corrections.

4. CORRESPONDENCE

Deputy Executive Manager Martinez had no Correspondence to report.

5. OLD BUSINESS

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

Mr. Frank Santos, Consultant, provided brief highlights on Capital Improvement Projects for FY2018.

- International Arrivals Corridor with Building Seismic Upgrades: In regard to construction work on the specialty retail areas, the contractor has completed work on the Gucci boutique, and on August 1, 2018 will begin construction on the watches boutique. The watches boutique shutting down in August for a 3-4 week period will allow for a four (4) month construction period of the bridge between the two (2) buildings, instead of six (6). Heritage closure for bridge work delayed until the end of the year because of structural steel issues. Closure would have been six (6) months, but reduced two (2) months because addressing related issues in watches boutique now.

- ARFF Facility-Design/Construction Phase 1: Demolition of all vertical buildings is complete, the entire Hangar is down. Once all cleaned up, Phase II may begin.

6. NEW BUSINESS

A. Approval of Award for GIAA Aircraft Rescue Fire Fighting (ARFF) Facility Phase II-Construction - IFB No. GIAA-C03-FY18
Deputy Executive Manager Martinez provided background information to the Board on the referenced IFB. Forty-six (46) firms/individuals purchased bid packages and two (2) firms submitted a bid before the submission deadline. The two (2) firms were evaluated and determined to be acceptable. As required by the Guam Procurement Regulations, the bid was publicly opened and read aloud in the presence of the bidder. The bid price submittals are as follows:

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<tr>
<th>Bidder/Firm's Name</th>
<th>Amount:</th>
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<tbody>
<tr>
<td>BME &amp; Sons Inc.</td>
<td>$18,113,152.00</td>
</tr>
<tr>
<td>ORION Construction Corporation, Guam</td>
<td>$11,524,133.12</td>
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Deputy Executive Manager Martinez informed the Board that the lowest total bid amount received was from ORION at $11,524,133.12, 51% below the government estimate of $23,596,380.00. Because ORION's bid offer was so low as to appear unreasonable, the GIAA procurement office sought confirmation of the bid amount from ORION.

On July 13, 2018 GIAA sent a letter to ORION officially requesting that they confirm their total bid price amount. On July 13, 2018, ORION responded stating that after reviewing that the various pricing elements of the bid submitted that they were unable to confirm that number as they have discovered that the bid contains clerical errors and omissions. This involves an increase in the original bid price, but still leaves ORION as the lowest bidder. The firm provided an outline of the errors and omissions in the bid. ORION further requested to modify its bid to $13,647,673.10 after bid opening.

Pursuant to law and regulation, ORION may not correct its bid and it has indicated it will not perform at their original offered amount. Accordingly, the GIAA procurement office should reject ORION's bid, and deemed the firm non-responsive.

Therefore, the lowest responsive total bid amount received was $18,113,152.00, 23% below the government estimate. Funding for this project is available under an AIP Grant. Management recommends the contract award of $18,113,152.00 to BME & Sons Inc., who has been determined to have met the standards of responsibility and responsiveness outlined in Guam Procurement Regulation.

Vice Chairperson Sgro inquired if legal counsel had reviewed the entire procurement process to ensure that the Airport has followed the procurement guidelines. Legal Counsel, Ms. Janalynn C. Damian informed the Board that Calvo Fisher & Jacob (CFJ) is recused from further working on this IFB due to a conflict of interest, and directed the Board to Mr. Thomas Fisher, GIAA Conflicts Counsel. Mr. Fisher informed the Board that the bid had been reviewed by CFJ up until the firm had realized the conflict of interest, who then referred the bid to Fisher & Associates. He added that Fisher & Associates have reviewed the bid from that point on.
Chairman Duenas clarified for the record that based on the review by the procurement office and conflicts counsel it was determined that ORION was non-responsive based on the material omissions made in their initial bid and procurement law does not allow for material changes to the bid after the bid opening, therefore ORION is considered non-responsive and not responsible. Brief discussion followed.

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

**Resolution No. 18-37**
The Board hereby approves the contract award for GIAA Aircraft Rescue Fire Fighting (ARFF) Facility Phase II - Construction - IFB No. GIAA-C03-FY18 to BME & Sons Inc. for a total contract amount of $18,113,152.00, subject to review by legal counsel.

**B. Ratification of Quarterly Travel**

Deputy Executive Manager Martinez presented the quarterly travel from April to June 2018 for ratification by the Board.

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

**Resolution No. 18-38**
The Board hereby ratifies the FY2018 3rd quarter travel report from April to June 2018 as presented.

At this time, Chairman Duenas announced that due to the lapse in term of the Vice Chairperson, Katherine Sgro, an election for the Vice Chair position should take place to formalize the process, and called for nominations.

Director Alcorn announced that she would like to nominate Director Sgro to the position of Vice Chairperson.

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

**Resolution No. 18-39**
The Board hereby approves the nomination of and elects Director Sgro to the position of the Vice Chairperson of the A.B. Won Pat International Airport Authority, Guam Board of Directors.

**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 Deputy Executive Manager Martinez.
8. REPORT OF THE COMPTROLLER

Ms. Antoinette Bautista reported on the revenues and expenses of the Authority as of June 30, 2018. Ms. Bautista reported that year-to-date Total Signatory Revenues are below budgeted revenues by -8.1%, year-to-date Total Concession Revenues and Passenger Facility Charges are above and below budget by -0.2% and -14.8%, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by 26.1%. Year-to-date Total Operating Revenues Actual of $57.2M is 0.4% above the budget estimate of $57.0M. Year-to-date Total Operating Expenses are below budget by -2.1%. Components of this line item include a -1.0% decrease in Personnel Service, a 4.2% increase in Contractual Services, a -70.6% decrease in Materials & Supplies and a 45.8% increase in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date Net Revenues from Operations of $21.4M reflects an increase of 4.8% over the year-to-date budgeted amount of $20.4M. Ms. Bautista reported that the year-to-date Debt Service Coverage is at 1.39 versus the requirement of 1.25.

9. EXECUTIVE SESSION

The next item on the agenda was Executive Session.

Upon written recommendation of counsel, on motion duly made by Director Tolan, seconded by Director Gerber, and unanimously approved, the Board recessed to convene into Executive Session at 3:38 p.m.

The Board convened into Executive Session at 3:50 p.m.to discuss pending or threatened litigation to which GIAA is or may be a party. Attending Executive Session were Directors Duenas, Sgro, Sobti, Gerber, and Alcorn, Deputy Executive Manager Martinez, and Legal Counsel, Janalynn C. Damian, Eduardo Calvo and Genevieve Rapadas. Also present was the court reporter who will prepare a transcript of the Executive session.

On motion duly made by Director Alcorn, seconded by Vice Chairperson Sgro, Executive Session adjourned at 4:05 p.m., at which time the Board reconvened regular session.

Chairman Duenas announced for the record that Director Tolan did not participate in Executive Session due to conflicts of interest and was excused from the Board meeting at 3:50 p.m.

As a result of discussion during Executive Session, Chairman Duenas announced that there was a matter for board approval, and presented the matter to the Board.

After further discussion, on motion duly made by Vice Chairperson Sgro, seconded by Director Sobti, the following resolution was unanimously approved:
**Resolution No. 18-39**

The Board hereby approves and ratifies the filing of the appeal of the amended judgment and motion to expedite the appeal with regard to CV0943-14 and authorizes Management and Legal Counsel to engage the Attorney General about filing an amicus brief or taking any other action in support of GIAA's position.

10. **PUBLIC COMMENTS**

There were no Public Comments.

11. **ADJOURNMENT**

Motion to adjourn duly made by Director Alcorn, seconded by Director Sgro; motion unanimously passed. The meeting was adjourned at 4:07 p.m.

Dated this __________, day of __________________, 2018.

