



NEWSLETTER

PORT AUTHORITY OF GUAM

DECEMBER 2024

Board of Directors

Dorothy P. Harris
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Conchita S.N. Taitano
Vice Chairperson
Fe Valencia-Ovalles
Board Secretary

Port Management

Rory J. Respicio
General Manager
Dominic G. Muna
Deputy General Manager
Operations
Pacifico R. Martir
Deputy General Manager
Administration and Finance



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Port Adopts Ambitious 2025 Look Ahead Strategy



The Port Authority of Guam Board of Directors unanimously adopted the 2025 Look Ahead: Strategic Vision and Key Priorities during their regular monthly held on December 20, 2024.

This comprehensive plan builds upon the successes of the 2024 Look Ahead and sets a strategic roadmap for operational excellence, sustainability, and resilience in the coming year.

A Vision of Progress and Preparedness

The 2025 Look Ahead reflects the Port's commitment to addressing Guam's evolving economic and national security priorities. The plan outlines key infrastructure projects, workforce development initiatives, and operational enhancements designed to solidify the Port's role as a critical lifeline for the island. Notably, it highlights:

- **Modernization Efforts:** Replacing aging Ship-to-Shore (STS) gantry cranes and upgrading wharf infrastructure to meet the demands of Guam's commercial

and defense activities.

- **Fuel Pier Replacement:** Ensuring the resilience of Guam's fuel supply chain through public-private partnerships.
- **Workforce Development:** Strengthening succession planning, mentorship programs, and cross-training to prepare the next generation of Port leaders.
- **Sustainability Commitments:** Advancing zero-emission initiatives and leveraging the Zero Emission/Zero Waste Study to guide environmentally friendly operations.

Port General Manager Rory J. Respicio commended the collaborative efforts that shaped the 2025 Look Ahead, stating, "This plan is a testament to our shared dedication to modernizing the Port, investing in our workforce, and aligning with Guam's long-term growth and security objectives. It is a bold step forward as we continue to enhance our operational efficiency and readiness."

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Building on the 2024 Look Ahead

The 2025 Look Ahead follows the success of the 2024 plan, which achieved significant milestones, including securing federal funding for zero-emission projects under the EPA Clean Ports Program and demonstrating resilience through the rapid recovery after Typhoon Mawar. These accomplishments have laid a strong foundation for continued progress in 2025.

“The adoption of this plan under the guidance of Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, the Board of Directors, our partners, and employees, demonstrates our unwavering commitment to sustainability, innovation, and collaboration,” Respicio said. “It ensures that we remain prepared to meet the challenges of the future while prioritizing the welfare of our community.”

A Collaborative Path Forward

The development of the 2025 Look Ahead was a collaborative effort, with input from division heads and a focus on aligning divisional initiatives with the Port’s strategic goals.

The Board will oversee its implementation, ensuring that all initiatives remain consistent

with the Port’s mission and the needs of Guam’s stakeholders.

With the adoption of the 2025 Look Ahead, the Port Authority of Guam reaffirms its position as a cornerstone of Guam’s economic and strategic security, charting a course for a more resilient and sustainable future.

Meanwhile, the Board of Directors today also adopted Board Resolution No. 2024-19 relative to approving the creation of Equipment Maintenance Manager position in the classified service as authorized under Title 4, Guam Code Annotated, Sections 6303(d) and 6303.1, Board Resolution No. 2024-21 relative to requesting for abolishment of Port Civil Engineer, Financial Affairs Controller, Supply Management Administrator, Inventory Management Administrator, Safety Technician I, Safety Technician II and Safety Technician III positions under Port Authority of Guam’s classification and compensation plan, and accepted the Performance Evaluations with corresponding increment based on rating of Deputy General Manager Pacifico Martir, Deputy General Manager Dominic Muna and General Manager Rory Respicio.

