



**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM**

**Thursday, March 7, 2024, 3:00 p.m.
GIAA CONFERENCE ROOMS 1 & 2**

1. CALL TO ORDER AND ATTENDANCE

The March 7, 2024 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 Brian Bamba at 3:12 p.m. at the GIAA Terminal Conference Rooms 1 & 2, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Brian J. Bamba
Gurvinder S. Sobti
Donald I. Weakley
Doyon A. Morato
Rosie R. Tainatongo

Offices or positions:

Chairman
Vice Chairman
Board Secretary

Directors Absent:

Lucy M. Alcorn (Excused)
Jesse G. Garcia (Excused)

GIAA Officials:

Artemio R. Hernandez, Ph.D.	Executive Manager, Acting
Dafne Mansapit Shimizu	Comptroller
Jean M. Arriola	Airport Services Manager
Juan S.A. Reyes, A.C.E.	Air Terminal Manager
Raymond Quintanilla	Superintendent of Airport Operations
Raymond Mantanona	ARFF, Chief
Rolenda Faasuamalie	Airport Marketing Administrator
Audie Artero	Engineer Supervisor
Kathrina Bayson	Supply Management Administrator
Jenielle Meno	Buyer Supervisor

Anita Arriola

Arriola Law Firm, GIAA Legal Counsel

Chairman Bamba 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

On motion duly made by Secretary Weakley, seconded by Director Tainatongo, the following

resolution was unanimously passed:

Resolution No. 24-20

The Board hereby approves the agenda of the March 7, 2024 regular meeting, as presented.

3. APPROVAL OF MINUTES

A. January 12, 2024 - Regular Meeting

On motion duly made by Secretary Weakley, seconded by Director Tainatongo, the following resolution was unanimously passed:

Resolution No. 24-21

The Board hereby approves the minutes of the January 12, 2024 regular meeting, subject to corrections.

4. CORRESPONDENCE

Acting Executive Manager Hernandez advised there was no Correspondence to report.

5. OLD BUSINESS

Acting Executive Manager Hernandez advised there was no Old Business to present.

6. NEW BUSINESS

At this time Acting Executive Manager Hernandez recommended that New Business items A & B be tabled. The Board had no objection.

- A. Approval of Award for Upgrade of Existing Taxiway Signs - IFB No. GIAA-C01-FY24 – *TABLED***
- B. Approval of Draft Rules and Regulation for the Solicitation, Selection, and Award of Concession Contracts for Administrative Adjudication Law Process - *TABLED***
- C. 2024 Air Service Development Incentives**

Acting Executive Manager Hernandez presented the 2024 GIAA Air Service Development Incentive Program for Board consideration. The Manager advised the Board that the program objectives are to attract new entrant air carriers for passenger service to domestic and international routes and/or to expand or increase incumbent air carrier's passenger services to new or existing destinations all toward encouraging the growth of revenue enplaning passengers at GIAA. The Manager went on to provide brief background to the Board, stating that airports and communities use air service incentives in order to attract new air service, both for new entrant carriers to begin service at an airport, or to incumbent carriers at an airport to add new

routes. If an airport receives Airport Improvement Program (AIP) funding from the Federal Aviation Administration (FAA), the airport must comply with a series of grant assurances. In doing so, each airport is responsible for ensuring that its Air Carrier Incentive Program (ACIP) is consistent with these grant obligations, which govern the extent to which an airport sponsor can provide incentives to an air carrier in return for new air service at the airport. In 2010, the FAA published its ACIP Guidebook, which provided detailed guidance on the use of incentives for air carriers. December 7, 2023, the FAA released a final policy statement that provides guidance to airports on how to determine if its ACIP complies with federal grant obligations with changes and key provisions that may have expanded the opportunities for enhancing air service to the GIAA. The effective date of the FAA's new policy is for any carrier incentives for which contracts are signed after February 5, 2024. Acting Executive Manager Hernandez listed a number of changes, to include:

1. "New Service" Definition: FAA's policy allows airports to incentivize "a significant increase in capacity on pre-existing service to a specific airport destination." However, if an airport includes such incentives in its ACIP, the FAA provides that the incentives (a) are limited to one year, (b) may not discriminate based on whether the frequency addition is from a carrier that already serves the route, (c) cannot be the only type of incentive in the ACIP, and (d) should only apply to increased frequencies that result in a significant net increase in seat capacity to the specific airport destination.
2. "Seasonal Service" Definition: FAA's policy adds a new definition for "seasonal service"—defined as "[n]onstop service that is offered for less than 7 months of the calendar year"—and permits airports to provide incentives for seasonal service for 3 seasons, up to 3 years from the start of the service.
3. Upgauging Practices: FAA's policy allows incentives for upgauging to the extent that they "significantly increase capacity on a pre-existing route." However, if an airport includes such incentives in its ACIP, FAA provides that the incentives (a) are limited to one year, (b) cannot be the only incentive in the ACIP, and (c) should only apply to increase frequencies that result in a significant net increase in seat capacity to the specific airport destination.
4. Limited Budget for ACIP: FAA's policy allows airport sponsors of any size to limit incentives to one carrier in cases where the sponsor has a limited budget, provided that information regarding the ACIP, including the limited availability, is disclosed at least 30 days prior to signing a contract with a carrier.
5. ACIP Transparency: FAA's policy requires airport sponsors to provide notification of the existence of an ACIP and its terms and conditions at least 30 days in advance of signing an incentive agreement with a carrier. This includes publicly disclosing incentives offered; the program eligibility criteria; identification of the targeted and desired new service; and for incentives awarded, a periodic listing of all carriers benefitting from the ACIP, the incentives received, and identification of the incentivized service.

As seasonal service and upgauging practices are new FAA approved incentives, GIAA has incorporated these incentives into the current Air Service Development Incentive Program, last amended in 2017. Acting Executive Manager Hernandez presented the updated Air Service Development Incentive Program for the Board's information. The update will be posted on GIAA's website for reference. Management recommends approval of the update to GIAA's Air Service

Development Incentive Program, as presented. Brief discussion followed relative to program details.

After further discussion, on motion duly made by Secretary Weakley, seconded by Vice Chairman Sobti, the following resolution was unanimously passed:

Resolution No. 24-22

The Board hereby approves the update to the Air Service Development Incentive Program, as presented by Management.

D. Determination of Need for Certain GIAA Properties

The Manager informed the Board that Management seeks the Board of Directors' approval of the Determination of Need (DON) for exceptional term leases for the development of GIAA property for a two (2) year period (March 7, 2024-March 6, 2026). The Manager gave a brief background, stating Public Law 32-040 was enacted on June 11, 2013 and further amended by Public Law 34-099 on May 16, 2018. The laws concern 5 GCA § 5127 in the Procurement Law, which prohibits leases for a term in excess of five years, including extensions, unless a DON is adopted by the Board of Directors justifying a lease term in excess of five (5) years, called an exceptional term contract.

On September 28, 2015 the GIAA Board adopted a DON. Public Law 34-099 specifies that a DON is valid for two (2) years or until an exceptional term contract is executed to fill the stated need, whichever comes first. Since then, GIAA has not had any exceptional term leases, although having significant interest. Acting Executive Manager Hernandez provided the outline of the steps to be taken when soliciting an exceptional term contract to the Board, with the first step being the Board adopting the DON.

1. A Determination of Need ("DON") is adopted by the GIAA Board of Directors justifying the need for a commercial contract, lease, permit, or license with a term longer than five years, including extensions ("exceptional term contract"). A DON is valid for two years or until an exceptional term contract is executed to fill the stated need, whichever comes first.
2. The DON is provided to the Speaker.
3. A Notice of Solicitation is published at least once and at least seven days prior to the date for submissions. The Notice of Solicitation shall contain:
 - A statement that the solicitation is for an exceptional term contract, the term of the contract, and the date of the DON.
4. The solicitation process is carried out, including contract negotiations.
5. Following completion of the above steps, the exceptional term contract shall be transmitted to the Legislature "for approval or disapproval, in whole.
6. Legislative review and approval is as follows:
 - The Legislature shall take action to approve or disapprove the exceptional term contract within sixty (60) calendar days from the date of filing with the Speaker.

- The Legislative Committee having oversight over GIAA shall conduct a public hearing during the sixty (60)-day review period.
 - A Committee Report must be prepared and submitted to the Legislature.
 - The sixty (60) day period is tolled from the time that a public hearing is noticed until a Committee Report is completed.
7. The approval of the exceptional term contract shall be by enactment of law.
 8. A public record must be maintained, to include the DON and any modification, amendment, exercise of option or renewal, or extension of the exceptional term contract.

The Manager went on to add that in order to attract any potential interest for substantial development, especially the development of raw land, business arrangements are generally accomplished under a stable and predictable lease of sufficient term (up to 30 to 50 years) with capital investments ranging from \$1 million to an excess of \$200 million. The Manager announced that these exceptional term leases do not just benefit the Authority and its stakeholders. There are substantial benefits to the island community and economy. Discussion followed.

After further discussion, on motion duly made by Director Morato, seconded by Secretary Weakley, the following resolution was unanimously passed:

Resolution No. 24-23

The Board hereby adopts the Determination of Need (DON) for exceptional term leases for the development of GIAA property for a two (2) year period (March 7, 2024 to March 6, 2026), as presented by Management.

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 Acting Executive Manager Hernandez. The report included brief updates on Airline activity, CIPs, Airport updates, Regulatory updates and other announcements.

8. REPORT OF THE COMPTROLLER

Ms. Dafne Mansapit Shimizu, Comptroller reported on the revenues and expenses of the Authority for the month ending **January 31, 2024**. Year-to-date Total Signatory Revenues are below Budgeted revenues by **14.9%**. Signatory revenue estimates are based on projections submitted by Signatory airlines and adopted in the annual budget. Year-to-date Total Concession Revenues are **1.4%** below budget while Passenger Facility Charges are below the budget estimate by **12.0%**. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airlines revenues, are below the budget estimate by **2.5%**. Year-to-date Total Operating Revenues actual of **\$21.5M** is **9.7%** below the budget estimate of **\$23.8M**. Year-to-date Total Operating Expenses are below budget by **27.9%**. Components of this line item include an **8.0%** decrease in Personnel Service, a **33.4%** decrease in Contractual Services, a **78.8%** decrease in Materials & Supplies and a **100.0%** decrease in Equipment/Furnishings from budgeted amounts for these respective

categories. The actual year-to-date Net Revenues from Operations of **\$7.5M** represents a **72.5%** increase over the year-to-date budgeted amount of **\$4.3M**. Finally, year-to-date results for Debt Service Coverage is at **2.08** versus the requirement of **1.25**.

Ms. Dafne Mansapit Shimizu provided an attachment to the Comptrollers report, identifying the history of enplaned signatory pax during FY2018 -FY2024, as of January 31, 2024, and went on to present the numbers for the Board's information.

9. EXECUTIVE SESSION

Upon written recommendation of Counsel, on motion duly made by Director Weakley, seconded by Vice Chairman Sobti, and unanimously approved, the Board recessed to convene into Executive Session at 4:31 p.m.

- A.** DFS Guam L.P. related litigation to which GIAA is or may be a party (5 GCA § 8111(c))

The Board convened into Executive Session at 4:37 p.m. with Calvo Jacob & Pangelinan, LLP to discuss DFS Guam L.P. related litigation to which GIAA is or may be a party (5 GCA § 8111(c)). Attending Executive Session were Directors Bamaba, Sobti, Weakley, Morato, Tainatongo, Acting Executive Manager Hernandez, and Legal Counsels, Eduardo Calvo, Janalynn Damian and Genevieve Rapadas. Also present was the Court reporter who will prepare a transcript of the Executive Session. Executive Session ended at 5:18 p.m.

- B.** Office of Public Accountability Procurement Appeal Case Number OPA-PA-21-010 JMI Edison v. Guam International Airport Authority, and CV0095-22; Johndel International, Inc. dba JMI Edison vs. Office of Public Accountability, Guam International Airport Authority and Aircraft Service International, Inc. dba Menzies Aviation.
- C.** Office of Public Accountability Procurement Appeal Case Number OPA-PA-23-02 JMI Edison v. Guam International Airport Authority.
- D.** SP0035-22 In re GIAA Board of Directors, October 28, 2021 Executive Session Transcripts.
- E.** SP0114-22 In re GIAA Board of Directors, February 28, 2022 Executive Session Transcripts.
- F.** SP0132-23 In re GIAA Board of Directors, April 27, 2023 Executive Session Transcripts.