Attest:

______________________________
Ricardo C. Duenas
Chairman

______________________________
Gurvinder Sobti
Secretary

Prepared and Submitted By:

______________________________
Amanda O'Brien-Rios
Corresponding Secretary
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GRANT AGREEMENT

PART I — OFFER

Date of Offer: August 16, 2018

Airport/Planning Area: Guam International

AIP Grant Number: 3-66-0001-104-2018

DUNS Number: 855035531

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

(herewith 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 22, 2016, 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:

Modify Terminal Building Sterile Arrivals Corridors - Construction

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 one hundred (100) percent on the first $2,000,000 and ninety (90) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.

March, 2014
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 $4,474,299.

   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
   - $4,474,299 for airport development or noise program implementation; and,
   - $0 for land acquisition.

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. Per 2 CFR § 200.308, the Sponsor agrees to report to the FAA any disengagement from performing the project that exceeds three months. The report must include a reason for the project stoppage. 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 10, 2018, or such subsequent date as may be prescribed in writing by the FAA.

March, 2014
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.

March, 2014
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/. 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.

March, 2014
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 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)
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 _______ day of __________, __________.

A. B. Won Pat Guam International Airport Authority

(Name of Sponsor)

(SEAL)

(Signature of Sponsor’s Designated Official Representative)

By:

(Typed Name of Sponsor’s Designated Official Representative)

Title:

(Typed Title of Sponsor’s Designated Official Representative)

CERTIFICATE OF SPONSOR’S ATTORNEY

I, _________________________________, 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 ______________________ (location) this __________ day of __________, __________.

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.

March, 2014
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:
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))

. Title VII 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

d. 14 CFR Part 13 - Investigative and Enforcement Procedures


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


1. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.


1. 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 Disadvantaged Business Enterprise in Airport Concessions.

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

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.
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 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.

9. **Public Hearings.**

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.

11. **Pavement Preventive Maintenance.**

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.

14. **Minimum Wage Rates.**

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.

15. **Veteran’s Preference.**

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.

16. **Conformity to Plans and Specifications.**

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.

18. **Planning Projects.**

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.

19. **Operation and Maintenance.**

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
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
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.


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: 2/20/2018

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: 2/20/2018

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GRANT AGREEMENT

PART I – OFFER

Date of Offer: August 29, 2018

Airport/Planning Area: A.B. Won Pat Guam International

AIP Grant Number: 3-66-0001-105-2018

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 August 3, 2018, 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 - Final Phase

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 **$16,043,259.**

   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
   - **$16,043,259** 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. Per 2 CFR § 200.308, the Sponsor agrees to report to the FAA any disengagement from performing the project that exceeds three months. The report must include a reason for the project stoppage. 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 13, 2018, 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).

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.

UNIVERSITY OF HAWAII AT MANOA

FEDERAL AVIATION ADMINISTRATION

Gordon K. Wong

Manager, Honolulu Airports District Office

(U.S. Department of Transportation stylized signature)

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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__________day of __________, __________.

A. B. Won Pat Guam International Airport Authority

(Name of Sponsor)

(SEAL)

(Signature of Sponsor’s Designated Official Representative)

By: (Typed Name of Sponsor’s Designated Official Representative)

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

Attest: ___________________________

CERTIFICATE OF SPONSOR’S ATTORNEY

I, ____________________________, 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 _________________ (location) this __________ day of ____________, __________.

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:
FEDERAL LEGISLATION

b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.1
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
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.


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.
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.

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.
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.

9. **Public Hearings.**

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.
15. **Veteran’s Preference.**

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.

16. **Conformity to Plans and Specifications.**

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.

18. **Planning Projects.**

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.

19. **Operation and Maintenance.**

   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.

20. **Hazard Removal and Mitigation.**

   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 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 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 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 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 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.


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: 2/20/2018

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/airports/resources/advisory_circulars) and [http://www.faa.gov/regulations_policies/advisory_circulars/](http://www.faa.gov/regulations_policies/advisory_circulars/)

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<td>Specification for L-841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits</td>
</tr>
<tr>
<td>150/5345-26D</td>
<td>FAA Specification For L-823 Plug and Receptacle, Cable Connectors</td>
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<td>150/5345-27E</td>
<td>Specification for Wind Cone Assemblies</td>
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<tr>
<td>150/5345-28G</td>
<td>Precision Approach Path Indicator (PAPI) Systems</td>
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<tr>
<td>150/5345-39D</td>
<td>Specification for L-853, Runway and Taxiway Retro reflective Markers</td>
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<tr>
<td>150/5345-42H</td>
<td>Specification for Airport Light Bases, Transformer Housings, Junction Boxes, and Accessories</td>
</tr>
<tr>
<td>150/5345-43H</td>
<td>Specification for Obstruction Lighting Equipment</td>
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<tr>
<td>150/5345-44K</td>
<td>Specification for Runway and Taxiway Signs</td>
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<tr>
<td>150/5345-45C</td>
<td>Low-Impact Resistant (LIR) Structures</td>
</tr>
<tr>
<td>NUMBER</td>
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</tr>
<tr>
<td>----------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>150/5345-46E</td>
<td>Specification for Runway and Taxiway Light Fixtures</td>
</tr>
<tr>
<td>150/5345-47C</td>
<td>Specification for Series to Series Isolation Transformers for Airport Lighting Systems</td>
</tr>
<tr>
<td>150/5345-49D</td>
<td>Specification L-854, Radio Control Equipment</td>
</tr>
<tr>
<td>150/5345-50B</td>
<td>Specification for Portable Runway and Taxiway Lights</td>
</tr>
<tr>
<td>150/5345-51B</td>
<td>Specification for Discharge-Type Flashing Light Equipment</td>
</tr>
<tr>
<td>150/5345-52A</td>
<td>Generic Visual Glideslope Indicators (GVGI)</td>
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<tr>
<td>150/5345-53D</td>
<td>Airport Lighting Equipment Certification Program</td>
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<tr>
<td>150/5345-54B</td>
<td>Specification for L-884, Power and Control Unit for Land and Hold Short Lighting Systems</td>
</tr>
<tr>
<td>150/5345-55A</td>
<td>Specification for L-893, Lighted Visual Aid to Indicate Temporary Runway Closure</td>
</tr>
<tr>
<td>150/5345-56B</td>
<td>Specification for L-890 Airport Lighting Control and Monitoring System (ALCMS)</td>
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<tr>
<td>150/5360-12F</td>
<td>Airport Signing and Graphics</td>
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<tr>
<td>150/5360-13</td>
<td>Planning and Design Guidelines for Airport Terminal Facilities</td>
</tr>
<tr>
<td>Change 1</td>
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<tr>
<td>150/5360-14A</td>
<td>Access to Airports By Individuals With Disabilities</td>
</tr>
<tr>
<td>150/5370-2G</td>
<td>Operational Safety on Airports During Construction</td>
</tr>
<tr>
<td>150/5370-10G</td>
<td>Standards for Specifying Construction of Airports</td>
</tr>
<tr>
<td>150/5370-11B</td>
<td>Use of Nondestructive Testing in the Evaluation of Airport Pavements</td>
</tr>
<tr>
<td>150/5370-13A</td>
<td>Off-Peak Construction of Airport Pavements Using Hot-Mix Asphalt</td>
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<tr>
<td>150/5370-15B</td>
<td>Airside Applications for Artificial Turf</td>
</tr>
<tr>
<td>150/5370-16</td>
<td>Rapid Construction of Rigid (Portland Cement Concrete) Airfield Pavements</td>
</tr>
<tr>
<td>150/5370-17</td>
<td>Airside Use of Heated Pavement Systems</td>
</tr>
<tr>
<td>150/5390-2C</td>
<td>Heliport Design</td>
</tr>
<tr>
<td>150/5395-1A</td>
<td>Seaplane Bases</td>
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### THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY

**Updated: 2/20/2018**

<table>
<thead>
<tr>
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<th>TITLE</th>
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<tbody>
<tr>
<td>150/5100-14E</td>
<td>Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects</td>
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<tr>
<td>Change 1</td>
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<tr>
<td>150/5100-17</td>
<td>Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects</td>
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<td>Changes 1 - 7</td>
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<td>150/5300-15A</td>
<td>Use of Value Engineering for Engineering Design of Airport Grant Projects</td>
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<tr>
<td>150/5320-17A</td>
<td>Airfield Pavement Surface Evaluation and Rating Manuals</td>
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<td>150/5370-12B</td>
<td>Quality Management for Federally Funded Airport Construction Projects</td>
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<tr>
<td>150/5380-6C</td>
<td>Guidelines and Procedures for Maintenance of Airport Pavements</td>
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<tr>
<td>150/5380-7B</td>
<td>Airport Pavement Management Program</td>
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<tr>
<td>150/5380-9</td>
<td>Guidelines and Procedures for Measuring Airfield Pavement Roughness</td>
</tr>
</tbody>
</table>
Continuing to ELEVATE...