Port and GPA Meet to Advance LNG Integration Efforts



On December 10, 2024, representatives from the Port Authority of Guam (PAG) and the Guam Power Authority (GPA) convened at a crucial meeting to progress discussions on the development of liquefied natural gas (LNG) infrastructure, as outlined in PAG Board Resolution No. 2024-03. The meeting, attended by stakeholders from both organizations, highlighted

the ongoing collaborative efforts to ensure Guam’s energy future is both sustainable and resilient.

General Manager of the Port Authority of Guam, Rory J. Respicio, led the delegation, which included members of the Port’s Planning Division. Joining via Zoom was Vice Chairperson of the PAG Board of Directors, Conchita Taitano, a key

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advocate for the Port's ESG (Environmental, Social, and Governance) initiatives.

In his opening remarks, Respicio emphasized the significance of the Port's role in enabling Guam's transition to clean energy. "This collaboration underscores our commitment to advancing sustainability in line with the Port's 2023 Master Plan and our comprehensive Sustainability Study. The integration of LNG infrastructure aligns with our vision to be a leader in environmental stewardship and social responsibility," he stated.

The discussions, building on the outcomes of the May 2024 Kick-Off Meeting, focused on Phase 1 of the LNG Feasibility Study. This includes evaluating LNG demand, sourcing and shipping options, identifying the most cost-effective terminal site, and assessing environmental, cultural, and economic impacts. The meeting also reviewed options for LNG terminal arrangements, such as Floating Storage and Regasification Units (FSRU) and onshore facilities.

Vice Chairperson Taitano highlighted the importance of aligning the project with ESG principles: "As a champion of sustainability within the Port, I'm proud to see our collaborative efforts move forward. This initiative is not only about diversifying our energy resources but also about ensuring we do so responsibly, with a clear focus on governance transparency and community welfare."

Representatives from Stanley Consultants, Inc., along with their sub-consultants K&M Advisors

and GHD, presented updates on potential terminal sites and infrastructure configurations. These updates were informed by initial evaluations and feedback from prior stakeholder consultations.

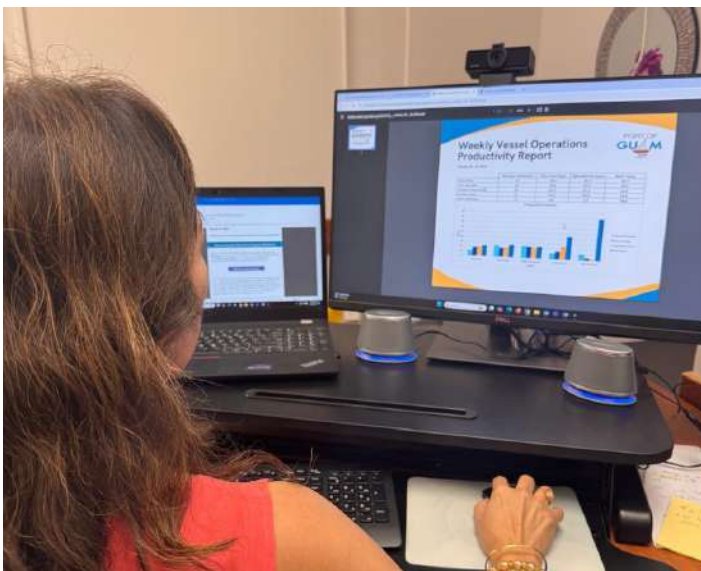
The meeting also set the stage for the next round of stakeholder engagement, scheduled for early 2025, which will focus on community participation and finalizing feasibility assessments. Stakeholders were urged to provide insights on site evaluations, timeline considerations, and the approval processes needed to move the project forward.

Respicio and Port officials also encouraged GPA to look beyond LNG to other petroleum products to help with the sustainability for the entire island of Guam. GPA officials seemed receptive to the recommendations.

Respicio closed the meeting by reiterating the Port's dedication to transparency and collaboration: "The Port Authority of Guam remains steadfast in its commitment to enhancing Guam's energy infrastructure in a way that prioritizes the well-being of our community and the environment. This partnership with GPA is a testament to the power of collective action in achieving these goals."