The Board convened into Executive Session at 5:24 p.m. with Arriola Law Firm to discuss Executive Session items B to F. Attending Executive Session were Directors Bamba, Sobti, Weakley, Morato, Tainatongo, Acting Executive Manager Hernandez, and Legal Counsel, Anita Arriola. Also present was the Court reporter who will prepare a transcript of the Executive Session. Executive Session ended at 5:35 p.m.

Based on discussion during Executive Session, there was an item requiring Board action.

On motion duly made by Director Tainatongo, seconded by Vice Chairman Sobti, the following resolution was unanimously passed:

Resolution No. 24-24

The Board hereby authorizes GIAA Management to negotiate and resolve all cases relating to JMI-Menzies procurement matter, consistent with the discussions during Executive Session.


10. PUBLIC COMMENTS

There were no Public Comments.

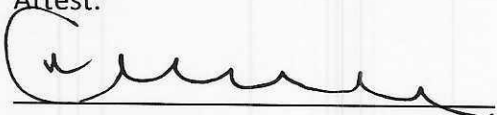
11. ADJOURNMENT

Motion to adjourn duly made by Chairman Bamba, seconded by Director Tainatongo; motion unanimously passed. The meeting was adjourned at 5:38 p.m.


Dated this 26th, day of March, 2024.



Brian J. Bamba
Chairman

Attest:


Donald I. Weakley
Board Secretary

Prepared and Submitted By:


Amanda O'Brien
Corresponding Secretary

BOARD OF DIRECTORS REGULAR MEETING

3:00 p.m., Thursday, March 7, 2024

GIAA CONFERENCE ROOMS 1 & 2

Videoconference and Live Streamed via: <https://www.guamairport.com> or

<https://www.guamairport.com/corporate/about-our-airport/board-of-directors/airport-board-meeting>

Public Notice

First Notice:

The Guam Daily Post – February 28, 2024

Notice to Media – February 28, 2024

Second Notice:

The Guam Daily Post – March 5, 2024

Notice to Media – March 5, 2024

AGENDA

1. Call to Order and Attendance
2. Approval of Agenda
3. Approval of Minutes
 - A. January 12, 2024 Regular Meeting
4. Correspondence - None
5. Old Business - None
6. New Business
 - A. Approval of Award for Upgrade of Existing Taxiway Signs – IFB No. GIAA-C02-FY24
 - B. Approval of Draft Rules and Regulations for the Solicitation, Selection, and Award of Concession Contracts for Administrative Adjudication Law Process
 - C. 2024 Air Service Development Incentives
 - D. Determination of Need for Certain GIAA Properties
7. Report of Executive Manager
 - A. Airport Updates
 - B. Announcements
8. Report of Comptroller
9. Executive Session
 - A. DFS Guam L.P. related litigation to which GIAA is or may be a party (5 GCA § 8111(c)).
 - B. Office of Public Accountability Procurement Appeal Case Number OPA-PA-21-010 JMI Edison v. Guam International Airport Authority, and CV0095-22; Johndel International, Inc. dba JMI Edison vs. Office of Public Accountability, Guam International Airport Authority and Aircraft Service International, Inc. dba Menzies Aviation.
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 - E. SP0114-22 In re GIAA Board of Directors, February 28, 2022 Executive Session Transcripts.
 - F. SP0132-23 In re GIAA Board of Directors, April 27, 2023 Executive Session Transcripts.
10. Public Comments
11. Adjournment

BOARD OF DIRECTORS REGULAR MEETING
3:00 p.m., Thursday, March 7, 2024
GIAA Terminal Conference Rooms 1 & 2

ATURIDAT PUETTON BATKON
AIREN GUAHAN ENTENSIONAT

SIGN-IN SHEET		
PRINT NAME	COMPANY/AGENCY	CONTACT NO./EMAIL
1. Jaejun Lee	Lotte	671-689-6714 jaejun.lee@lotte.net
2. Leicia Law-Berly	Lotte	671-689-6714 ⁶⁸⁷⁻⁴⁴⁵³ lolfgmlctg108@lotte.net
3. JIAO RUFFO	GIAA	481 3806
4. AUDRE ARLOP	GIAA	642-4433
5. Raymond Quintanilla	GIAA	642 4459
6. Kathrina Baysa	GIAA	642-5148
7. Polenda Fausciandri	GIAA	642-4645
8. Janelle Mero	GIAA	642-6147
9. Ryan Mantana	AREFF	475-5150/63
10. Sarah Benavente	Guam Post	998-0474
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ASB, WOP PAT INTERNATIONAL AIRPORT GUAM



REGULAR MONTHLY BOARD MEETING

Thursday, March 7, 2024 at 3:00 PM in Terminal Conference Rooms 1 & 2 and by Videoconference and Live Streamed via GIAA website: www.guamairport.com or <https://www.guamairport.com/corporate/about-our-airport/board-of-directors/airport-board-meeting>

AGENDA

1. Call to Order and Attendance
2. Approval of Agenda
3. Approval of Minutes
 - A. January 12, 2024 Regular Meeting
4. Correspondence - None
5. Old Business - None
6. New Business
 - A. Approval of Award for Upgrade of Existing Taxiway Signs - IFB No. GIAA-C02-FY24
 - B. Approval of Draft Rules and Regulations for the Solicitation, Selection, and Award of Concession Contracts for Administrative Adjudication Law Process
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7. Report of Executive Manager
 - A. Airport Updates
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9. Executive Session
 - A. DFS Guam L.P. related litigation to which GIAA is or may be a party (5 GCA § 8111(c)).
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 - E. SP0114-22 In re GIAA Board of Directors, February 28, 2022 Executive Session Transcripts.
 - F. SP0132-23 In re GIAA Board of Directors, April 27, 2023 Executive Session Transcripts.
10. Public Comments
11. Adjournment

Parking is available in the Public Parking Lot. Call the Board Office at (671) 642-4717/18 for special accommodations, auxiliary aids, or services. This ad is paid for by GIAA.

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The job offer meets all EEO requirements, and initiates a temporary placement. The recruitment associated with this job offer is closely monitored by the Department of Labor. Qualified, available and willing U.S. workers are highly encouraged to apply. Should you qualify for the job and are not hired, you may appeal with the Department of Labor who will independently review matter.

Apply in person at the American Job Center
414 W. Soledad Avenue, Suite 300 GCIC Building Hagatna, Guam
Or apply online at www.hireguam.com; Enter Keyword: 2024-043

Proposed Issuance of Underground Injection Control System Operating Permits for Royal Orchid Hotel

PUBLIC REVIEW AND COMMENT PERIOD: MARCH 1, 2024 - APRIL 1, 2024

The Guam Environmental Protection Agency (Guam EPA) runs the Underground Injection Control (UIC) Program, as mandated by the Safe Drinking Water Act, and approved by U.S. EPA.

The Agency regulates all applicable activities as set forth in the Guam's UIC Regulations. The UIC Program requires operating permits for all existing injection wells/ systems. This includes wells built prior to the approval of the regulations are still in operation, and wells/ systems constructed after the effective date of the regulations.

Guam EPA has received renewal applications from Manhattan Guam, Inc. for two injection systems located at Royal Orchid Hotel, Tumon. The hotel has restaurants, bar, boutique, novelty stores, and with subsurface drainage systems at parking areas.

On the basis of a preliminary UIC requirement review, the Administrator has proposed issuing UIC permits to allow discharges of stormwater runoff into the injection systems.

The discharges contain stormwater runoff only. No industrial discharges or any discharges is allowed into the systems.

The permits for these applications will require:

1. Only stormwater runoff to be discharged into the injection systems
2. Semi-annual monitoring of water quality for MBAS, Oil and Grease, NO3-N, Endrin, Lindane, Toxaphene, 2, 4-D, 2, 4, 5-TP Silvex, Heptachlor, Methoxychlor, Lead, Benzene, Ethylbenzene, Xylene, Toluene, MTBE, Boron, COD, and pH;
3. Assurance regarding repairs, replacement, or abandonment of the wells/systems in the event of failure;
4. A laboratory analysis report of runoff water taken from the designated sampling point of the system; and
5. Compliance with other UIC requirements.

A copy of the Draft Permits and Permit Applications for the above applicant and all other supporting documents are available for public inspection from 8 a.m. until 5 p.m. Monday through Friday at the Water Resources Management Program Section of the Water Division, Guam Environmental Protection Agency, located at 17-3304 Mariner Avenue, Tiyan, Barrigada 96913.

For more information, contact Ms. Susan Marquez, at (671) 300-4778 or at (671) 300-4751.

Written comment on the draft permits may be hand delivered or mailed to the address below. Comments must be received by Guam EPA no later than 5 p.m., Monday, April 1, 2024. No fax submittals will be accepted.

Administrator
Guam Environmental Protection Agency
17-3304 Mariner Avenue, Tiyan
Barrigada, Guam 96913

If there are no appeals, the Draft Permits become final. Operation of the injection systems identified by the applicant may proceed subject to the conditions of the permits and other applicable legal requirements.

The final decision to set conditions and issue the final permits or deny applications for the permits will be decided after all comments have been considered. If no comments are received within the 30-day waiting period, the final permits shall be issued immediately after the commenting period closes.

Please bring this information to the attention of all persons who may be interested in this matter.



/s/ **MICHELLE C.R. LASTIMOZA - Administrator**



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NOTICE OF SALE UNDER MORTGAGE

NOTICE IS HEREBY GIVEN, pursuant to 18 G.C.A. §36113, Paragraph 52 of the below described mortgage and the Notice of Default recorded on December 28, 2022 as Instrument No. 982381, that the mortgage executed on March 5, 2020 by JOSEPH A. CRUZ dba A to Z Janitorial & Lawn Care Services, ("Mortgagor"), in favor of COAST 360 FEDERAL CREDIT UNION, ("Mortgagee"), and filed for record in the Department of Land Management, Government of Guam, on March 6, 2020 as Instrument No. 945803, will be FORECLOSED pursuant to a POWER OF SALE contained in the above mortgage.

The property described below will be sold, WITHOUT WARRANTY OF ANY KIND BEING GIVEN, EXPRESS OR IMPLIED, including without limitation, warranties regarding title, possession, rights of redemption, subsurface conditions, the condition of any structure or encumbrances to the highest bidder at public auction, to be held at the Mayor's office in Chalan Pago, Guam at 2:30p.m. on March 26, 2024, in order to satisfy the amount due on the mortgage and its promissory note at the time of the sale. Terms of the sale are cash, certified check or other terms deemed acceptable by Mortgagee. The Mortgagee reserves the right to bid all or part of the amount due on the mortgage at the time of the sale; to reject any bid made at the sale and to withdraw this notice and postpone the sale from time to time.

The property subject to the mortgage and to be sold at sale is as follows:

Parcel 1: Lot No. 3308-3-1-2, Ordot-Chalan Pago, Guam (Estate No. 72229 under Basic Lot No. 3308-3-1), Suburban, as said lot is marked and designated on Map Drawing No. FC96-002 (LM#205FY96) dated May 5, 1996 and recorded May 8, 1996 in the Department of Land Management, Government of Guam under Instrument No. 545400. Area: 1,987± square meters.

Parcel 2: Lot No. 3308-3-1-3, Ordot-Chalan Pago, Guam (Estate No. 72229 under Basic Lot No. 3308-3-1), Suburban, as said lot is marked and designated on Map Drawing No. FC96-002 (LM#205FY96) dated May 5, 1996 and recorded May 8, 1996 in the Department of Land Management, Government of Guam under Instrument No. 545400. Area: 1,987± square meters.

Parcel 3: Lot No. 3308-3-1-4, Ordot-Chalan Pago, Guam (Estate No. 72229 under Basic Lot No. 3308-3-1), Suburban, as said lot is marked and designated on Map Drawing No. FC96-002 (LM#205FY96) dated May 5, 1996 and recorded May 8, 1996 in the Department of Land Management, Government of Guam under Instrument No. 545400. Area: 1,987± square meters.