Bringing Guam to a whole new level
A.B. Won Pat International Airport Authority, Guam (GIAA)

Fiscal Year 2019 Budget

Ricardo C. Duenas
Chairman

Charles H. Ada II
Executive Manager
Assumptions and Highlights

- Enplanement for FY17 came in at 1.83 million passengers while FY18 is currently tracking at 1.84 million. The projections for FY19 were received at 1.85 million passengers.

- FY 19 reflects a 46 basis point decrease in retirement contribution from 27.83% to 26.56%.

- Debt Service coverage in FY17 at 1.60 times, tracking for FY18 is 1.50 and projected for FY19 at 1.55 times.

- Operation & Maintenance expenses are projected to increase in FY19 by $1.5M when compared to the FY18 Budget. Contractual Services increase by $963k and Personnel services by $707k; Materials and Supplies decreased by $97k.

- Initiate only those capital projects federally funded or essential to the Airport primary functions. The Security Screening Checkpoint Improvements requested by the Airlines has commenced. Funding for Third Floor Corridor Moving Walkways.

- Total Airport Revenues including PFC is projected to increase by $2.7M in FY19.

- FY19 Aeronautical revenues are estimated at 41% of Total Airport Revenues and Non-Aeronautical revenues is at 48% of GIAA Total Airport Revenues.

- Contribution to Risk and Loss Management Fund at $0.

- Amortization of GIAA funded assets is excluded in FY19.
Summary - FY 2019 Budget

- Authority to continue and reassess and pursue revenue streams and promote air service development which may include new incentives and exploration of new markets.
- Initiate only those capital projects federally funded or essential to the Airport primary functions.
- BOD and Management to continue monitoring and implementing cost cutting measures without compromising airport safety and security.

An adjustment to rates & tariffs if any of the following occurs:

1) Landing Fees are projected to vary by more than 10% of projected total landing fees for the fiscal year (Section 7.11 Special Increases of Landing Fees - Signatory Airlines Agreement)

2) At any time during the fiscal year revenues are not sufficient to pay any reasonable expense or obligation of the airport (Section 7.12 Extraordinary Adjustments of Rents and Fees - Signatory Airlines Agreement)
### Fiscal Year 2019 Allocation of Revenue

- **Signatory Airline Rents & Fees**: 33,045,440
- **Revenue from Sources Other Than Signatory**: 7,316,741
- **Passenger Facility Service Charge**: 400,000
- **Federal Reimbursement Oper Expense**: 77,855,071

### Fiscal Year 2018 Act'lEst Allocation of Revenue

- **Signatory Airline Rents & Fees**: 31,585,328
- **Revenue from Sources Other Than Signatory**: 6,968,868
- **Passenger Facility Service Charge**: 248,353
- **Federal Reimbursement Oper Expense**: 39,497,073

### Budget vs. Act'lEst Comparison

<table>
<thead>
<tr>
<th>Category</th>
<th>Act'lEst 2018</th>
<th>Budget 2019</th>
<th>% Inc(Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signatory Airline Rents &amp; Fees</td>
<td>31,585,328</td>
<td>33,045,440</td>
<td>4.62%</td>
</tr>
<tr>
<td>Revenue from Sources Other Than Signatory</td>
<td>39,497,073</td>
<td>39,848,677</td>
<td>0.89%</td>
</tr>
<tr>
<td>Passenger Facility Service Charge</td>
<td>6,968,868</td>
<td>7,316,741</td>
<td>4.99%</td>
</tr>
<tr>
<td>Federal Reimbursement Oper Expense</td>
<td>248,353</td>
<td>400,000</td>
<td>61.06%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>78,299,622</td>
<td>80,610,858</td>
<td>2.95%</td>
</tr>
</tbody>
</table>
Allocation of Revenue FY 2019

- 33,367,172 (41%)
- 38,509,431 (48%)
- 1,017,514 (1%)
- 7,316,741 (9%)
- 400,000 (1%)

Breakdown:
- Aeronautical
- Non-Aeronautical
- Interest on Investments
- Passenger Facility Service Charge
- Federal Reimbursement
Debt Service Coverage

- Actual 2017: 1.60
- Budget 2018: 1.50
- Act'IEst 2018: 1.50
- Budget 2019: 1.55
Proposed Budget FY 2019

- Personnel Services: 21,090,989 (42.59%)
- Contractual Services: 25,280,360 (51.05%)
- Materials and Supplies: 2,201,174 (4.44%)
- Equipment and Furnishings: 162,750 (0.33%)
- Other Operating Expense: 790,000 (1.60%)
### Allocation of Budget Actual Estimate FY 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual 2018</th>
<th>Budget 2019</th>
<th>Increase / Decrease</th>
<th>% Inc/(Dec)</th>
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</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>20,610,957</td>
<td>21,090,989</td>
<td>480,031</td>
<td>2.3%</td>
</tr>
<tr>
<td>Contractual</td>
<td>25,494,932</td>
<td>25,280,360</td>
<td>-214,572</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>1,350,098</td>
<td>2,201,174</td>
<td>851,077</td>
<td>63.0%</td>
</tr>
<tr>
<td>Equipment and Furnishings</td>
<td>287,155</td>
<td>162,750</td>
<td>-124,405</td>
<td>-43.3%</td>
</tr>
<tr>
<td>Other Operating Expense</td>
<td>754,524</td>
<td>790,000</td>
<td>35,476</td>
<td>4.7%</td>
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</table>

### Allocation of Proposed Budget FY 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual 2018</th>
<th>Budget 2019</th>
<th>Increase / Decrease</th>
<th>% Inc/(Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>20,610,957</td>
<td>21,090,989</td>
<td>480,031</td>
<td>2.3%</td>
</tr>
<tr>
<td>Contractual</td>
<td>25,494,932</td>
<td>25,280,360</td>
<td>-214,572</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>1,350,098</td>
<td>2,201,174</td>
<td>851,077</td>
<td>63.0%</td>
</tr>
<tr>
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<td>162,750</td>
<td>-124,405</td>
<td>-43.3%</td>
</tr>
<tr>
<td>Other Operating Expense</td>
<td>754,524</td>
<td>790,000</td>
<td>35,476</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

Total:

- Personnel Services: $42.5\%$
- Contractual: $52.6\%$
- Materials and Supplies: $4.4\%$
- Equipment and Furnishings: $0.3\%$
- Other Operating Expense: $1.6\%$
### Allocation of Approved Budget FY 2018

- **Personnel Services**: 42.5%
- **Contractual**: 52.6%
- **Materials and Supplies**: 2.8%
- **Equipment and Furnishings**: 0.6%
- **Other Operating Expense**: 1.6%

### Allocation of Proposed Budget FY 2019

- **Personnel Services**: 42.6%
- **Contractual**: 51.0%
- **Materials and Supplies**: 4.4%
- **Equipment and Furnishings**: 0.3%
- **Other Operating Expense**: 1.6%

### Budget Comparison

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget 2018</th>
<th>Budget 2019</th>
<th>Increase / Decrease</th>
<th>% Inc/Dec</th>
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<tbody>
<tr>
<td>Personnel Services</td>
<td>20,383,376</td>
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<td>24,316,806</td>
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<td>Materials and Supplies</td>
<td>2,297,905</td>
<td>2,201,174</td>
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<td>Equipment and Furnishings</td>
<td>319,920</td>
<td>162,750</td>
<td>-157,170</td>
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<tr>
<td>Other Operating Expense</td>
<td>715,000</td>
<td>790,000</td>
<td>75,000</td>
<td>10.5%</td>
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<tr>
<td><strong>Total</strong></td>
<td>48,033,006</td>
<td>49,525,273</td>
<td>1,492,267</td>
<td>3.1%</td>
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## Rates Underpayment (Overpayment)