The meeting, held at the Port Authority of Guam, marked another milestone in the partnership between PAG and GPA, further cementing their shared vision of a sustainable and prosperous future for Guam and the entire Western Pacific Region.

Port implements Temporary Out-of-Position Assignments Policy



The Port Authority of Guam has adopted the Temporary Out-of-Position Assignments Policy to address critical operational needs while ensuring fairness, transparency, and professional growth opportunities for employees.

Policy Memorandum No. 2024-GM08 was signed by General Manager Rory J. Respicio on December 9, 2024. A copy has been emailed to all employees and hard copies are available at the Human Resources Division.

This policy reflects the Port's commitment to operational excellence and employee empowerment as it continues to serve the island and the broader region.

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Respicio emphasized the importance of the policy as a key tool for flexibility during challenging circumstances, including emergencies or workforce shortages.

“This new policy allows us to effectively meet the Port’s operational demands while maintaining fairness and transparency for all employees,” said Respicio. “Temporary out-of-position assignments empower our workforce by providing new opportunities for professional development, fostering team-building, and ensuring our employees remain part of our continued success.”

The policy outlines clear procedures for temporary assignments, ensuring employees are fully qualified for any role they fill. It emphasizes voluntary participation, barring exceptional emergencies, and protects employee rights, including the ability to decline assignments without retaliation.

Key highlights of the policy include:

- Fair and Transparent Assignments: Employees will only be assigned roles for which they are qualified, and any pay differentials will be clearly documented.

- Support for Divisions: Temporary assignments are designed to address short-term operational gaps while maintaining continuity of services.
- Employee Empowerment: Employees are encouraged to take part in assignments that promote on-the-job learning, skill enhancement, and professional growth.
- Emergency Readiness: Provisions are in place for critical scenarios such as natural disasters, security incidents, or regulatory deadlines, ensuring the Port remains fully operational during crises.

Respicio highlighted the Port’s enduring commitment to both its operational efficiency and its people. “At the Port Authority of Guam, our employees are our greatest asset. This policy strengthens our collective ability to remain resilient, adaptive, and prepared for whatever challenges come our way,” he said.

For further details about the Temporary Out-of-Position Assignments Policy, employees are encouraged to consult their supervisors. Employees may also contact the Human Resources Division.

Port Supports Customs’ Mandate and Ongoing Border Security Efforts



The Port Authority of Guam remains steadfast in supporting the Guam Customs and Quarantine Agency (CQA) as they fulfill their critical mandate to inspect cargo and protect our island from illegal drugs, contraband, and invasive species. Recent discussions about container inspections highlight the need to remain vigilant and focused on Customs’ essential role in securing Guam’s borders.

Port General Manager Rory J. Respicio clarified the reason for the rescheduled meeting that was scheduled for December 19, 2024: “Today’s meeting was rescheduled due to my unexpected unavailability. I apologize if this created the impression that the Governor is ‘slow-walking’ efforts to address Attorney General Moylan’s claims. The Governor, Lt. Governor, and all of us at the Port share a collective drive and mission to support Customs’ mandate to inspect cargo and interdict Contraband.”

Respicio emphasized that the Port’s role is to provide access and logistical resources necessary

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for Customs to perform their duties effectively.

Actions Taken to Support Customs' Mandate:

- **Infrastructure Enhancements:** At the Governor's direction, the Port completed a feasibility study for a dedicated Customs Inspection Facility, including the provision of a four-acre property to streamline and enhance inspection capabilities.
- **Operational Support:** Since day one of this Administration, Customs Officers have been granted unimpeded access to terminal areas to ensure thorough cargo inspections.
- **Security Upgrades:** The Port secured federal grants to implement advanced surveillance systems, scanners, and additional security personnel.

Port General Manager Respicio added,

"Our role is to support Customs' work, and while this goes beyond our core mission, we willingly embrace this responsibility for the greater good of our island community. We have consistently provided the necessary resources, access, and infrastructure to enable Customs to carry out their mission. We are committed to preserving the strong relationship with Customs, ensuring they can perform their duties effectively, unlike the challenges they faced in the past under previous Port management."