Parcel 4: Lot No. 3308-3-1-R4, Ordot-Chalan Pago, Guam (Estate No. 72229 under Basic Lot No. 3308-3-1), Suburban, as said lot is marked and designated on Map Drawing No. FC96-002 (LM#205FY96) dated May 5, 1996 and recorded May 8, 1996 in the Department of Land Management, Government of Guam under Instrument No. 545400. Area: 1,987± square meters.

The amount due the Mortgagee is for the sum of \$199,412.08, plus interest as of October 5, 2022 of \$2,610.11, interest at the rate of 5.25% per annum from October 5, 2022 to the date of full payment, attorney fees, and costs of this sale.

If the sale is set aside for any reason, the purchaser at the sale shall be entitled only to a return of the deposit paid. The purchaser shall have no further recourse against Mortgagor, the Mortgagee or the Mortgagee's attorneys.

The undersigned are the attorneys for the Mortgagee and hereby give notice that they are attempting to collect a debt and any information that is obtained will be used for that purpose.

Dated this 20th day of February, 2024.

The Law Offices of Duncan G. McCully, P.C. Attorneys for Coast 360 Federal Credit Union
By: /s/ MARK S. BEGGS, of Counsel

Guam)
On this 20th day of February, 2024, before me, the undersigned Notary, personally appeared, MARK S. BEGGS, the person whose name is signed on the preceding document, and acknowledged to me that he signed it voluntarily for its stated purpose, as attorney for Coast 360 Federal Credit Union

MAUREEN E.T. TAITANO
NOTARY PUBLIC

In and for Guam, U.S.A.
My Commission Expires: Aug. 18, 2026
434 W O'Brien Dr Ste 201, ADA Cliffline
Office Building, Hagåtña, Guam 96910

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REGULAR MONTHLY BOARD MEETING


Thursday, March 7, 2024 at 3:00 PM in Terminal Conference Rooms 1 & 2 and by Videoconference and Live Streamed via GIAA website: www.guamairport.com or <https://www.guamairport.com/corporate/about-our-airport/board-of-directors/airport-board-meeting>

- AGENDA**
1. Call to Order and Attendance
 2. Approval of Agenda
 3. Approval of Minutes
 - A. January 12, 2024 Regular Meeting
 4. Correspondence - None
 5. Old Business - None
 6. New Business
 - A. Approval of Award for Upgrade of Existing Taxiway Signs - IFB No. GIAA-CO2-FY24
 - B. Approval of Draft Rules and Regulations for the Solicitation, Selection, and Award of Concession Contracts for Administrative Adjudication Law Process
 - C. 2024 Air Service Development Incentives
 - D. Determination of Need for Certain GIAA Properties
 7. Report of Executive Manager
 - A. Airport Updates
 - B. Announcements
 8. Report of Comptroller
 9. Executive Session
 - A. DFS Guam L.P. related litigation to which GIAA is or may be a party (5 GC § 8111(c)).
 - B. Office of Public Accountability Procurement Appeal Case Number OPA-PA-21-010 JMI Edison v. Guam International Airport Authority, and CV0095-22; Jhndel International, Inc. dba JMI Edison vs. Office of Public Accountability, Guam International Airport Authority and Aircraft Service International, Inc. dba Menzies Aviation.
 - C. Office of Public Accountability Procurement Appeal Case Number OPA-PA-23-02 JMI Edison v. Guam International Airport Authority.
 - D. SP0035-22 In re GIAA Board of Directors, October 28, 2021 Executive Session Transcripts.
 - E. SP0114-22 In re GIAA Board of Directors, February 28, 2022 Executive Session Transcripts.
 - F. SP0132-23 In re GIAA Board of Directors, April 27, 2023 Executive Session Transcripts.
 10. Public Comments
 11. Adjournment

Parking is available in the Public Parking Lot. Call the Board Office at (671) 642-4717/18 for special accommodations, auxiliary aids, or services. This ad is paid for by GIAA.

LOURDES A. LEON GUERRERO
Honorable Governor
Maga'hága

JOHN "JO" QUINATA
Executive Manager



A.B. WON PAT INTERNATIONAL AIRPORT GUAM

P.O. Box 8770 Tamuning, GU 96931 • Tel: (671) 646-0300

JOSHUA F. TENORIO
Honorable Lt. Governor
Sigundo Maga'láhi

ARTEMIO "RICKY" HERNANDEZ, Ph.D.
Deputy Executive Manager

REQUEST FOR PROPOSALS

DESCRIPTION: ENVIRONMENTAL CONSULTING SERVICES

<p>RFP No: RFP-002-FY24</p>	<p>Deadline for Receipt of Written Questions: (Single Point of Contact) 5:00 p.m. (ChST) 03/06/2024</p>	<p>Proposal Submission Deadline: (GIAA Admin Office - 3rd floor) 4:00 p.m. (ChST) 03/19/2024</p>
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For additional information, contact Ms. Kathrina Bayson, the Single Point of Contact, via email at: giaarfp224@guamairport.net

The complete RFP packet and any addenda are available for public inspection at the GIAA Administration Office and for download from GIAA's website at www.guamairport.com. A non-refundable payment of Ten Dollars (\$10.00) in cash, or certified check, or cashier's check is required for an electronic file (.pdf format) on a USB flash drive, which can be obtained at the GIAA Administration Office. All Prospective offerors must register by submitting to GIAA the Acknowledgement of Receipt Form included as part of this RFP. GIAA shall not be liable for failure to provide notice(s) or addenda to any prospective offeror who does not submit an Acknowledgement of Receipt Form. GIAA reserves the right to reject any and all proposals or offers and to waive any and all informalities, and such rejection or waiver will be in GIAA's best interest.

AD PAID FOR BY: ATURIDAT PUETTON BATKON AIREN ENTENASIONAT GUAHAN

TORRES LAW GROUP
Suite 201, 130 Aspinall Avenue
Hagåtña, Guam 96910
Telephone: (671) 477-9891-3
Facsimile: (671) 472-2601
Attorneys for Administrator

IN THE SUPERIOR COURT OF GUAM
IN THE MATTER OF THE ESTATE OF
LINDA MARIE FLORES,
Deceased.
PROBATE CASE NO.: PR0143-23
NOTICE TO CREDITORS

Notice is hereby given by William B. Weikal, Administrator of the Estate of Linda Marie Flores, deceased, to the creditors of, and all persons having claims against the said Estate or against said deceased, that within two (2) months after the first publication of this Notice, they either file them with necessary vouchers in the Office of the Clerk of the Superior Court of Guam, or exhibit them with the necessary vouchers to the Administrator, at the law offices of Torres Law Group, 130 Aspinall Avenue, Suite 201, Hagåtña, Guam, the same being the place for the transaction of the said Estate.

Dated at Hagåtña, Guam, this 9th day of February, 2024

TORRES LAW GROUP
By /s/ PHILLIP TORRES, ESQ.
Attorneys for Administrator

VANESSA L. WILLIAMS, ESQ.
LAW OFFICE OF VANESSA L. WILLIAMS, P.C.
414 WEST SOLEDAD AVENUE
GCIC BLDG., SUITE 500
HAGATNA, GUAM 96910
TELEPHONE: 477-1389
EMAIL: SERVICE@VWILLIAMS.LAW.COM
Attorney for Petitioner
Theresa A.G. Patenia

IN THE SUPERIOR COURT OF GUAM
IN THE MATTER OF THE ESTATE
OF
JAIME L. PATENIA,
Deceased.
PROBATE CASE NO.: PRO062-23
NOTICE OF HEARING ON PETITION TO SET ASIDE ESTATE

NOTICE IS HEREBY GIVEN that THERESA A.G. PATENIA has filed herein her petition to set aside the estate of the above-named Decedent, reference to which is made for further particulars, and that the time and place of hearing the same has been set for March 13, 2024 at 9:30 A.M. in the courtroom of said Court, at 120 West O'Brien Drive, Hagåtña, Guam. You may appear in person at the Courtroom of Judge Dana A. Gutierrez, 120 W. O'Brien Drive, Hagåtña, Guam or you may participate via Zoom by logging onto <https://guamcourts-org.zoom.us> and enter the Meeting ID: 839 7874 0380 and Passcode: 189701. For technical assistance, please call (671) 475-3207 five (5) minutes prior the designated hearing time.

Dated this 5th day of February, 2024.

SOPHIA SANTOS DIAZ
Clerk of Court, Superior Court of Guam
By: /s/ PAULINE I. UNTALAN
Chamber/Courtroom Clerk

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**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Friday, January 12, 2024, 3:00 p.m.
GIAA CONFERENCE ROOMS 1 & 2**

1. CALL TO ORDER AND ATTENDANCE

The January 12, 2024 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 Bamba at 3:05 p.m. at the GIAA Terminal Conference Rooms 1 & 2, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Brian J. Bamba
Gurvinder S. Sobti
Donald I. Weakley
Lucy M. Alcorn
Doyon A. Morato
Rosie R. Tainatongo
Jesse G. Garcia

Offices or positions:

Chairman
Vice Chairman
Board Secretary

Directors Absent:

None

GIAA Officials:

John M. Quinata	Executive Manager
Artemio R. Hernandez, Ph.D.	Deputy Executive Manager
Dafne Mansapit-Shimizu	Comptroller
Jean M. Arriola	Airport Services Manager
Juan S.A. Reyes, A.C.E.	Air Terminal Manager
Raymond Quintanilla	Superintendent of Airport Operations
Raymond Mantanona	ARFF, Chief
Rolenda Faasuamalie	Airport Marketing Administrator
Audie Artero	Engineer Supervisor
Ken McDonald	Superintendent of Properties & Facilities
Kathrina Bayson	Supply Management Administrator
Jenielle Meno	Buyer Supervisor
William Brennan	Arriola Law Firm, GIAA Legal Counsel
Frank R. Santos	TMG, GIAA Consultant

Chairman Bamba 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

On motion duly made by Secretary Weakley, seconded by Vice Chairman Sobti, the following resolution was unanimously passed:

Resolution No. 24-14

The Board hereby approves the agenda of the January 12, 2024 regular meeting, as presented.

3. APPROVAL OF MINUTES

A. December 4, 2023 - Regular Meeting

On motion duly made by Director Tainatongo, seconded by Secretary Weakley, the following resolution was unanimously passed:

Resolution No. 24-15

The Board hereby approves the minutes of the December 4, 2023 regular meeting, subject to corrections.

4. CORRESPONDENCE

Executive Manager Quinata advised there was no Correspondence to report.

5. OLD BUSINESS

Executive Manager Quinata advised there was no Old Business to present.

6. NEW BUSINESS

A. Approval of Award for GIAA Apron East Operations Area Restoration – Phase I – IFB No. GIAA-C01-FY24

Executive Manager Quinata announced that Management would like to make a recommendation to table the award for GIAA Apron East Operations Area Restoration – Phase I, under IFB No. GIAA-C01-FY24, until the next regular Board meeting.

On motion duly made by Director Tainatongo, seconded by Director Alcorn, the following resolution was unanimously passed:

Resolution No. 24-16

The Board hereby tables the award for GIAA Apron East Operations Area Restoration – Phase I, under IFB No. GIAA-C01-FY24, until the next regular Board meeting, as recommended by Management.

Approval of Award for Architectural & Engineering Services for the Air Operations Area (“AOA”) Security Gate Perimeter Fencing Installation Design – RFP No. RFP-001-FY24

Due to a possible conflict of interest, Secretary Weakley for the record, recused himself from any and all discussion on the Award for Architectural & Engineering Services for the Air Operations Area (“AOA”) Security Gate Perimeter Fencing Installation Design – RFP No. RFP-001-FY24.

The next item discussed by the Board was the Award for Architectural & Engineering Services for the Air Operations Area (“AOA”) Security Gate Perimeter Fencing Installation Design – RFP No. RFP-001-FY24. Deputy Executive Manager Hernandez, provided background information to the Board on the referenced RFP, including the scope of services, contract term, dates that the RFP was published in the newspaper, proposal submission deadline, and the number of interested proposers.