### Terminal Bldg Rent

<table>
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<tr>
<th></th>
<th>Budget FY 2017</th>
<th>Actual FY 2017</th>
<th>Budget FY 2018</th>
<th>Act/Est FY 2018</th>
<th>Proposed FY 2019</th>
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<tbody>
<tr>
<td>$4.35</td>
<td>$4.35</td>
<td>$4.11</td>
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<tr>
<td>$5.24</td>
<td>$4.50</td>
<td>$4.78</td>
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### Departure Fee

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<th>Budget FY 2018</th>
<th>Act/Est FY 2018</th>
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<tr>
<td>$1.46</td>
<td>$1.54</td>
<td>$1.32</td>
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<td></td>
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<tr>
<td>$1.89</td>
<td>$1.78</td>
<td>$1.89</td>
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### Arrival Fee

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<th>Budget FY 2018</th>
<th>Act/Est FY 2018</th>
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<tr>
<td>$3.90</td>
<td>$3.90</td>
<td>$3.73</td>
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<tr>
<td>$4.78</td>
<td>$4.50</td>
<td>$4.50</td>
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### Immigration Fee

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<th>Budget FY 2018</th>
<th>Act/Est FY 2018</th>
<th>Proposed FY 2019</th>
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<tr>
<td>$545.58</td>
<td>$921.18</td>
<td>$638.77</td>
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<tr>
<td>$1,000.00</td>
<td>$1,200.00</td>
<td>$1,400.00</td>
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</table>

### Loading Bridge Use Fee

<table>
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<th>Actual FY 2017</th>
<th>Budget FY 2018</th>
<th>Act/Est FY 2018</th>
<th>Proposed FY 2019</th>
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<tbody>
<tr>
<td>$0.51</td>
<td>$0.22</td>
<td>$0.35</td>
<td></td>
<td></td>
<td>$0.48</td>
</tr>
<tr>
<td>$0.50</td>
<td>$0.60</td>
<td>$0.70</td>
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### Apron Use Fee

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<tr>
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<th>Budget FY 2018</th>
<th>Act/Est FY 2018</th>
<th>Proposed FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.00</td>
<td>$1.62</td>
<td>$1.26</td>
<td>$3.64</td>
<td>$1.07</td>
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<tr>
<td>$1.00</td>
<td>$1.40</td>
<td>$1.80</td>
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### Landing Fee

<table>
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<tr>
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<th>Actual FY 2017</th>
<th>Budget FY 2018</th>
<th>Act/Est FY 2018</th>
<th>Proposed FY 2019</th>
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</thead>
<tbody>
<tr>
<td>$1.00</td>
<td>$1.62</td>
<td>$1.26</td>
<td>$3.64</td>
<td>$1.07</td>
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<tr>
<td>$1.00</td>
<td>$1.40</td>
<td>$1.80</td>
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</table>
### OPERATION AND MAINTENANCE EXPENSES

**A.B. WONPAT INTERNATIONAL AIRPORT AUTHORITY, GUAM**  
Fiscal Years Ending September 30  
Exhibit D

<table>
<thead>
<tr>
<th></th>
<th>Actual 2017</th>
<th>Act'lEst 2018</th>
<th>Budget 2018</th>
<th>Budget 2019</th>
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<tbody>
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<td>Personnel services</td>
<td>$18,267,911</td>
<td>$20,610,957</td>
<td>$20,383,376</td>
<td>$21,090,989</td>
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<td>Contractual services</td>
<td>$23,996,750</td>
<td>$25,494,932</td>
<td>$24,316,806</td>
<td>$25,280,360</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>$1,365,205</td>
<td>$1,350,098</td>
<td>$2,297,905</td>
<td>$2,201,174</td>
</tr>
<tr>
<td>Equipment</td>
<td>$-</td>
<td>$287,155</td>
<td>$319,920</td>
<td>$162,750</td>
</tr>
<tr>
<td>Bad Debt</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td></td>
<td><strong>43,629,865</strong></td>
<td><strong>47,743,142</strong></td>
<td><strong>47,318,006</strong></td>
<td><strong>48,735,273</strong></td>
</tr>
<tr>
<td>Retirement supplemental (GIAA retirees)</td>
<td>$705,505</td>
<td>$754,524</td>
<td>$715,000</td>
<td>$790,000</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$764,616</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td></td>
<td><strong>$45,099,986</strong></td>
<td><strong>$48,497,666</strong></td>
<td><strong>$48,033,006</strong></td>
<td><strong>$49,525,273</strong></td>
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</table>

**By cost center**

<table>
<thead>
<tr>
<th></th>
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<th>Act'lEst 2018</th>
<th>Budget 2018</th>
<th>Budget 2019</th>
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</thead>
<tbody>
<tr>
<td>Terminal Building</td>
<td>$22,314,156</td>
<td>$26,322,936</td>
<td>$25,095,067</td>
<td>$26,769,742</td>
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<tr>
<td>Loading Bridges</td>
<td>$4,502,138</td>
<td>$4,158,358</td>
<td>$2,871,614</td>
<td>$3,054,766</td>
</tr>
<tr>
<td>Airfield Area</td>
<td>$8,926,836</td>
<td>$7,993,537</td>
<td>$8,093,217</td>
<td>$7,842,131</td>
</tr>
<tr>
<td>Apron Area</td>
<td>$347,359</td>
<td>$428,474</td>
<td>$416,418</td>
<td>$587,583</td>
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<tr>
<td>Terminal Area</td>
<td>$1,029,714</td>
<td>$895,522</td>
<td>$1,244,559</td>
<td>$1,519,515</td>
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<tr>
<td>Other Buildings and Areas</td>
<td>$7,979,783</td>
<td>$8,698,839</td>
<td>$10,312,131</td>
<td>$9,751,536</td>
</tr>
<tr>
<td></td>
<td><strong>$45,099,986</strong></td>
<td><strong>$48,497,666</strong></td>
<td><strong>$48,033,006</strong></td>
<td><strong>$49,525,273</strong></td>
</tr>
</tbody>
</table>
### FORECAST AIRPORT REVENUES