The Port Authority remains dedicated to collaboration and accountability, supporting all efforts to strengthen border security. "Protecting Guam requires each of us to fulfill our responsibilities, and we remain focused on doing exactly that."

Port Authority of Guam Statement

The Port Authority of Guam takes the allegations detailed in the recent report by Attorney General Doug Moylan very seriously. The report outlines potential unlawful activities related to cargo operations at the Port, specifically referencing the Matson Lurline container ship (Voyage 85). These allegations raise concerns of possible deviations from established cargo handling and inspection procedures, jeopardizing the integrity of Port operations.

In response, the Port Authority is taking immediate and decisive action. Port General Manager Rory J. Respicio on December 19, 2024 directed Operations Manager Glenn Nelson and Assistant Operations Manager Patrick Alvarez to conduct a comprehensive investigation. Under the authority delegated to them, their investigation will focus on the following:

1. Verification of the validity of the allegations.
2. Identification of any procedural lapses or violations of protocol.
3. Determination of any involvement by Port personnel.
4. Recommendations for immediate corrective actions where necessary.

They are required to juxtapose their findings against the Port's Public Cargo Terminal procedures, and verify any employees that show up in the Port's surveillance footage during the time of the allegation. Their review must include:



- A detailed analysis of the alleged activities compared to the steps outlined in the PCT Interim Access Procedures, and accountability of all port personnel during this time.
- Identification of any inconsistencies or

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breaches in protocol.

- Clarification of whether proper authorization, documentation, and access controls were adhered to as per these procedures.

Upon completing the investigation, their findings will be formally submitted to Port Police for further action and review, ensuring appropriate enforcement of legal and procedural standards. The final report and recommendations are due within five working days.

Port General Manager Rory J. Respicio stated, “We are fully committed to transparency and accountability. While the specific incident falls under the jurisdiction of Guam Customs and Quarantine Agency and law enforcement

authorities, we are conducting our own internal investigation to ensure our operations remain above reproach. The Port Authority will not tolerate any actions that compromise the security of our island.”

The Port Authority remains steadfast in its commitment to cooperate fully with all relevant agencies to address these concerns promptly and transparently. With the support of Governor Lou Leon Guerrero, Lt. Governor Joshua Tenorio, and the Port’s Board of Directors, the Port will continue to uphold the highest standards of integrity and accountability. Our priority is the security of Guam, and we will support all efforts to protect our island’s borders.

Port Secures Federal Grants for Marina and Harbor Improvements

The Port Authority of Guam is proud to announce the successful award of two federal grants, totaling \$395,000, under the Sport Fish Restoration and Boating Safety Act programs. These grants, provided by the U.S. Fish and Wildlife Service through the Guam Department of Agriculture (DOAg), will fund critical improvements at the Agat Marina and the Guam Harbor of Refuge.

Key Grant Awards Include:

- **\$120,000 for the Agat Marina Southern Walkway Repairs:** Awarded under the 15.605 Sport Fish Restoration program, this funding will support essential repairs to the southern walkway at the Agat Marina. These upgrades are designed to enhance safety, accessibility, and the overall experience for marina users.
- **\$275,000 for Pre-Construction Planning at the Harbor of Refuge:** Awarded under the 15.622 Sport Fishing and Boating Safety Act, this grant will enable pre-construction planning for a new gangway and courtesy dock at the Guam Harbor of Refuge. These improvements aim to provide enhanced infrastructure for boaters and strengthen the Harbor’s role as a safe haven during emergencies.

Recognizing Our Leaders and Team Efforts

This milestone reflects the unwavering support and leadership of Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio. “Their commitment to fostering sustainable development and infrastructure improvements has been pivotal

in securing these funds,” said Port General Manager Rory J. Respicio.

The Port’s Board of Directors has also played an instrumental role in guiding these initiatives, ensuring alignment with our strategic goals and the needs of the community. Respicio said their vision and dedication continue to drive PAG’s progress.