The referenced Request for Proposals (RFP) solicits interest from qualified firms and/or individuals to conduct Architectural & Engineering Services to proceed with plans for the expansion and installation of a new Air Operation Area (AOA) Security access gate for the Antonio B. Won Pat International Airport, Guam (“GIAA”). The study will include but is not limited to, identifying a suitable location that will maximize efficient ingress and egress into GIAA's AOA to support the myriad of activities that take place daily on Guam's only commercial airport. In addition, the design will include an updated vehicle access control system to prevent any unauthorized access into the AOA while allowing for efficient traffic flow in compliance with the GIAA's Airport Security Plan and 49 U.S.C Part 1542.

A total of nineteen (19) firms and/or individuals downloaded the RFP package and six (6) firms submitted a proposal before the established deadline. The proposals were reviewed to determine responsiveness, that is, whether or not the offeror submitted all documents required by the RFP. All six (6) offerors submitted the required documents and were determined to be responsive as outlined in the Guam Procurement Law and Regulations.

An evaluation committee was established to evaluate the proposals that were submitted based on the evaluation criteria set forth in the RFP. The Evaluation Committee appointed by the Executive Manager completed their evaluations of the proposal. As a result of the evaluations, it is determined that Offeror A, the sole offeror, was deemed a responsive firm to perform the required services in accordance with the criteria set forth in the RFP. The score sheets were gathered and tabulated by the Procurement Office.

The Architectural & Engineering Services for the Air Operation Area (AOA) Main Gate Perimeter Fencing Installation Design will be funded under an FAA AIP grant; Federal Share is 90% and Sponsor Share is 10%. The term of the agreement is for a period of three (3) years with two (2) additional one (1) year options to renew at the sole discretion of GIAA, not to exceed a total term of five (5) years, subject to the availability of funding.

Management recommends that the Board approve the ranking results and the contract award to Offeror 'A' for Architectural & Engineering Services for the Air Operation Area (AOA) Main Gate Perimeter Fencing Installation Design, subject to negotiation of fair and reasonable fees to be submitted at a time and in a format determined by GIAA. If GIAA is unable to negotiate a contract with the best qualified offeror, the Executive Manager or designee may enter into negotiations with the next most qualified offeror, consistent with the Guam Procurement Law & Regulations and the RFP.

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

Resolution No. 24-17

The Board hereby approves the ranking results as presented and the contract award to Offeror 'A' for the Architectural & Engineering Services for the Air Operations Area ("AOA") Security Gate Perimeter Fencing Installation Design – RFP No. RFP-001-FY24, subject to Management's negotiation of fair and reasonable fees and review by Legal Counsel.

Deputy Executive Manager Hernandez announced that Offeror 'A' is Evangelista-Acabado Engineers, Inc. dba E&A Engineers.

B. Approval of Legal Services Invoice No. 81445, 81457, 81460 and 81461

The next item discussed was invoices from Calvo Jacob & Pangelinan, LLP (CJP) relative to legal services fees incurred in October and November 2023. Deputy Executive Manager Hernandez advised the Board that CJP submitted invoices for general legal services relating to:

October

1. Invoice No. 81445: DFS Guam L.P. Arbitration Claim (\$30,488.04)

November

2. Invoice No. 81457: Board Matters (\$588.50)
3. Invoice No. 81461: DFS Guam L.P. Government Claim (\$9,408.00)
4. Invoice No. 81460: DFS Guam L.P. Arbitration Claim (\$23,830.00)

Referenced legal services invoices total an amount of \$64,314.54. Due to the referenced services exceeding CFJ's monthly cap of \$10,000.00, Board action is required to authorize the additional amounts above the cap; \$20,488.04 for October and \$23,826.50 for November.

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

Resolution No. 24-18

The Board hereby authorizes the Authority to issue payment to Calvo Jacob & Pangelinan, LLP for legal fees incurred in October 2023 pertaining to DFS Guam L.P. Arbitration Claim (Invoice No. 81445) and legal fees incurred in November 2023 pertaining to Board matters, DFS Guam L.P.

Government Claim and Claim DFS Guam L.P. Arbitration Claim (Invoice No. 81457, 81461 and 81460), that exceed the monthly cap of \$10,000.00, invoices totaling \$64,314.54.

7. REPORT OF THE EXECUTIVE MANAGER

Reference is made to the Executive Manager's Report included as part of the Board's packet, which was presented by Executive Manger Quinata. The report included brief updates on Airline activity, CIPs, Airport updates, Regulatory updates and other announcements.

8. REPORT OF THE COMPTROLLER

Ms. Dafne Mansapit Shimizu, Comptroller reported on the revenues and expenses of the Authority for the month ending **November 30, 2023**. Year-to-date Total Signatory Revenues are below Budgeted revenues by **18.2%**. Signatory revenue estimates are based on projections submitted by Signatory airlines and adopted in the annual budget. Year-to-date Total Concession Revenues are **2.9%** 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 below the budget estimate by **6.9%**. Year-to-date Total Operating Revenues actual of **\$10.1M** is **12.8%** below the budget estimate of **\$11.6M**. Year-to-date Total Operating Expenses are below budget by **12.5%**. Components of this line item include a **4.2%** decrease in Personnel Service, a **15.5%** decrease in Contractual Services, a **58.8%** decrease in Materials & Supplies and a **0%** decrease in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date Net Revenues from Operations of **\$2.7M** represents a **13.9%** decrease over the year-to-date budgeted amount of **\$3.1 M**. Finally, our year-to-date results for Debt Service Coverage is at **1.35** versus the requirement of **1.25**.

9. EXECUTIVE SESSION

- A. Office of Public Accountability Procurement Appeal Case Number OPA-PA-21-010 JMI Edison v. Guam International Airport Authority, and CV0095-22; Johndel International, Inc. dba JMI Edison vs. Office of Public Accountability, Guam International Airport Authority and Aircraft Service International, Inc. dba Menzies Aviation.
- B. Office of Public Accountability Procurement Appeal Case Number OPA-PA-23-02 JMI Edison v. Guam International Airport Authority.
- C. SP0035-22 In re GIAA Board of Directors, October 28, 2021 Executive Session Transcripts.
- D. SP0114-22 In re GIAA Board of Directors, February 28, 2022 Executive Session Transcripts.
- E. DFS Guam L.P. related litigation to which GIAA is or may be a party (5 GCA § 8111(c)).

Executive Manager Quinata announced that Management would like to make a recommendation to table Executive Session, until the next regular Board meeting.

On motion duly made by Director Alcorn, seconded by Director Tainatongo, the following resolution was unanimously passed:

Resolution No. 24-19

The Board hereby tables Executive Session, until the next regular Board meeting, as recommended by Management.

10. PUBLIC COMMENTS

There were no Public Comments.

11. ADJOURNMENT

Motion to adjourn duly made by Director Morato, seconded by Director Tainatongo; motion unanimously passed. The meeting was adjourned at 3:45 p.m.

Dated this _____, day of _____, 2024.

Attest:

Brian J. Bamba
Chairman

Donald I. Weakley
Board Secretary

Prepared and Submitted By:

Amanda O'Brien
Corresponding Secretary



**ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
BOARD OF DIRECTORS**

EXECUTIVE SUMMARY

GIAA AIR SERVICE DEVELOPMENT INCENTIVE PROGRAM UPDATE

March 7, 2024

Purpose

Board action is requested to approve the GIAA Air Service Development Incentive Program as presented and recommended by management. The program objectives are to attract new entrant air carriers for passenger service to domestic and international routes and/or to expand or increase incumbent air carriers passenger services to new or existing destinations all toward encouraging the growth of revenue enplaning passengers at the A.B. Won Pat International Airport Authority, Guam (GIAA).

Background

Airports and communities use air service incentives in order to attract new air service, both for new entrant carriers to begin service at an airport or to incumbent carriers at an airport to add new routes. If an airport receives Airport Improvement Program (AIP) funding from the Federal Aviation Administration (FAA), the airport must comply with a series of grant assurances. In doing so, each airport is responsible for ensuring that its Air Carrier Incentive Program (ACIP) is consistent with these grant obligations, which govern the extent to which an airport sponsor can provide incentives to an air carrier in return for new air service at the airport.

In 2010, the FAA published its ACIP Guidebook, which provided detailed guidance on the use of incentives for air carriers to begin serving an airport or service on a new route from the airport. Since the publication of the ACIP Guidebook, the FAA has reported that the number of ACIPs have significantly increased, with more than 250 U.S. commercial service airports having implemented such programs.

More recently, on December 7, 2023, the FAA released a final policy statement that provides guidance to airports on how to determine if its ACIP complies with federal grant obligations with changes and key provisions that may have expanded the opportunities for enhancing air service to the GIAA. The effective date of the FAA's new policy are for any carrier incentives for which contracts are signed after February 5, 2024.

A few of these changes include the following:

1. "New Service" Definition: FAA's policy allows airports to incentivize "a significant increase in capacity on pre-existing service to a specific airport destination." However, if an airport includes such incentives in its ACIP, the FAA provides that the incentives (a) are limited to one year, (b) may not discriminate based on whether the frequency addition is from a carrier that already serves the route, (c) cannot be the only type of incentive in the ACIP, and (d) should only apply to increased frequencies that result in a significant net increase in seat capacity to the specific airport destination.
2. "Seasonal Service" Definition: FAA's policy adds a new definition for "seasonal service"—defined as "[n]onstop service that is offered for less than 7 months of the calendar year"—and permits airports to provide incentives for seasonal service for 3 seasons, up to 3 years from the start of the service.

Executive Summary

FY 2024 Air Carrier Incentive Program (ACIP) Update

Page 2 of 2

3. **Upgauging Practices:** FAA’s policy allows incentives for upgauging to the extent that they “significantly increase capacity on a pre-existing route.” However, if an airport includes such incentives in its ACIP, FAA provides that the incentives (a) are limited to one year, (b) cannot be the only incentive in the ACIP, and (c) should only apply to increase frequencies that result in a significant net increase in seat capacity to the specific airport destination.
4. **Limited Budget for ACIP:** FAA’s policy allows airport sponsors of any size to limit incentives to one carrier in cases where the sponsor has a limited budget, provided that information regarding the ACIP, including the limited availability, is disclosed at least 30 days prior to signing a contract with a carrier.
5. **ACIP Transparency:** FAA’s policy requires airport sponsors to provide notification of the existence of an ACIP and its terms and conditions at least 30 days in advance of signing an incentive agreement with a carrier. This includes publicly disclosing incentives offered; the program eligibility criteria; identification of the targeted and desired new service; and for incentives awarded, a periodic listing of all carriers benefitting from the ACIP, the incentives received, and identification of the incentivized service.

As seasonal service and upgauging practices are new FAA approved incentives and our beneficial to operators in our region who may test the market with added service, we have incorporated these incentives into our current Air Service Development Incentive Program, last amended in 2017

The Air Service Development Incentive Program

The GIAA Air Service Development Incentive Program include program objectives, program components program term, program funding, air carrier and market eligibility, application requirements, and other details, all contained in the attached Air Service Development Incentive Program document. The Program is aligned with the FAA Policy on Air Service Incentives, and are also aligned with FAA policy on the use of Airport Revenue.

Recommendation

Management recommends approval of the GIAA Air Service Development Incentive Program as presented by management.



Air Service Development Incentive Program

PROGRAM OBJECTIVE:

The objective of the A. B. Won Pat International Airport Authority, Guam's (GIAA) Air Service Development Incentive Program is to:

- 1) Stimulate international and domestic passenger air service to the Guam International Airport
- 2) Increase aeronautical and non-aeronautical revenue streams
- 3) Reduce costs per enplaned passenger at the Guam International Airport

PROGRAM COMPONENTS AND ELIGIBILITY:

The GIAA Air Service Development Incentive Program is destination based and applies to all unserved and under-served city destinations in the Asia-Pacific Region and the US West Coast for direct scheduled air service or scheduled on-demand air service to Guam.

The GIAA Air Service Development Incentive Program is open to all U.S. and foreign-based airlines that possess all governmental authorizations. Tour wholesalers and agencies are ineligible to receive the GIAA incentive but may factor such incentive in their negotiations with an airline operator.