**A.B. WONPAT INTERNATIONAL AIRPORT AUTHORITY, GUAM**

**Fiscal Years Ending September 30**

**Exhibit E**

<table>
<thead>
<tr>
<th></th>
<th>Actual 2017</th>
<th>Act'lEst 2018</th>
<th>Budget 2018</th>
<th>Budget 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Signatory Airline Rents and Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terminal Building Rentals</td>
<td>$3,756,425</td>
<td>$3,838,961</td>
<td>$3,701,060</td>
<td>$3,568,628</td>
</tr>
<tr>
<td>Departure Fees</td>
<td>$7,145,206</td>
<td>$6,873,788</td>
<td>$7,344,493</td>
<td>$8,333,199</td>
</tr>
<tr>
<td>Arrival Fees</td>
<td>$7,096,464</td>
<td>$6,732,895</td>
<td>$7,292,104</td>
<td>$8,273,758</td>
</tr>
<tr>
<td>Immigration Inspection Fees</td>
<td>$2,520,461</td>
<td>$2,306,674</td>
<td>$2,521,048</td>
<td>$2,860,428</td>
</tr>
<tr>
<td>Loading Bridge Use Fees</td>
<td>$5,981,739</td>
<td>$6,903,536</td>
<td>$7,299,980</td>
<td>$5,661,621</td>
</tr>
<tr>
<td>Apron Use Fees</td>
<td>$1,478,247</td>
<td>$1,502,900</td>
<td>$1,549,959</td>
<td>$1,347,026</td>
</tr>
<tr>
<td>Landing Fees</td>
<td>$2,956,952</td>
<td>$3,426,574</td>
<td>$3,475,229</td>
<td>$3,000,780</td>
</tr>
<tr>
<td><strong>Total Signatory Airline Rents &amp; Fees</strong></td>
<td>$30,935,494</td>
<td>$31,585,328</td>
<td>$33,183,873</td>
<td>$33,045,440</td>
</tr>
<tr>
<td><strong>Signatory Airline enplaned passengers</strong></td>
<td>1832104</td>
<td>1850227</td>
<td>1966786</td>
<td>1851871</td>
</tr>
<tr>
<td><strong>Signatory Airline cost per enplaned passengers</strong></td>
<td>$16.89</td>
<td>$17.07</td>
<td>$16.87</td>
<td>$17.84</td>
</tr>
<tr>
<td><strong>Revenue from sources other than Signatory Airline Rents &amp; Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Terminal Building</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concession Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Merchandise (Duty Free)</td>
<td>$15,262,095</td>
<td>$15,521,292</td>
<td>$15,216,898</td>
<td>$14,872,300</td>
</tr>
<tr>
<td>Allowance for Duty Free</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>In-flight Catering</td>
<td>$871,110</td>
<td>$869,266</td>
<td>$921,950</td>
<td>$837,941</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>$1,076,606</td>
<td>$1,075,206</td>
<td>$1,149,813</td>
<td>$1,062,421</td>
</tr>
<tr>
<td>Rental Cars</td>
<td>$1,493,833</td>
<td>$1,576,337</td>
<td>$1,714,992</td>
<td>$1,665,076</td>
</tr>
<tr>
<td>Other Concession Revenue</td>
<td>$807,050</td>
<td>$808,272</td>
<td>$796,722</td>
<td>$934,983</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$19,510,693</td>
<td>$19,850,373</td>
<td>$19,800,375</td>
<td>$19,372,721</td>
</tr>
<tr>
<td>Source</td>
<td>Actual 2017</td>
<td>Actual Est 2018</td>
<td>Budget 2018</td>
<td>Budget 2019</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>----------------</td>
<td>-----------------</td>
<td>-------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Rentals and other charges</td>
<td>4,663,574</td>
<td>4,746,666</td>
<td>4,526,105</td>
<td>5,571,658</td>
</tr>
<tr>
<td>Terminal Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public parking</td>
<td>253,692</td>
<td>264,522</td>
<td>289,416</td>
<td>274,052</td>
</tr>
<tr>
<td>Ground transportation</td>
<td>$4,494,683</td>
<td>$4,090,015</td>
<td>$4,837,065</td>
<td>$4,506,147</td>
</tr>
<tr>
<td>Airfield Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Sig &amp; commuter airline landing fees</td>
<td>492,400</td>
<td>524,735</td>
<td>521,787</td>
<td>3,351,610</td>
</tr>
<tr>
<td>Apron Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Sig &amp; commuter airline parking fees</td>
<td>308,938</td>
<td>344,163</td>
<td>390,123</td>
<td>306,094</td>
</tr>
<tr>
<td>Other Buildings and Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tiyan Rental Revenue</td>
<td>2,550,950</td>
<td>2,590,844</td>
<td>2,627,472</td>
<td>2,695,109</td>
</tr>
<tr>
<td>Industrial Park Rental Revenue</td>
<td>489,883</td>
<td>489,888</td>
<td>489,891</td>
<td>489,891</td>
</tr>
<tr>
<td>Fuel System and Storage Revenues</td>
<td>241,180</td>
<td>256,050</td>
<td>262,590</td>
<td>264,241</td>
</tr>
<tr>
<td>System Rent</td>
<td>599,100</td>
<td>599,100</td>
<td>599,100</td>
<td>599,100</td>
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<tr>
<td>Cargo Building Revenue</td>
<td>258,052</td>
<td>271,246</td>
<td>272,575</td>
<td>280,031</td>
</tr>
<tr>
<td>Commuter Terminal Building Rentals and Fees</td>
<td>367,477</td>
<td>367,478</td>
<td>367,477</td>
<td>367,477</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>252,084</td>
<td>135,463</td>
<td>248,972</td>
<td>230,900</td>
</tr>
<tr>
<td>Miscellaneous Revenues</td>
<td>4,650,888</td>
<td>4,047,641</td>
<td>527,209</td>
<td>522,132</td>
</tr>
<tr>
<td>Interest Income</td>
<td>1,269,032</td>
<td>918,889</td>
<td>792,072</td>
<td>1,017,514</td>
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<tr>
<td>Total Revenue from Sources Other Than</td>
<td>$40,402,626</td>
<td>$39,497,073</td>
<td>$36,552,230</td>
<td>$39,848,677</td>
</tr>
<tr>
<td>Signatory Airline Rents and Fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# FORECAST AIRPORT REVENUES

**A.B. WONPAT INTERNATIONAL AIRPORT AUTHORITY, GUAM**

**Fiscal Years Ending September 30**

Exhibit E

<table>
<thead>
<tr>
<th></th>
<th>Actual 2017</th>
<th>Act'lEst 2018</th>
<th>Budget 2018</th>
<th>Budget 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Airport revenues</td>
<td>$ 71,338,119</td>
<td>$ 71,082,401</td>
<td>$ 69,736,103</td>
<td>$ 72,894,117</td>
</tr>
<tr>
<td>Passenger Facility Service Charge</td>
<td>7,286,165</td>
<td>6,968,868</td>
<td>7,718,968</td>
<td>7,316,741</td>
</tr>
<tr>
<td>Airline incentives</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal reimbursement of operating expenses</td>
<td>450,548</td>
<td>248,353</td>
<td>400,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Total Airport revenues including PFCs and interest on investments</td>
<td>$ 79,074,833</td>
<td>$ 78,299,622</td>
<td>$ 77,855,071</td>
<td>$ 80,610,858</td>
</tr>
</tbody>
</table>
A.B. Wonpat INTERNATIONAL AIRPORT AUTHORITY, GUAM
Fiscal Years Ending September 30
Proposed Rates and Fees

Signatory Airline Rents and Fees

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 2017</th>
<th>Fiscal Year 2018</th>
<th>FY 2019 RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approved</td>
<td>Actual</td>
<td>Approved</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------</td>
<td>--------</td>
<td>----------</td>
</tr>
<tr>
<td>Terminal Building Rentals</td>
<td>$55.71</td>
<td>$53.92</td>
<td>$57.57</td>
</tr>
<tr>
<td>Departure Fees</td>
<td>$3.90</td>
<td>$3.90</td>
<td>$3.73</td>
</tr>
<tr>
<td>Arrival Fees</td>
<td>$4.35</td>
<td>$4.35</td>
<td>$4.11</td>
</tr>
<tr>
<td>Immigration Inspection Fees</td>
<td>$1.46</td>
<td>$1.54</td>
<td>$1.32</td>
</tr>
<tr>
<td>Loading Bridge Use Fees</td>
<td>$545.58</td>
<td>$921.18</td>
<td>$638.77</td>
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<tr>
<td>Apron Use Fees</td>
<td>$0.51</td>
<td>$0.22</td>
<td>$0.56</td>
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<tr>
<td>Landing Fees</td>
<td>$1.00</td>
<td>$1.62</td>
<td>$1.26</td>
</tr>
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</table>

Signatory Airline enplaned passengers

<p>| | | | | | | |</p>
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<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>1824395</td>
<td>1832104</td>
<td>1966786</td>
<td>1850227</td>
<td>1851871</td>
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</tr>
</tbody>
</table>

Signatory Airline cost per enplaned passengers

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<tbody>
<tr>
<td></td>
<td>$16.54</td>
<td>$16.89</td>
<td>$16.87</td>
<td>$17.07</td>
<td>$17.84</td>
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</tr>
</tbody>
</table>

Annual debt service coverage

<p>| | | | | | | |</p>
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<thead>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.45</td>
<td>1.60</td>
<td>1.50</td>
<td>1.50</td>
<td>1.55</td>
<td></td>
</tr>
</tbody>
</table>