“We extend our heartfelt gratitude to our employees, whose hard work and expertise underpin the Port’s success,” Respicio said. “Their efforts have positioned PAG as a leader in maritime and harbor operations across the region.”

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Looking Ahead

The Port Authority is actively collaborating with the Guam Department of Agriculture to finalize the Memorandum of Understanding (MOU) for these projects, which is anticipated to be completed by the first quarter of 2025. Once in place, this agreement will pave the way for project execution, bringing much-needed improvements to Guam’s recreational and safety infrastructure.

General Manager Rory J. Respicio emphasized the significance of these grants:

“These awards demonstrate the Port’s continued commitment to serving our community

and ensuring the safety and usability of Guam’s marine facilities. We are grateful for the trust and support of our federal and local partners as we work together to enhance Guam’s infrastructure.”

A Shared Commitment to Progress

These grants underscore Port’s dedication to fostering safe, accessible, and sustainable harbor operations.

“We remain steadfast in our mission to support the island’s recreational and commercial maritime activities, ensuring that our facilities continue to serve as a vital resource for the people of Guam,” Respicio said.

Gantry 4 Trolley Railing Repair

The Port Authority of Guam’s Equipment Maintenance team worked diligently in the month of December to repair Gantry 4’s trolley railing. They safely removed the existing railing and conducted a thorough cleaning and preventive maintenance on the railing to ensure optimal conditions for the upcoming welding phase. This meticulous preparation was essential for the successful installation of the old railing from Gantry 3, which is crucial for the gantry’s efficient and safe operation.

Before:



After:



Record-Breaking Tenth Cruise Ship of the Year Sailed into Guam

The Port Authority of Guam welcomed its record-breaking 10th passenger vessel of the year, marking a significant achievement for the island's only commercial seaport as well as Guam's tourism industry.

The MS Asuka II, making its second voyage to Guam this year, arrived at the Port Authority of Guam at 7:13 a.m. on December 30, 2024 with 793 passengers and 493 crew members. The cruise ship departed later that evening.

"This year, Guam solidified its position as a premier destination in the Pacific, welcoming an unprecedented number of passenger vessels and cruise ships to its shores," said Port General Manager Rory J. Respicio. "With a record-breaking 10 luxury liners calling on the Port Authority of Guam in 2024, the island has set a new benchmark, reaffirming its growing reputation as a sought-after destination for cruise travelers. The significant influx of more than 18,000 passengers and crew members underscores Guam's appeal as a unique and enriching port of call in the region and the Port Authority's dedication to support our tourism industry."

Respicio underscored the vital role of cruise ship arrivals in boosting Guam's tourism sector, noting, "This accomplishment aligns with



Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio's strategic vision of positioning the Port of Guam as a cornerstone of economic growth for both our island and the region. The Port's ability to seamlessly host an increasing number of luxury vessels showcases the strength of our infrastructure and the dedication of our Port Strong workforce."

As we look ahead, the Port Authority of Guam is hopeful that the coming years will bring the same, if not greater, number of passenger vessel arrivals to our shores. This continued growth will further enhance Guam's standing as a premier destination in the Pacific and support our island's vibrant tourism and economic development.

PORT OF
GUAM

HAPPY
New Year!

As we step into 2025, we're proud to reflect on a year of growth and service. From fueling Guam's economy to supporting the region, our Port Strong family continues to deliver.

Thank you, Guam, for your support and trust! Here's to another year of progress and partnership.

A Message

From the Port General Manager

Year in Review 2024 & Look Ahead for 2025

In 2024, the Port Authority of Guam celebrated meaningful progress while confronting daily challenges. Aging gantry cranes, infrastructure damage from natural disasters, and the constant balancing act between operational demands and sustainability initiatives tested our resolve. Yet, our commitment to resilience and service remains unshaken. I am proud to share this year-in-review and a vision for 2025.