All program components, incentives and program terms will be administered in compliance with federal and local law, federal grant assurances and Federal Aviation Administration (FAA) policy concerning the 1)use of airport revenue and 2)air carrier incentive program.

AIR SERVICE INCENTIVES AND PROGRAM TERMS:

New Air Service:

Incentives may be applied to unserved or under-served direct (non-stop) routes with a minimum commitment for one (1) year. The incentive may be applied up to a maximum of two (2) years for an unserved or under-served destination.

New Seasonal Air Service:

Incentives may be applied to year- round or new seasonal service on unserved or under-served routes operated cumulatively, for less than 7 months, per calendar year. The incentive is applicable to the first calendar year and may be applicable for a maximum of two (2) consecutive years thereafter.

Increased Capacity:

Incentives may be applied to carrier operations resulting in a significant net increase in capacity over the carrier's pre-existing service, per destination. The incentive is applicable to one (1) calendar year.

FREQUENCY AND RATES AND CHARGES DISCOUNTS:

Minimum Weekly Frequency: Incentives applies to eligible air service with a minimum of one (1) flight per week.

Rates and Charges Discount: Incentives applies to operational rates and charges published in the Airport Tariff Schedule in effect at the time of inaugural service and limited to the Airfield Use (Landing) fee, Loading Bridge Use, Immigration Inspection, Arrivals and Departure Fees only. Additional incentives may be provided based on a case-by-case basis subject to review by the Federal Aviation Administration to include marketing support, fuel flowage fees, and terminal rents.

- The cumulative percentage discount of up to 50% for the first year of operations is applicable to the operational rates and factors including, but are not limited to, aircraft capacity, non-peak operational schedule, and load factors.
- For air carriers that are eligible to execute a Signatory Airline Lease and Operating Agreement for up to two (2) years, the cumulative discount for the first year is up to 50% and may be eligible for additional discounts of up to 75% for the second year of operations.
- For existing GIAA signatory airlines, incentives for existing routes may be provided on a case-by-case basis and discounts of up to 50% may be applicable subject to negotiations.
- Additional incentives may be provided on a case-by case basis subject to review by the Federal Aviation Administration to include marketing support, fuel flowage fees, and terminal rents.
- The incentive will be computed and applied on an annual basis pursuant to airline budgeted projections and actual operational activity reports for the prior year.

APPLICATION REQUIREMENT AND PROGRAM FUNDING

Application Requirement:

Airlines seeking to participate in any of the Incentive Programs, ("Applicant Airline") must complete the GIAA Air Carrier Incentive Program Application Form within thirty (30)days of commencement of the qualifying air service. The Applicant Airline will be advised in writing by the GIAA within thirty (30) days of receipt of the Application if the Application has been approved for the requested incentives.

Program Funding:

Airport sponsored funding may be limited to the first carrier to establish service to specific destination(s). Incentives may not be transferred from one carrier to another. Incentives cannot be transferred between routes.

If the eligible air carrier does not meet the minimum service requirements, then all operational credits provided to the air carrier shall be refunded to the GIAA.

The GIAA Air Service Development Incentive Program is subject to change; any changes will be posted at least 30 days in advance of the implementation of such changes.

The above Air Service Development Incentive Program was adopted by the GIAA Board of Directors, effective February 27, 2014, and amended on August 2, 2016 and March 7, 2024 to attract new air links 1)from an unserved or under-served city destination(s) or 2)new entrant carriers into existing markets on a case-by-case basis in the Asia Pacific region and the U.S. West Coast, and in collaboration with the Guam Visitors Bureau's proposed initiatives to stimulate air service.



**ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
BOARD OF DIRECTORS**

EXECUTIVE SUMMARY

Determination of Need

March 7, 2024

Purpose

GIAA Management seeks the Board of Directors' approval of the Determination of Need (DON) for exceptional term leases for the development of GIAA property for a two (2) year period (March 7, 2024-March 6, 2026).

Background

Public Law 32-040 was enacted on June 11, 2013 and further amended by Public Law 34-099 on May 16, 2018 of 5 GCA § 5127 of the Procurement Law, which prohibits leases for a term in excess of five years, including any extensions, unless a DON is adopted by the Board of Directors justifying a lease term in excess of five (5) years ("exceptional term contract"). On September 28, 2015 the GIAA BOD adopted a DON. Public Law 34-099 specifies that a DON is valid for two years or until an exceptional term contract is executed to fill the stated need, whichever comes first. The GIAA, since then, has not had any exceptional term leases, although we have had significant interests.

The following is an outline of the steps to be taken when soliciting an exceptional term contract (defined below):

- A Determination of Need ("**DON**") is adopted by the GIAA Board of Directors justifying the need for a commercial contract, lease, permit, or license with a term longer than five years, including extensions ("**exceptional term contract**"). A DON is valid for two years or until an exceptional term contract is executed to fill the stated need, whichever comes first.
- The DON is provided to the Speaker.
- A Notice of Solicitation is published at least once and at least seven days prior to the date for submissions. The Notice of Solicitation shall contain:
 - A statement that the solicitation is for an exceptional term contract, the term of the contract, and the date of the DON.
- The solicitation process is carried out, including contract negotiations.
- Following completion of the above steps, the exceptional term contract shall be transmitted

to the Legislature “for approval or disapproval, in whole.

- Legislative review and approval is as follows:
 - The Legislature shall take action to approve or disapprove the exceptional term contract within sixty (60) calendar days from the date of filing with the Speaker.
 - The Legislative Committee having oversight over GIAA shall conduct a public hearing during the sixty (60)-day review period.
 - A Committee Report must be prepared and submitted to the Legislature.
 - The sixty (60) day period is tolled from the time that a public hearing is noticed until a Committee Report is completed.
- The approval of the exceptional term contract shall be by enactment of law.
- A public record must be maintained, to include the DON and any modification, amendment, exercise of option or renewal, or extension of the exceptional term contract.

Legal Review

Upon Board approval, the DON is subject to legal review.

Financial Review

The GIAA, as a public corporation and autonomous instrumentality of the government of Guam and a federal grant recipient, is mandated to be financially self-sustaining. The purpose of the self-sustaining rule is to maintain the utility of the federal investment in the airport. While GIAA's rate covenants require a compensatory and cost recovery method to cover O&M expenses and debt service, the GIAA continues to maximize revenue opportunities (e.g., through lease revenues) to maintain a competitive rate structure to sustain and attract new air services to our region.

In order to attract any potential interest for substantial development, especially the development of raw land, business arrangements are generally accomplished under a stable and predictable lease of sufficient term (up to 30 to 50 years) with capital investments ranging from \$1 million to an excess of \$200 million. These exceptional term leases do not just benefit the Authority and its stakeholders. There are substantial benefits to the island community and economy.

Recommendation

Management recommends the Boards of Directors' adoption of the Determination of Need (DON).

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
DETERMINATION OF NEED – EXCEPTIONAL TERM LEASE
5 GCA § 5127

MARCH 7, 2024

1. Background

The A.B. Won Pat International Airport Authority, Guam (“GIAA” or “Authority”) operates the Antonio B. Won Pat Guam International Air Terminal (“Airport”) as a public corporation and autonomous instrumentality of the Government of Guam established under 12 GCA § 1101 *et seq.* Through its enabling legislation, GIAA has the authority to “acquire, construct, reconstruct, purchase, better, extend, improve, operate and maintain airports and related facilities owned or used by Guam for civil aviation purposes.¹” As the only commercial air carrier airport serving Guam, the Airport is a valuable resource and a vital part of the island’s infrastructure. The Airport is classified as a primary commercial service airport, small hub by the Federal Aviation Administration (“FAA”).

In 2022, GIAA embarked on its most recent Master Plan update. The Master Plan Update is funded by a FAA grant and is slated for completion in in 2024 by airport consultants, AECOM. The 2024 Master Plan Update establishes a blueprint for proposed development of GIAA properties over a 20-year time horizon based on passenger forecasts and considers land use requirements and facility needs for the passenger terminal, airfield, cargo, parking, rental cars, roadways and various facilities. Airport Master Plans are typically updated every 5 years and are used to identify projects that are eligible for federal funding.

The Authority’s ability to fund projects identified in the 2024 Master Plan Update is contingent on federal grants from programs and funding opportunities of the FAA Airport Improvement Program (“AIP”), U.S. Economic Development Administration (“USEDA”), Department of the Interior, Transportation Security Administration, and others, as well as funds from Passenger Facility Charges, General Airport Revenues, Car Rental Facility Charges, General Revenue Bonds, Special Facility Financing, Public-Private Partnerships, and existing and future third party development opportunities.

The FAA—through the AIP and Military Airport Program (“MAP”) grants—has invested millions of federal funds to convert the former naval air station for civilian use. The FAA funded projects included improvements to utilities infrastructure and construction of service roads and security fencing. Moreover, FAA funds were used to demolish dilapidated and non-conforming structures which cleared GIAA land for development.

¹ See § 1104, Chapter 1, Title 12 of the Guam Code Annotated

In addition, the USEDA funded improvements to the north Tiyan property – grading the property topography to near level and constructing drainage basins and utility stub-outs. The objective was to incentivize the property for third party development.

The Authority’s primary role is to serve the current and future aviation demands of its stakeholders, users, and the island community, and meet the self-sustaining mandates required under its federal grants and local law². By addressing the facility issues identified in the 2024 Master Plan Update, and maximizing development opportunities, GIAA will maintain its reputation as a world-class facility, and the Airport will continue to serve as an economic driver for the island.

2. Financial Framework

In 2013, the Authority issued General Revenue Bonds 2013 Series A, B, and C for the purpose of: (i) refunding all of the Authority’s outstanding 2003 Bonds; (ii) new money to finance extensions, and improvements to the Airport; (iii) funding the 2013 Bond Reserve Account, and (iv) paying expenses in connection with the issuance of the 2013 Bonds. The 2013 Bonds are payable solely from and secured by a pledge of all GIAA Revenues under the terms of the 2013 Bond Indenture. The Indenture specifies the application of Airport Revenues to pay O&M costs, service the debt, and requires GIAA to collect revenues sufficient to meet the rate covenants. The agreements between GIAA and the Signatory Airlines³ provide for annual budget consultations to ensure compliance with the rate-making provisions and debt service requirements. More recently, the GIAA issued the following: 2019 General Revenue Bonds Series A (AMT) & Series B (Taxable) for the advance refunding of the Authority’s 2013 Series C bonds; and in 2021 issued General Revenue Bonds Series A for the advance refunding of 2013 Bonds and 2019 Bonds; and 2023 General Revenue Bonds Series A (AMT) (Forward Delivery) for the refunding of the Authority’s outstanding 2013 C (AMT) Bonds.

In achieving a sound financial plan, the Authority is focused on maintaining its current annual debt service coverage ratio, minimizing any increase in cost per enplanement (“CPE”) for carriers serving Guam, controlling its annual operations and maintenance (“O&M”) expenses, maximizing its revenue potential, and providing financial flexibility for the future through responsible financial planning and execution. Maximizing non-aeronautical revenue generation will allow GIAA to fund a greater percentage of capital costs while also maintaining a lower cost to the airlines and users.

The 2019 Coronavirus (“COVID-19”) pandemic greatly impacted the GIAA’s revenues from Fiscal Years (“FYs”) 2020 to-date, with revenue losses estimated to be upwards of \$150 million. Throughout the height of the COVID-19 pandemic and especially in FY 2021, the

² See § 1215, Chapter 1, Title 12 of the Guam Code Annotated.

³ Signatory Airlines are United Airlines, Japan Airlines, Korean Airlines, China Airlines, Philippine Airlines, Jin Air, Jeju Air, Air Busan, Air Seoul, T-way Air, Star Marianas

GIAA was able to reduce its O&M expenses to the lowest level since FY 2011. With the aforementioned bond refinancing and restructuring, the GIAA was able to reduce near-term debt service requirements in FYs 2021 through 2024. These necessary steps allowed the GIAA to extend the use of operational FAA funds provided to the GIAA as long as possible. Although passenger traffic recovery continues with momentum continuing to build, it is imperative that the GIAA looks to expand its ability to diversify its revenues with additional aeronautical and non-aeronautical services and leases that will harden its finances from future similar events.