Debt service coverage requirement

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>1.25</td>
<td>1.25</td>
<td>1.25</td>
<td>1.25</td>
<td>1.25</td>
<td></td>
</tr>
</tbody>
</table>

Capital Improvement Fund

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Improvement Subaccount</td>
<td>$1,375,233</td>
<td>$8,218,671</td>
<td>$1,550,790</td>
<td>$1,703,713</td>
<td>$2,822,540</td>
<td></td>
</tr>
<tr>
<td>Other Available Moneys Subaccount</td>
<td>$1,375,232</td>
<td>$218,670</td>
<td>$1,550,790</td>
<td>$1,703,713</td>
<td>$2,822,539</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,101,580</td>
<td>$3,407,426</td>
<td>$5,645,079</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# CAPITAL IMPROVEMENT PROJECTS FOR FISCAL YEAR 2019

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>BUDGET</th>
<th>CIF</th>
<th>FEDERAL</th>
<th>Cost Center</th>
<th>DESCRIPTION &amp; NEED</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOISE MITIGATION PROGRAM 65 DNL AND HIGHER - PHASE 5</td>
<td>$2,222,223</td>
<td>$222,223</td>
<td>$2,000,000</td>
<td>AA</td>
<td>Implementation of findings under the Part 150 Noise Study (multi-year)</td>
</tr>
<tr>
<td>CONCOURSE ISOLATION with SEISMIC UPGRADES, DESIGN/CONSTRUCT, PH4</td>
<td>21,666,667</td>
<td>2,166,667</td>
<td>19,500,000</td>
<td>TB</td>
<td>Eliminate concourse separation with new arrivals corridor with vertical circulations pods and seismic upgrades</td>
</tr>
<tr>
<td>APRON REHABILITATION, PH2</td>
<td>5,555,556</td>
<td>555,556</td>
<td>5,000,000</td>
<td>AP</td>
<td>Rehabilitation improvements to terminal aprons</td>
</tr>
<tr>
<td>REHABILITATE RUNWAY 6L-24R, PH2</td>
<td>1,250,000</td>
<td>277,778</td>
<td>2,500,000</td>
<td>AF</td>
<td>Rehabilitate distressed areas of terminal aprons and taxiways.</td>
</tr>
</tbody>
</table>

**Totals:** $30,694,446 $3,222,224 $29,000,000

Note: All projects are subject to funding availability and FAA issuance of grant agreements.
AIRLINE ISSUES

UNITED AIRLINES
CEO Visits Guam
United CEO Oscar Munoz visited Guam August 18-20, and hosted a town hall employee meeting at the United Hangar.

50 Years Of Island Hopper Operations
Mr. Munoz also boarded the Island Hopper flight to meet with United teams in Chuuk, Pohnpei, Kosrae, Kwajalein and Majuro, as part of the 50 years celebration of the island hopper flight, before his final stop in Hawaii. Congratulations to United for this epic milestone!

2 Added Flights Weekly To Hong Kong
United will be expanding their HKG/GUM service from 4 to 6 times weekly beginning November 1, 2018 through March 19, 2019.

KOREAN AIR
GIAA Management welcomes the new Regional Manager for Korean Airlines - Mr. Kim Tae Won. We look forward to good working relations with Mr. Won.

AIR SERVICE DEVELOPMENT

A GIAA delegation will be meeting with prospective airlines at the World Routes Forum in Guangzhou, China from Sept. 15 – 18, 2018. At least 20 airline meetings are scheduled, with two airlines requesting to meet with GIAA. A GVB delegation will also join in the meetings to discuss the Guam, the destination product.

REGULATORY ISSUES

FAR PART 139 CERTIFICATION INSPECTION
FAA has scheduled Guam’s FAR Part 139 inspection for the week of September 17 through 21, 2018. All divisions are working towards another record breaking “0” discrepancy report, for a third-year streak!

FAA AERODROME CERTIFICATION WORKSHOP
The 2nd FAA Aerodrome Certification Workshop hosted by Pohnpei Port Authority took place in Kolonia, Pohnpei on August 7-10, 2018. GIAA’s delegation included EM Ada, Asst. ARFF Chief Stone, Airport Ops Supervisor Ray Quintanilla and Airport Police Lt. Delgado.

FEDERAL GRANTS
$16M awarded for Construction of ARFF Facility
FAA has awarded $15,967,572 for the construction of a new ARFF Facility. The current facility was transferred in 1996 to GIAA under the NAS Base Closure Act and is more than 40 years old.
$4.5M awarded for Seismic Upgrades and Retrofitting

FAA has awarded $4,474,299 for modification of terminal building, which includes seismic upgrades and retrofitting of the terminal building, relative to construction of the International Arrivals Corridor (3rd Floor project).

FINANCIAL ISSUES

S&P Annual Credit Surveillance
Airport Management presented to S&P in San Francisco along with GEDA and bond underwriters as part of the S&P annual credit rating surveillance. GiAA looks forward to a rating upgrade.

LEGISLATIVE ISSUES

Bill No. 333-34 (LS): An Act to add ... establishing the Guam Guardian Travel Enhancement Program (GGTEP) which mandates a fee of fifty dollars ($50.00) per inbound passenger to Guam for the destination and twenty dollars ($20) through connecting flights for the purpose of providing mandatory travel, and emergency evacuation insurance and assistance, establishing Guam as a safe destination for visitors, and providing funding for the continued sustainability and reinvestment into Guam’s infrastructure and community as the island’s primary tourism product and asset for future generations – was introduced by Senators Joe San Agustin and Will Castro on August 8, 2018. A public hearing is yet to be scheduled.

Bills Below Reported At Last Meeting
Bill No. 293-34: An Act to amend ... of the GCA, relative to increasing the Customs, Agriculture and Quarantine Inspection services charge for each passenger to twenty dollars beginning October 1, 2018 was introduced by Speaker BJ Cruz on May 30, 2018. A public hearing is yet to be scheduled.

Bill No. 307-34: An act to add...GCA, relative to conducting an annual customs training cycle in Fiscal Years 2019 through 2022 and authorizing the Guam Customs & Quarantine Agency to hire additional critical positions was introduced by Senator Telena C. Nelson. In the bill, it states about 230 Customs Officers were employed in the 1990’s. Today it has dropped to less than 110. A public hearing on this bill is pending.

INDUSTRY NEWS

Lotte To Acquire Australia & New Zealand Retail Operations
As reported in TRBusiness, a duty free and travel retail news organization, Lotte will be acquiring JR/Duty Free in Australia and New Zealand, which includes, includes stores in the following Australian airports – Brisbane Airport, Melbourne, Darwin and Canberra – as well as one on Swanston Street in downtown Melbourne. It also includes an on-airport store in the capital of New Zealand, Wellington Airport. Per the news organization, the “main contract has been signed, and is subject to a number of conditions, of which both Lotte and Jr/Duty Free are confident of the transaction’s success.
PROCUREMENT ISSUES

IFB (Procurement Stay)
Purchase and Delivery of GIAA Vehicles for FY18
Announced: Aug 09, 2018
Deadline: Aug 27, 2018 @ 2pm

RFP
Real Estate Appraisal & Consulting Services
Announced: August 1, 2018
Deadline: August 8, 2018 @4pm

ANNOUNCEMENTS

- The A.B. Won Pat International Airport Authority, Guam will be joining the annual GovGuam Labor Day celebrations this weekend on Sunday, September 2nd at Ypao Beach Park. The Airport’s assigned location is Pavilion G, on the Hilton Side, next to Main Pavilion. Please join us!

- GIAA is one of the Top 5 nominees for ISLAND SERVICES - BEST GOVGUAM AGENCY for Pika’s Best of Guam 2018! Out of 42,000 nominations, the top 5 in each category has been chosen. Voting is ongoing and will end Sept. 9, 2018. You can vote once daily at this link: http://php.guampdn.com/sites/pikabestof

- GIAA has submitted its nomination for a new category for the Governors MagPro Awards - Department of the Decade! We ask that you let all friends and family know to vote for the Guam International Airport Authority under the Medium Sized agency at https://www.postguam.com/magpro2018. Voting opened August 27, 2018 and will close September 3, 2018. We look forward to your support!
August 27, 2018

MEMORANDUM

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

From: John A. Rios
Comptroller

Subject: Operating Results – Revenues and Expenses as of July 31, 2018

Attached herewith is GIAA’s Operating Results Report for the month ending July 31, 2018. This report summarizes the Budgeted versus Actual Revenues and Expenses for the month and year-to-date results ended July 31, 2018.