Unless the GIAA secures such revenue diversification, the rates and charges to the air carriers would have to be increased to pay for the added costs. Increasing airline costs compromises our objective to be a low-cost airport. The GIAA’s passenger traffic consists primarily of resort passengers who are low yield to the airlines. All of the new airline entrants into Guam are low-cost carriers and are highly sensitive to cost increases. It is imperative that GIAA maintain our rate structure to sustain the current flights as well as to attract new air linkages or new airlines.

The largest and immediate opportunity for GIAA to increase its non-aeronautical revenues is ground rent income from tenants or 3rd party development of GIAA land. The signatory airlines have and continue to support this initiative. The FAA and EDA have a major interest as they desire to see a return on their investment.

3. Property Development

As part of its focus on strengthening its financial base, the Authority has identified substantial portions of the most recent FAA-approved Airport Layout Plan (“ALP”) available for converting available Authority-owned land to revenue generating uses. These properties are inclusive of the 1,400 acres of property transferred by the Federal Government to GIAA under a quitclaim deed for civil aviation purposes and support facilities.

Existing and proposed development areas are identified by three general categories, are defined as:

Area	Description	Proposed Uses	Size (acres)
1	Airport Industrial Park	Commercial (e.g., gas station, retail, cargo, restaurant, fuel farm, consolidated car rental facility, multi-purpose facilities, etc.)	+/- 16 acres
2	Northside Tiyan	Commercial (e.g., cargo, cargo aprons, business hotel, airport parking, warehousing, airport and airline offices)	+/-61 acres

3	Southside Tiyan	Commercial (e.g., hangars, FBO, aircraft service providers, warehousing, general aviation, flying clubs, fueling.	+/- 65 acres
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4. Need for Development Leases with Terms in Excess of Five (5) Years

The GIAA, as a public corporation and autonomous instrumentality of the government of Guam and a federal grant recipient, is mandated to be financially self-sustaining. The purpose of the self-sustaining rule is to maintain the utility of the federal investment in the airport. While GIAA's rate covenants require a compensatory and cost recovery method to cover O&M expenses and debt service, the GIAA continues to maximize revenue opportunities (e.g., through lease revenues) to maintain a competitive rate structure to sustain and attract new air services to our region.

The various approaches to airport development include development by the Airport directly using its own funds, direct tenant development, or development by a third party. Any proposed development by tenants or third parties are limited to improving leased lands because as a recipient of federal funding, the GIAA is subject to federal grant assurances that restrict the Authority from selling land to the developer. In order to attract any potential interest for substantial development, especially the development of raw land, business arrangements are generally accomplished under a stable and predictable lease of sufficient term (up to 30 to 50 years) with capital investments ranging from \$1 million to an excess of \$200 million.

These exceptional term leases do not just benefit the Authority and its stakeholders. There are substantial benefits to the island community and economy. Some of the benefits include:

- a. Use of private capital in lieu of limited public funding or debt
- b. Greater opportunity for injection of new monies into the island economy
- c. More construction activity and jobs
- d. Expanded business activity and job creation of skilled labor for local residents
- e. Increased tax base
- f. Developer or lessee pays property taxes on the building (improvements)

A lease term of up to thirty (30) to fifty (50) years is necessary for a tenant/developer to secure commercial financing and allow for a reasonable return. A lease term of up to 30 to 50 years greatly reduces the tenant's/developer's risk by allowing capital recovery by the tenant/developer over the term of the lease since improvements will revert to the Authority at the end of the lease term. Rental valuations will be established based on comparable land and facilities, and federal mandates require the leasing of Authority property for non-aeronautical activities at fair market value. Lease terms and options will be subject to negotiations based on the type of aeronautical/non-aeronautical activity, amount of capital investments, and bank financing requirements.

**EXECUTIVE MANAGER'S REPORT
GIAA BOARD OF DIRECTORS MEETING
March 7, 2024**

PASSENGER FLIGHT NETWORK: March 2024

AIRLINE	ROUTE	FLIGHT # (Arriving/Departing)	ETA/ETD	OPERATING DAYS (ORIGINATING/DEPARTING GUAM)	AIRLINE	ROUTE	FLIGHT # (Arriving/Departing)	ETA/ETD	OPERATING DAYS (ORIGINATING/DEPARTING GUAM)
United Airlines	HNL	UA201/200	1645/0735	Daily	Jeju Airlines	ICN	7C3101/3102	1525/1630	Daily
	NRT	UA197/196	2245/1240	Daily		ICN	7C3105/7C3106	0135/0240	Daily
		UA827/828	1550/1335	Daily//Tue, Thu, Sat, Sun		NRT	7C1182/7C1181	1530/1640	Daily
		UA874/873	0205/17:05	Tue, Thu, Sat, Sun/Daily		PUS	7C3132/7C3152	0230/0320	Sun, Mon, Thu, Friday
		UA865/UA864	2145/1335	Daily	Korean Air	ICN	KE421/KE422	1435/1650	Daily
		UA841/UA840	2340/1120	Daily effective March 31		ICN	KE423/KE424	0020/0230	March 1, 2, and 3 only
	SPN	UA076/UA174	1035/0800	Daily	Jin Air	ICN	LJ915/L916	1450/1610	Daily
	MNL	UA184/UA183	0445/1955	Daily		ICN	LJ913/LJ914	1505/1615	March 31 only
		KIX	UA150/UA151	1545/0700		Daily	PUS	LJ929/LJ930	0155/0255
	FUK		UA178/UA177	0135+1/1650	Tues, Thurs, Saturday	PUS	LJ923/LJ924	0200/0300	March 31 only
		NGO	UA166/UA165	1645/0730	Daily	Japan Airlines	NRT	JL941/JL942	1415/1650
	UA136/UA137		1555/0725	Daily	Philippine Airlines		MNL	PR110/PR111	0335/0555
	ROR	UA172/UA171	0125+1/1700	Mon, Wed, Thurs, Sun	T'Way Airlines	ICN	TW303/TW304	1530/1650	Daily
		UA158/UA157	0510+1/1955	Mon, Wed, Thurs, Sun		ICN	TW9305/TW9306	0420/2150	March 1 only
	TKK	UA192/UA193	0630+1/1950	Tue, Fri	Star Marianas	ROP	**3401/**4301		Mon, Tue, Wed, Thu, Fri
		UA132/UA133	1700+1/0920	Wed, Sun		Asiana Airlines	KIX		
	PNI	UA154/UA155	1825+1/0755	Mon, Fri	China Airlines		TPE	*	
		UA176/UA176	0335+1/2025	Saturday		ICN	*		*
	Yap	UA186/UA185	0400+1/23:40	Tue and Sat		PUS	*		*

* Continued Suspension

Air Service Changes: (Feb vs. Mar)

- United introduces 5th Narita flight effective March 31
- Jin Air decreases ICN from 2x daily to 1x daily, and resumes 2nd flight effective March 31
- T'way decreases ICN from 2x daily to 1x daily effective March 1
- Korean Air decreases ICN from 2x daily to 1x daily effective March 1
- JAL operates on March 20, 21 and 27 only and increases to 5x weekly, effective March 31
- Asiana operates 8 charters from KIX in March

AIR SERVICE SNAPSHOT

	FY 2023			FY 2024			% Percentage Change		
	# of Flights	Seat Capacity	Enplanements	# of Flights	Seat Capacity	Enplanements	# of Flights	Seat Capacity	Enplanements
January	625	105,854	87,146	816	148,616	101,439	31%	40%	14%
February	525	94,167	79,104	712	129,083	NA	36%	37%	NA
March	695	112,091	73,858	696	127,338	N/A	0.14%	14%	NA

AIR SERVICE DEVELOPMENT

United Airlines Awarded Haneda Slot for Service to Guam

The USDOT granted United Airlines was an allocation of one, daily, nighttime slot that will become available on April 2, 2024, to provide year-round, daily scheduled transportation of persons, property and mail between Guam and Tokyo Haneda Airport. This came on the heels of Hawaiian Airlines advising USDOT it will not be utilizing its night-time only Tokyo Haneda (HN) slot pair.

USDOT granted the allocation under the following conditions: "Consistent with our standard practice, we will require that United inaugurate service with the slot pair allocated here within 90 days of its proposed startup date, May 1, 2024. Failure to inaugurate service with a newly allocated slot pair by that time will result in the unused slot pair reverting to the Department. In addition, consistent with the Department's standard practice, the slot pair allocated here is subject to the Department's standard 90-day dormancy condition, wherein any slot pair not operated for a period of 90 days (once inaugurated) would be deemed dormant and the allocation with respect to that slot pair would expire automatically, and the slot pair would revert to the Department for reallocation."

Airline Meetings at Routes Asia 2024

A delegation from GIAA and GVB met with airlines at the Routes Asia 2024 forum held in Malaysia. Discussion of opportunities for Guam service was held with Jeju Airlines, Air Premia, Qantas, China Airlines, Jetstar, Virgin Australia, Air Asia, Japan Airlines, Philippine Airlines, Malaysia Airlines, Starlux Airlines, Lion Air, and Batik Air. Near to mid-term opportunity lies with another Korean flag carrier who is considering a Guam route, as a result of the Korean Airline/Asiana merger.

FEDERAL REGULATORY AND GRANTS

\$21.4M for Terminal Roofing System

GIAA was awarded \$21.4 million in Federal Aviation Administration (FAA) competitive grant funding toward replacing its terminal roofing system. The Terminal Roofing System is a transformative project that is focused on installing a modern, energy-efficient roofing system integrated with renewable energy solutions such as solar panels.

\$31.1M for Terminal Apron and Taxiway Rehabilitation Project

Under a competitive FAA grant, GIAA was awarded \$31.1M for GIAA's Terminal Aircraft Apron and Taxiway Rehabilitation project, improving the safety of aircraft parking and taxiway areas. A groundbreaking ceremony will be held on Friday, March 29, 2024, at 12:30pm on the Apron area overlooking Route 10A. FAA officials are expected to be in attendance and will be meeting Governor Lou Leon Guerrero prior to the groundbreaking ceremony.

\$4M for Accessibility and Modernization of Fire Suppression Appropriated by Congress

Congressman James Moylan announced \$4M in grant funding passed by the House of Representatives in its Fiscal Year 2024 Appropriation measure. Congressman Moylan introduced the funding measure to address expanding access for individuals with disabilities at the Airport and to modernize the terminal fire alarm/fire suppression system. The Appropriations measure will head to the Senate for further action.

EXECUTIVE MANAGER'S REPORT

GIAA BOARD OF DIRECTORS MEETING

March 7, 2024

TSA K-9 Program

TSA K-9 Program official Joe Prado, K9 Regional Coordinator and Daniel Raraz visited Guam to assess K-9 support facilities and functions, including records, kennels, vehicles and magazine inspections, the very first of its kind, at the Guam International Airport. GIAA received positive feedback and await assessment results. All GIAA K-9 teams have been trained at the TSA K-9 headquarters at Lackland Air Force Base in Texas and are annually tested for re-certification. One of GIAA K-9s, Rex, will retire on March 15, 2024, after 8 working years. An internal ceremony will be held to celebrate his contributions.

INFRASTRUCTURE & TECHNOLOGY

FEMA Region 9 Visits GIAA

FEMA officials visited GIAA on March 6 to discuss recovery efforts undertaken for Typhoon Mawar. Discussion focused on infrastructure integrity, mitigation projects on the horizon, and resiliency in our recovery to open within three days after the Typhoon.

TSA Consultation on Cyber Security Conformance

A TSA Cybersecurity Policy Team was on island from February 12 through 23, 2024 reviewing airport facilities for cybersecurity resilience and effectiveness of measures to prevent disruption and degradation. The MIS section has been working on network policies and controls, access control measures, implementation of continuous monitoring and detection to defend against and detect and respond to cybersecurity threats and anomalies. TSA officials provided positive feedback on the Airport's cybersecurity measures.