The key operating results for 10 month(s) of FY2018 ending July 31, 2018 – (in $000’s) are

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Actual FY18 Current Month</th>
<th>YEAR-TO-DATE</th>
<th>FORECAST FOR FULL YEAR-FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual FY18 Y-T-D</td>
<td>Actual FY18 Y-T-D</td>
<td>Actual Y-T-D FY18 Budget</td>
</tr>
<tr>
<td></td>
<td>Budget FY18 Y-T-D</td>
<td>% Variance Budget vs. Actual Y-T-D</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Current Month</td>
<td>Budget Estimate for Full Year</td>
</tr>
<tr>
<td>Total Signatory Revenues</td>
<td>$2,616.5</td>
<td>$27,627.7</td>
<td>$25,379.9</td>
</tr>
<tr>
<td></td>
<td>$25,379.9</td>
<td>-8.1%</td>
<td>$31,055.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% Variance Budget vs. Actual Y-T-D</td>
<td></td>
</tr>
<tr>
<td>Total Concession Revenues</td>
<td>$1,441.9</td>
<td>$16,454.0</td>
<td>$16,116.1</td>
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<td>Total PFC's</td>
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<td>Total Other Revenues</td>
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<tr>
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<td>$63,502.8</td>
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<td>$39,946.9</td>
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<td>Net Revenues from Operations</td>
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<td>$23,555.9</td>
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<td>Non-Operating Expenses</td>
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<td>Other Available Moneys/other sources of funds</td>
<td>$577.8</td>
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<td>Net Debt Service Coverage</td>
<td>1.39</td>
<td>1.36</td>
<td>1.39</td>
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<tr>
<td></td>
<td>2.4%</td>
<td>1.45</td>
<td>1.9%</td>
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</table>
Year-to-date Total Signatory Revenues for the month ending July 31, 2018 are below Budgeted revenues by -8.1%. Signatory revenue estimates are based on projections submitted by Signatory airlines and adopted in the annual budget.

Year-to-date Total Concession Revenues are -2.1% below budget while Passenger Facility Charges are below the budget estimate by -13.9%.

Year-to-date Total Other Revenues, inclusive of non-signatory and non-airlines revenues, are above the budget estimate by 25.5%.

Year-to-date Total Operating Revenues actual of $63.5M is -0.2% below the budget estimate of $63.6M.

Year-to-date Total Operating Expenses are below budget by -1.3%. Components of this line item include a 0.1% increase in Personnel Service, a 4.7% increase in Contractual Services, a -69.3% decrease in Materials & Supplies and a 45.8% increase in Equipment/Furnishings from budgeted amounts for these respective categories.

The actual year-to-date Net Revenues from Operations of $23.5M represents a 1.7% increase over the year-to-date budgeted amount of $23.2M.

Finally, our year-to-date results for Debt Service Coverage is at 1.39 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 July 31, 2018

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<th>Budget FY2018</th>
<th>Actual FY2018</th>
<th>%Var</th>
<th>Budget Full Year</th>
<th>Actual FY2017</th>
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<th>%Var</th>
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<th>Actual FY2017</th>
<th>Budget FY2018</th>
<th>Actual FY2018</th>
<th>%Var</th>
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<th>Actual FY2017</th>
<th>Budget FY2018</th>
<th>Actual FY2018</th>
<th>%Var</th>
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<td>I. Signatory Airline Rents &amp; Fees</td>
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<td>Terminal Bldg Rentals</td>
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<td>3,183.1</td>
<td>3,190.1</td>
<td>0.2%</td>
<td>3,827.0</td>
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<td>Departure Fees</td>
<td>616.7</td>
<td>647.4</td>
<td>561.0</td>
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<td>7,344.5</td>
<td>5,942.0</td>
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<td>5,443.5</td>
<td>-10.5%</td>
<td>6,704.1</td>
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<td>Arrival Fees</td>
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<td>640.3</td>
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<td>5,901.5</td>
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<td>Immigration Inspection Fees</td>
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<td>2,088.6</td>
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<tr>
<td>Loading Bridge Use Fees</td>
<td>505.2</td>
<td>611.2</td>
<td>575.1</td>
<td>-5.9%</td>
<td>7,300.0</td>
<td>4,980.1</td>
<td>6,070.3</td>
<td>5,598.4</td>
<td>-7.8%</td>
<td>6,828.1</td>
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<td>Apron Use Fees</td>
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<td>Landing Fees</td>
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<td>3,475.2</td>
<td>2,456.9</td>
<td>2,877.8</td>
<td>2,807.5</td>
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<td>3,404.9</td>
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<td><strong>Total Signatory Revenue</strong></td>
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<td><strong>2,853.2</strong></td>
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<td>-8.3%</td>
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<td><strong>25,733.1</strong></td>
<td><strong>27,627.7</strong></td>
<td><strong>25,379.9</strong></td>
<td>-8.1%</td>
<td><strong>31,055.0</strong></td>
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<td>Enplaned Signatory Pax</td>
<td>158,139</td>
<td>173,362</td>
<td>153,951</td>
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<td>1,523,590</td>
<td>1,629,208</td>
<td>1,474,588</td>
<td>-9.5%</td>
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<tr>
<td>Cost per Enplaned Pax</td>
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<td>$16.93</td>
<td>$16.89</td>
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<td>$17.14</td>
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<td>II. Operating Expenses:</td>
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<td>Personnel Services</td>
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<td>Contractual Services</td>
<td>2,010.9</td>
<td>1,875.9</td>
<td>2,154.8</td>
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<td>24,480.6</td>
<td>19,024.1</td>
<td>20,896.8</td>
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<td>4.7%</td>
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<td>Materials &amp; Supplies</td>
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<td>Equipment/Furnishings</td>
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<td>0.0%</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>3,823.8</strong></td>
<td><strong>3,584.1</strong></td>
<td><strong>3,962.8</strong></td>
<td>10.6%</td>
<td><strong>47,318.0</strong></td>
<td><strong>36,794.9</strong></td>
<td><strong>40,456.9</strong></td>
<td><strong>39,946.9</strong></td>
<td>-1.3%</td>
<td><strong>46,808.0</strong></td>
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<tr>
<td><strong>Net income from Operations</strong></td>
<td><strong>2,549.9</strong></td>
<td><strong>2,885.4</strong></td>
<td><strong>2,305.6</strong></td>
<td>-20.1%</td>
<td><strong>29,345.0</strong></td>
<td><strong>27,778.8</strong></td>
<td><strong>23,166.0</strong></td>
<td><strong>23,558.8</strong></td>
<td>1.7%</td>
<td><strong>29,734.9</strong></td>
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</tbody>
</table>

Revenues from Sources other than Signatory Airlines Rents & Fees

Concession Revenues

Gen Mdse

In-flight Catering

Food & Beverage

Rental Cars

Other Concession Rev

Total Concession Revenues

Passenger Facility Charges

Other Revenue

Total Operating Revenue

Net income from Operations

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Page 1 of 2
### III. Other Revenues and Expenses