COPE NORTH Activity at GUM Successfully Concluded

Military assets utilizing the Guam International Airport departed at the conclusion of the CN24 on Saturday, February 7, 2024. Annually the GIAA hosts Cope North activities, this year involving Six US Air Force aircraft, 98 US Air Force Personnel, and 100 US Navy personnel will be staged and stationed, respectively at the Guam International Airport south ramp throughout the duration of COPE North 2024 exercises from January 29 through February 16, 2024.

National Renewable Energy Laboratory (NREL) Meeting

NREL officials visited Guam and met with GIAA to discuss "Guam 100", a comprehensive analysis of stakeholder-driven pathways for Guam to achieve its goal of 100% renewable energy by 2040. This is anticipated to be a multiyear study, and Phase 1 focuses on modeling and analyzing different scenarios to meet GPA's renewable energy targets. Discussions with GIAA focused on renewable energy initiatives and projects on the horizon.

LEGISLATIVE ISSUES

Bill No. 103-37(LS)-An Act Relative to Commercial Leasing of Public Real Property and Related Facilities (Introduced by Senator Roy Quinata)

GIAA provided oral and written testimony in support of Bill 103-37 on January 16, 2024, which aims to increase the authorized term for contract, lease, permit, or license for use of public real property, and related facilities by any non-governmental person, or entity from five (5) years to thirty (30) years



EXECUTIVE MANAGER’S REPORT

GIAA BOARD OF DIRECTORS MEETING

March 7, 2024

while forgoing the “Exceptional Term Contract” process, with the caveat that the terms and conditions of the contract, lease, permit or license have been satisfied during the initial five (5) years as evidenced by written approval. by the Board of the Directors of the relevant agency.

Bill No. 223-37 (COR)- An Act Relative to Commercial Licensing of Public Real Property and Related Facilities (Introduced by Senators Telo T. Taitague, Sabina Flores Perez, and Jesse A. Lujan)

GIAA provided oral and written testimony in support of the intention of Bill 223-37 where an increase in the authorized term for the contact, lease, permit, or license for use of public real property, and related facilities by an non-governmental person or entity from five (5) years to ten (10) years. Although this moves in the right direction, GIAA pointed out the Guam Legislature previously authorized longer lengths of property leases in Public Law 35-114 which authorized the University of Guam to contract and lease property for up to 30 years. Such terms would best provide for potential tenants, developers and/or investors the ability to obtain the necessary commercial financing and a term to fully amortize their initial investments and achieve a return on investment for their planned capital improvements. GIAA also stated its position on the Exceptional Terms Contracts provision in the Bill, which stipulated the Guam Legislature would take action within one hundred eighty (180) days instead of sixty (60) days upon transmittal of an exceptional term contract to the Speaker of The Legislature. GIAA stated its position that a shorter timeframe is warranted, such as ninety (90) days. and also recommended that the tolling time be amended to start when such transmittal of an exceptional term contract is made to the Speaker of the Guam Legislature with default approval after such period has lapsed.

PROCUREMENT UPDATES

IFB Terminal Floor Replacement

Bid Announced:	February 29, 2024
Pre-Bid Conference & Site Visit:	March 09, 2024 @ 9am
Deadline for Receipt of Written Questions:	March 12, 2024 @ 5pm
Bid Submission Deadline:	March 29, 2024 @ 2pm

RFP Environmental Consulting Services

RFP Announced:	February 27, 2024
Deadline for Receipt of Written Questions	March 06, 2024 @ 5pm
Proposal Submission Deadline:	March 19, 2024 @ 4pm

ANNOUNCEMENTS

- The 26th **Micronesia Islands** Forum will be held from end of May through June 4, 2024. GIAA management is a key member of the Transportation Working Group and will be consolidating our mutual issues amongst the island airports for presentation on the final day. GIAA is also in the logistics planning committee, spearheading arrival protocols for the island leaders and participating delegates.

EXECUTIVE MANAGER'S REPORT

GIAA BOARD OF DIRECTORS MEETING

March 7, 2024

- ***Biba Mes Chamorro!*** In celebration of Chamorro Month, a GIAA committee spearheaded by Engineering and the Properties and Facilities, with representatives from all divisions has planned events in celebration of Chamorro food and culture. An afternoon ***“Merienda”*** is scheduled for March 14, 2024, to share Chamorro treats with departing passengers. The annual ***“Fiesta”*** is scheduled for March 27, 2024 @ noon and will be celebrated with all our airlines and tenants. Please place in your calendars and ***“Maila’ ta fan boka!”***
- **Mississippi College** visiting professors and a contingent of students studying emergency management visited GIAA to discuss GIAA actions prior to, during, and after Typhoon Mawar. The Air Terminal Manager presented salient issues and engaged the students in GIAA actions on the heels of his presentation as detailed in the following announcement.
- GIAA’s Air Terminal Manager Juan Reyes and Superintendent of Operations Raymond Quintanilla presented at the **“Pacific Islands: Natural Disaster Response, Climate Adaptation and Resilience Workshop**, sponsored by the US Trade and Development Agency in Fiji from February 12-16, 2024. GIAA’s presentation on **Typhoon Mawar Response and Recovery** was well received by participants who had commended GIAA for its quick and efficient return to operations after a devastating typhoon.
- GIAA has joined the **2024 DPR GovGuam Co-Ed Basketball League** running from February through April 2024. A schedule of GIAA games and point of contact information is featured in our monthly newsletter, available on our website, and circulated to employees’ email.
- GIAA has also joined the **2024 Agana Heights Intramural Softball League** beginning March through May and must be represented by a co-ed team with at minimum six female players. Active recruitment is ongoing with details and point of contact information also featured in our newsletter.
- **Airport Week 2024** activities wrapped up on Friday, January 26, 2024, with a banquet that included a tribute to our Airlines and Key Stakeholders, and recognition of employees’ years of service in the 5, 10, 15, 25, 30, 35 and 45 years categories. Superlative Awards were also announced for achievements in the employee, supervisor, manager, and division categories, and unit awards under the Executive Manager’s award category. The winners in the Superlative categories follow:
 - **Integrity Award: Jeanette San Nicolas, Property Management Office**
 - **Spirit Award: Christine Evangelista, Accounting Division**
 - **Employee of the Year: Emily Tongson, Engineering Division**
 - **Supervisor of the Year: Ralph Cruz, Properties and Facilities**
 - **Manager of the Year: Danielle E. Camacho, Accounting Division**
 - **Division(s) of the Year: Operations and Properties & Facilities**
 - **Executive Manager Awardees: Procurement Unit and ARFF Unit**

Special thanks to the committee chairs and supporting personnel for the outstanding games and activities throughout the past two weeks that consisted of a Basketball, Softball & Bowling tournaments, Proclamation Signing, Airport Wave, Airport Family Mass, and culminating in the Tenant Appreciation and Employee Recognition Banquet held last Friday. Biba GIAA!



March 5, 2024

MEMORANDUM

To: Mr. Brian Bamba
Chairman
GIAA Board of Directors

From: Dafne Mansapit-Shimizu *[Signature]*
Comptroller

Subject: Operating Results – Revenues and Expenses as of January 31, 2024

Attached herewith is GIAA's Operating Results Report for the month ending January 31, 2024. This report summarizes the Budgeted versus Actual Revenues and Expenses for the month and year-to-date results ended January 31, 2024.

The key operating results for 4 month(s) of FY2024 ending January 31, 2024 – (in \$000's) are

CATEGORY	Actual FY24 Current Month	YEAR-TO-DATE			FORECAST FOR FULL YEAR- FY24	
		Budget FY24 Y-T-D	Actual FY24 Y-T-D	% Variance Budget vs. Actual	Actual	% Variance Budget vs. Actual
				Y-T-D Current Month		
Total Signatory Revenues	\$ 3,050.0	\$ 13,003.2	\$ 11,071.4	-14.9%	\$ 38,462.6	-4.8%
Total Concession Revenues	\$ 971.6	\$ 3,885.0	\$ 3,829.0	-1.4%	\$ 12,320.1	-0.5%
Total PFC's	\$ 375.9	\$ 1,568.5	\$ 1,380.9	-12.0%	\$ 4,768.1	-3.8%
Total Other Revenues	\$ 1,111.6	\$ 5,385.2	\$ 5,252.5	-2.5%	\$ 16,129.8	-0.8%
Total Operating Revenues	\$ 5,509.0	\$ 23,841.9	\$ 21,533.8	-9.7%	\$ 71,680.6	-3.1%
Total Operating Expenses	\$ 3,061.8	\$ 19,506.1	\$ 14,056.4	-27.9%	\$ 50,149.9	-9.8%
Net Revenues from Operations	\$ 2,447.2	\$ 4,335.9	\$ 7,477.4	72.5%	\$ 21,530.7	17.1%
Non-Operating Expenses	\$ 441.7	\$ 200.7	\$ 1,362.3	578.9%	\$ 2,059.6	129.4%
Other Available Moneys/Other Sources of Funds	\$ 774.8	\$ 1,120.9	\$ 1,758.5	56.9%	\$ 4,000.3	19.0%
Net Debt Service Coverage	2.82	1.38	2.08	50.7%	2.05	12.9%

Year-to-date Total Signatory Revenues for the month ending January 31, 2024 are below Budgeted revenues by **14.9%**. Signatory revenue estimates are based on projections submitted by Signatory airlines and adopted in the annual budget.

Year-to-date Total Concession Revenues are **1.4%** below budget while Passenger Facility Charges are below the budget estimate by **12.0%**.

Year-to-date Total Other Revenues, inclusive of non-signatory and non-airlines revenues, are below the budget estimate by **2.5%**.

Year-to-date Total Operating Revenues actual of **\$21.5M** is **9.7%** below the budget estimate of **\$23.8M**.

Year-to-date Total Operating Expenses are below budget by **27.9%**. Components of this line item include an **8.0%** decrease in Personnel Service, a **33.4%** decrease in Contractual Services, a **78.8%** decrease in Materials & Supplies and a **100.0%** decrease in Equipment/Furnishings from budgeted amounts for these respective categories.

The actual year-to-date Net Revenues from Operations of **\$7.5M** represents a **72.5%** increase over the year-to-date budgeted amount of **\$4.3M**.

Finally, our year-to-date results for Debt Service Coverage is at **2.08** 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

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
KEY OPERATING RESULTS (\$000's)
As of January 31, 2024