<table>
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<td>Less: Non Operating Expense (Ret/DOI/OHS)</td>
<td>42.8</td>
<td>0.0</td>
<td>42.8</td>
<td>0.0%</td>
<td>-13.5%</td>
<td>715.0</td>
<td>615.9</td>
<td>618.6</td>
<td>-13.5%</td>
<td>-13.5%</td>
<td>618.6</td>
<td>618.6</td>
<td>618.6</td>
<td>-13.5%</td>
<td>-13.5%</td>
<td></td>
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<tr>
<td>Add: Interest on Investments</td>
<td>59.0</td>
<td>66.0</td>
<td>107.8</td>
<td>63.4%</td>
<td>32.0%</td>
<td>792.1</td>
<td>623.3</td>
<td>871.0</td>
<td>32.0%</td>
<td>26.6%</td>
<td>1,003.0</td>
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<td>1,003.0</td>
<td>26.6%</td>
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<tr>
<td>Net Revenues</td>
<td>2,566.2</td>
<td>2,951.4</td>
<td>2,370.6</td>
<td>-19.7%</td>
<td>30,119.3</td>
<td>29,422.1</td>
<td>27,786.2</td>
<td>23,111.0</td>
<td>23,808.3</td>
<td>3.0%</td>
<td>30,119.3</td>
<td>30,119.3</td>
<td>30,119.3</td>
<td>2.4%</td>
<td></td>
<td></td>
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<tr>
<td>Add: Other Sources of Funds</td>
<td>42.8</td>
<td>33.3</td>
<td>47.7</td>
<td>43.1%</td>
<td>402.9</td>
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<td>402.9</td>
<td>402.9</td>
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<td>0.7%</td>
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<tr>
<td>Add: Other Available Moneys</td>
<td>529.9</td>
<td>530.1</td>
<td>530.1</td>
<td>0.0%</td>
<td>6,361.5</td>
<td>6,361.5</td>
<td>5,299.5</td>
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<td>6,361.5</td>
<td>6,361.5</td>
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<td>Net Revenues and Other Available Moneys</td>
<td>3,138.9</td>
<td>3,514.8</td>
<td>2,948.5</td>
<td>-16.1%</td>
<td>36,883.8</td>
<td>36,183.6</td>
<td>33,447.3</td>
<td>28,745.6</td>
<td>29,445.8</td>
<td>2.4%</td>
<td>36,883.8</td>
<td>36,883.8</td>
<td>36,883.8</td>
<td>1.9%</td>
<td></td>
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</tr>
</tbody>
</table>

| Debt Service payments | 2,119.8       | 2,120.5       | 2,120.5       | 0.0% | 25,446.0   | 25,446.0      | 21,197.9      | 21,205.0      | 21,205.0 | 0.0%       | 25,446.0      | 25,446.0      | 25,446.0      | 0.0%  |           |

| Debt Service Coverage | 1.48          | 1.66          | 1.39          | -16.1%| 1.42       | 1.42          | 1.58          | 1.36          | 1.39     | 2.4%       | 1.45          | 1.45          | 1.45          | 1.9%  |           |

<p>| Debt Service Requirement | 1.25          | 1.25          | 1.25          | 1.25 | 1.25       | 1.25          | 1.25          | 1.25          | 1.25     | 1.25       | 1.25          | 1.25          | 1.25          | 1.25  |           |</p>
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<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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<td>Projection per Budget FY 2018</td>
<td>148,343</td>
<td>155,897</td>
<td>166,013</td>
<td>181,671</td>
<td>161,116</td>
<td>165,370</td>
<td>173,362</td>
<td>178,304</td>
<td>159,274</td>
<td>1,966,786</td>
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<td>FY 2016 Actual Enplanements</td>
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<td>141,778</td>
<td>150,587</td>
<td>159,545</td>
<td>153,030</td>
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<td>162,400</td>
<td>141,568</td>
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<td>143,840</td>
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<td>160,544</td>
<td>162,303</td>
<td>157,735</td>
<td>146,779</td>
<td>150,416</td>
<td>157,322</td>
<td>173,362</td>
<td>159,274</td>
<td>1,966,786</td>
<td></td>
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<td>FY 2018 Actual Enplanements</td>
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<td>157,750</td>
<td>155,969</td>
<td>145,088</td>
<td>139,620</td>
<td>142,477</td>
<td>146,720</td>
<td>153,951</td>
<td>159,274</td>
<td>1,812,166</td>
<td></td>
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</tr>
</tbody>
</table>

| FY 2018 versus FY 2017 Monthly % | -9.64% | -1.82% | -1.74% | -3.90% | 0.95% | 0.12% | -4.88% | -5.50% | -3.46% | -2.65% | 5.17% | 9.76% | -1.42% |
| FY 2018 versus FY 2017 Monthly | -13,847 | -2,693 | -2,794 | -6,334 | 1,368 | 197 | -7,159 | -8,298 | -5,254 | -4,188 | 8,757 | 14,166 | -26,079 |
| CPE CPE FY18 | 17.31 $ | 17.16 $ | 16.96 $ | 16.69 $ | 17.00 $ | 17.13 $ | 17.34 $ | 17.10 $ | 16.56 $ | 16.46 $ | 16.52 $ | 17.14 $ | 16.93 |
| Cost Per Enplanement FY2017 Actual versus Projected | 17.31 $ | 17.16 $ | 16.96 $ | 16.69 $ | 17.00 $ | 17.13 $ | 17.34 $ | 17.10 $ | 16.56 $ | 16.46 $ | 16.52 $ | 17.14 $ | 16.93 |

<table>
<thead>
<tr>
<th>Actual 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>
</tr>
</thead>
<tbody>
<tr>
<td>Projection per Budget FY 2018</td>
<td>129,777</td>
<td>145,309</td>
<td>157,750</td>
<td>155,969</td>
<td>145,088</td>
<td>139,620</td>
<td>142,477</td>
<td>146,720</td>
<td>153,951</td>
<td>159,274</td>
<td>1,812,166</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month to Month Trend</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>
</tr>
</thead>
<tbody>
<tr>
<td>% Monthly versus Projection</td>
<td>-12.5%</td>
<td>-6.8%</td>
<td>-5.0%</td>
<td>-14.1%</td>
<td>-9.4%</td>
<td>-5.3%</td>
<td>-7.2%</td>
<td>-11.6%</td>
<td>-11.3%</td>
<td>-11.2%</td>
<td>0.0%</td>
<td>-7.9%</td>
</tr>
<tr>
<td>% Cumulative Total</td>
<td>-12.5%</td>
<td>-9.6%</td>
<td>-8.0%</td>
<td>-9.7%</td>
<td>-9.6%</td>
<td>-8.9%</td>
<td>-8.7%</td>
<td>-9.0%</td>
<td>-9.3%</td>
<td>-9.5%</td>
<td>0.0%</td>
<td>0.0%</td>
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<table>
<thead>
<tr>
<th>CPE</th>
<th>Forecast Per FY2018 Budget</th>
<th>$17.31</th>
<th>$17.16</th>
<th>$16.96</th>
<th>$16.69</th>
<th>$17.00</th>
<th>$17.13</th>
<th>$17.34</th>
<th>$17.10</th>
<th>$16.56</th>
<th>$16.46</th>
<th>$16.52</th>
<th>$17.14</th>
<th>$16.93</th>
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</thead>
<tbody>
<tr>
<td>Actual CPE</td>
<td>$19.12</td>
<td>$17.58</td>
<td>$17.23</td>
<td>$17.03</td>
<td>$17.37</td>
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<td>$16.65</td>
<td>$17.00</td>
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<td></td>
</tr>
<tr>
<td>Variance</td>
<td>$(1.80)</td>
<td>$(0.42)</td>
<td>$(0.27)</td>
<td>$(0.34)</td>
<td>$(0.36)</td>
<td>$0.39</td>
<td>$0.36</td>
<td>$0.44</td>
<td>$(0.12)</td>
<td>$(0.54)</td>
<td>$16.52</td>
<td>$17.14</td>
<td>$16.93</td>
<td></td>
</tr>
</tbody>
</table>
RECOMMENDATION OF COUNSEL

TO: Board of Directors
   ANTONIO B. WON PAT INTERNATIONAL
   AIRPORT AUTHORITY, GUAM

CC: Mr. Charles H. Ada II
    Executive Manager
    ANTONIO B. WON PAT INTERNATIONAL
    AIRPORT AUTHORITY, GUAM

FROM: Janalynn Cruz Damian
      CALVO FISHER & JACOB LLP

DATE: August 28, 2018

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.