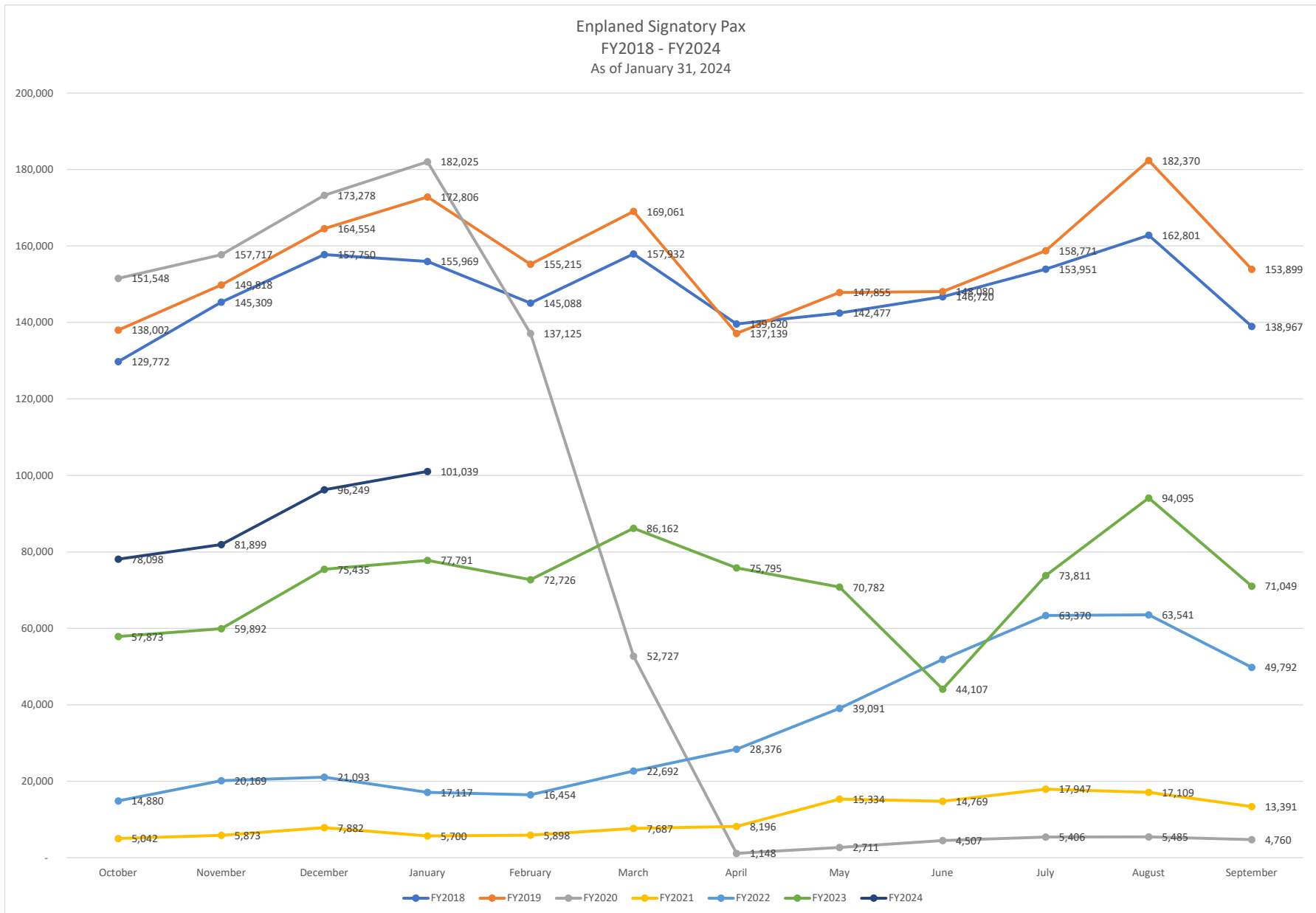
	CURRENT MONTH				Budget Full Year	YEAR - TO - DATE				FULL YEAR FORECAST	
	Actual FY2023	Budget FY2024	Actual FY2024	%Var Bud Vs Act'l		Actual FY2023	Budget FY2024	Actual FY2024	%Var Bud Vs Act'l	Actual/Est	%Var Bud Vs Act'l
I. Signatory Airline Rents & Fees											
Terminal Bldg Rentals	221.5	279.0	272.4	-2.4%	3,348.2	886.0	1,116.1	1,089.7	-2.4%	3,321.8	-0.8%
Departure Fees	408.3	766.8	663.8	-13.4%	9,275.2	1,616.3	2,935.7	2,347.4	-20.0%	8,686.9	-6.3%
Arrival Fees	292.7	582.5	503.7	-13.5%	6,954.1	1,148.7	2,199.2	1,732.4	-21.2%	6,487.2	-6.7%
Immigration Inspection Fees	119.0	224.3	199.1	-11.2%	2,731.0	442.6	864.0	677.5	-21.6%	2,544.4	-6.8%
Common Use Ticket Counter Fees	41.0	95.7	83.8	-12.4%	1,175.8	170.7	362.6	285.5	-21.3%	1,098.7	-6.6%
Loading Bridge Use Fees	260.0	394.8	374.4	-5.2%	4,757.3	1,037.0	1,558.0	1,394.2	-10.5%	4,593.5	-3.4%
Landing Fees	533.5	879.1	829.4	-5.7%	10,561.2	2,234.0	3,448.1	3,086.4	-10.5%	10,199.5	-3.4%
Apron Use Fees	78.3	132.5	123.3	-6.9%	1,591.7	318.6	519.7	458.3	-11.8%	1,530.4	-3.9%
Total Signatory Revenue	1,954.3	3,354.7	3,050.0	-9.1%	40,394.4	7,853.8	13,003.2	11,071.4	-14.9%	38,462.6	-4.8%
Enplaned Signatory Pax	77,791	116,660	101,039	-13.4%	1,411,083	270,991	446,618	357,285	-20.0%	1,321,750	-6.3%
Cost per Enplaned Pax	\$25.12	\$28.76	\$30.19	5.0%	\$28.63	\$28.98	\$29.11	\$30.99	6.4%	\$29.10	1.7%
Revenues from Sources other than Signatory Airlines Rents & Fees											
Concession Revenues											
Gen Mdse	724.3	690.0	632.1	-8.4%	8,690.6	2,350.4	2,679.9	2,317.2	-13.5%	8,327.9	-4.2%
In-flight Catering	51.9	66.0	101.7	54.0%	783.1	183.4	256.0	508.1	98.4%	1,035.1	32.2%
Food & Beverage	67.1	73.2	82.3	12.4%	867.8	254.6	283.7	305.5	7.7%	889.6	2.5%
Rental Cars	80.8	144.6	133.4	-7.8%	1,714.3	394.0	560.5	587.0	4.7%	1,740.9	1.5%
Other Concession Rev	15.5	27.0	22.1	-18.1%	320.2	71.9	104.7	111.1	6.1%	326.6	2.0%
Total Concession Revenues	939.6	1,000.9	971.6	-2.9%	12,376.1	3,254.3	3,885.0	3,829.0	-1.4%	12,320.1	-0.5%
Passenger Facility Charges	298.1	409.7	375.9	-8.3%	4,955.7	1,092.5	1,568.5	1,380.9	-12.0%	4,768.1	-3.8%
Other Revenue	1,127.4	1,357.4	1,111.6	-18.1%	16,262.5	4,343.8	5,385.2	5,252.5	-2.5%	16,129.8	-0.8%
Total Operating Revenue	4,319.4	6,122.7	5,509.0	-10.0%	73,988.8	16,544.5	23,841.9	21,533.8	-9.7%	71,680.6	-3.1%
II. Operating Expenses:											
Personnel Services	1,874.0	1,949.3	1,693.5	-13.1%	25,341.2	7,234.4	7,797.3	7,169.8	-8.0%	24,713.7	-2.5%
Contractual Services	1,960.8	2,463.8	1,277.1	-48.2%	27,652.8	7,402.3	9,855.2	6,567.0	-33.4%	24,364.6	-11.9%
Materials & Supplies	59.4	376.9	91.2	-75.8%	2,605.6	184.9	1,507.4	319.6	-78.8%	1,417.8	-45.6%
Equipment/Furnishings	0.0	0.0	0.0	0.0%	0.0	0.0	346.2	0.0	-100.0%	-346.2	0.0%
Total Operating Expenses	3,894.3	4,790.0	3,061.8	-36.1%	55,599.6	14,821.6	19,506.1	14,056.4	-27.9%	50,149.9	-9.8%
Net income from Operations	425.1	1,332.8	2,447.2	83.6%	18,389.2	1,722.9	4,335.9	7,477.4	72.5%	21,530.7	17.1%

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
KEY OPERATING RESULTS (\$000's)
As of January 31, 2024

	CURRENT MONTH				Budget Full Year	YEAR - TO - DATE				FULL YEAR FORECAST	
	Actual FY2023	Budget FY2024	Actual FY2024	%Var Bud Vs Act'l		Actual FY2023	Budget FY2024	Actual FY2024	%Var Bud Vs Act'l	Actual/Est	%Var
III. Other Revenues and Expenses											
Less: Non-operating /Non-recurring Expense (Post Employment/Emergency)	75.4	50.2	441.7	780.4%	898.0	301.6	200.7	1,362.3	578.9%	2,059.6	129.4%
Add: Interest on Investments	54.9	51.5	0.0	-100.0%	618.3	239.1	206.1	358.3	73.9%	770.5	24.6%
Net Revenues	404.6	1,334.1	2,005.5	0.5	18,109.5	1,660.4	4,341.3	6,473.4	0.5	20,241.6	0.1
Add: Other sources of Funds (Federal Reimb)	14.9	33.3	527.9	1483.6%	400.0	77.9	133.3	771.0	478.2%	1,037.6	159.4%
Add: Other available moneys	168.2	246.9	246.9	0.0%	2,962.6	672.9	987.5	987.5	0.0%	2,962.6	0.0%
Net Revenues and Other Available Moneys	587.7	1,614.3	2,780.3	72.2%	21,472.1	2,411.1	5,462.2	8,231.9	50.7%	24,241.8	12.9%
Debt Service payments	672.9	987.5	987.5	0.0%	11,850.6	2,691.4	3,950.2	3,950.2	0.0%	11,850.6	0.0%
Debt Service Coverage	0.87	1.63	2.82	72.2%	1.81	0.90	1.38	2.08	50.7%	2.05	12.9%

Comptroller's Report Attachment #1

Enplaned Signatory Pax
FY2018 - FY2024
As of January 31, 2024



*June 2023 impacted by Typhoon Mawar

9. Executive Session


CALVO JACOB & PANGELINAN

- A. DFS Guam L.P. related litigation to which GIAA is or may be a party (5 GCA § 8111(c)).

RECOMMENDATION OF COUNSEL

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

CC: Mr. John M. Quinata
Executive Manager
ANTONIO B. WON PAT INTERNATIONAL
AIRPORT AUTHORITY, GUAM

FROM: Janalynn Cruz Damian 
CALVO JACOB & PANGELINAN LLP

DATE: February 23, 2024

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 scheduled Board meeting to discuss DFS Guam L.P. related litigation to which GIAA is or may be a party.

ARRIOLA LAW FIRM

- B. Office of Public Accountability Procurement Appeal Case Number OPA-PA-21-010 JMI Edison v. Guam International Airport Authority, and CV0095-22; Johndel International, Inc. dba JMI Edison vs. Office of Public Accountability, Guam International Airport Authority and Aircraft Service International, Inc. dba Menzies Aviation.
- C. Office of Public Accountability Procurement Appeal Case Number OPA-PA-23-02 JMI Edison v. Guam International Airport Authority.
- D. SP0035-22 In re GIAA Board of Directors, October 28, 2021 Executive Session Transcripts.
- E. SP0114-22 In re GIAA Board of Directors, February 28, 2022 Executive Session Transcripts.
- F. SP0132-23 In re GIAA Board of Directors, April 27, 2023 Executive Session Transcripts.

February 27, 2024

VIA BOARD SECRETARY

Mr. Brian J. Bamba, Chairman
Members of the Board of Directors
A.B. Won Pat International Airport Guam
355 Chalan Pasaheru
Tamuning, Guam 96913

***RE: Recommendation to go into Executive Session at
Regular Board Meeting for March 7, 2024***

Dear Mr. Chairman and Members of the GIAA Board of Directors,

This is to recommend and advise, pursuant to 5 G.C.A. § 8111(c)(1), of the need to go into executive session at the regular board meeting for the GIAA Board of Directors on March 7, 2024 to discuss the following litigation matters to which GIAA is currently a Party:

1. Office of Public Accountability Procurement Appeal Case Number OPA-PA-21-010 JMI Edison v. Guam International Airport Authority, and CV0095-22; Johndel International, Inc. dba JMI Edison vs. Office of Public Accountability, Guam International Airport Authority and Aircraft Service International, Inc. dba Menzies Aviation.
2. Office of Public Accountability Procurement Appeal Case Number OPA-PA-23-02 JMI Edison v. Guam International Airport Authority.
3. SP0035-22 In re GIAA Board of Directors, October 28, 2021 Executive Session Transcripts.
4. SP0114-22 In re GIAA Board of Directors, February 28, 2022 Executive Session Transcripts.
5. SP0132-23 In re GIAA Board of Directors, April 27, 2023 Executive Session Transcripts.

Email: aarriola@arriolafirm.com

259 MARTYR STREET, SUITE 201, HAGATNA, GUAM 96910

TEL: 671-477-9730/33 EMAIL: ATTORNEYS@ARRIOLAFIRM.COM

FOUNDED BY THE LATE JOAQUIN C. ARRIOLA

February 27, 2024
GIAA Board of Directors
Re Executive Session (March 7, 2024)
Page 2 of 2

This recommendation is subject to approval by an affirmative vote of a majority of the members of the GIAA Board of Directors.

Very truly yours,



ANITA P. ARRIOLA

cc: Mr. John M. Quinata
Executive Manager

Mr. Ricky Hernandez
Deputy Executive Manager