Guided by our Board Chairperson Dot Harris, Vice Chairperson Conchita Taitano, and Board Secretary Fe Ovalles, and in alignment with the strategic vision of Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio, we advanced critical initiatives. Deputy General Managers Dominic Muna and Pacifico Martir, along with all division heads and the dedicated men and women of the Port, worked tirelessly to keep operations running despite the pressing need to replace our 40-year-old gantry cranes — essential for maintaining our economic lifeline and national security readiness. While we have made significant strides, securing additional funding remains a top priority to achieve this mission.

We pursued innovative public-private partnerships to modernize our fuel piers, ensuring Guam's energy resilience and readiness for future challenges. Our commitment to sustainability was reinforced by securing federal support for zero-emission and zero-waste initiatives, reflecting our responsibility to protect our environment for generations to come.

The Jose D. Leon Guerrero Commercial Port is more than just infrastructure. It is about people — our dedicated workforce, our strong sense of family, and our true industry partners. We honor every sacrifice and achievement that has shaped the Port's legacy over the past 49 years. Ours is a story of perseverance, grit, and the indomitable spirit of Guam. Our story is — and always will be — Port Strong!

As we look ahead to 2025, we remain resolute in our mission. We will continue advocating for Department of Defense funding for the Port Readiness Plan, ensuring Guam remains a steadfast anchor for national security operations in the Indo-Pacific. We are committed to advancing essential infrastructure upgrades, investing in our workforce, and honoring the legacy of resilience that defines us.

To the people of Guam, our employees, and our partners, "Port Strong" stands for a century of grit, resilience, and service that's been driving local and regional economies, partnerships, and national security.

Together, we will continue to honor our past, tackle today's challenges openly and honestly, and secure sustainability — with your continued trust and loyalty lighting our path forward.



January

Port Establishes Core Values

In alignment with our commitment to achieving port modernization and readiness plans for military goals and national security, the Port has established core values aligned with Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio's framework. These values address the impacts of the upcoming military buildup on the Port and our island community:

1. **Employee Empowerment and Well-being:** Recognizing the role of a motivated, skilled workforce in management decisions.
2. **Financial Stability and Accountability:** Stressing trust-building with stakeholders and long-term sustainability through responsible financial practices.
3. **Collaborative Partnerships:** Valuing partnerships for operational efficiency and security.
4. **Community Engagement and Customer Service:** Emphasizing positive community relations and exceptional customer service to bolster our reputation and public support.
5. **Sustainability and Environmental Responsibility:** Adhering to local expectations regarding sustainability and environmental stewardship, crucial for our operations.

Port Employee Survey: Gains in Satisfaction, Emerging Challenges

The Port Authority of Guam conducted its fourth annual employee survey, revealing an increase in overall work experience among its staff. The anonymous survey, with an 84% participation rate (313 out of 372 employees), allowed for comprehensive input on various aspects of working at the Port.

The survey assessed the work environment, morale, and job satisfaction. Notably, 98% of the employees reported positive work experiences, marking a 1% increase from the previous year. However, there was a decrease in employee morale, dropping from 98% in 2022 to 91% in 2023.

In light of the Port's recovery efforts following Typhoon MAWAR, 93% of the employees felt their work environment was safe, and a similar percentage felt well-informed throughout the



recovery process. Furthermore, 91% reported having the necessary resources to perform their jobs safely, and 90% felt that management was concerned about their safety and well-being during these efforts.

Governor Nominates New Board Member

The Governor has nominated a new member to sit on the Port Authority of Guam Board of Directors.

Governor Lou Leon Guerrero nominated Fe Valencia-Ovalles on January 29, 2024. The nomination packet was transmitted to the Guam Legislature the same day.



Valencia-Ovalles has been the President/CEO of Guam Marianas Management Services Inc. (DBA: Guam Marianas Collection Agency and Guam Marianas Training Center) since 1995 and previously sat on the Board of Directors for the Guam Economic Development Authority. She previously worked as a special assistant under former Lt. Governor Mike Cruz and former Governor Joseph Ada and worked as a Liaison Officer at various Embassies and government agencies under the Office of the President of the Philippines and the National Intelligence Coordination Agency (NICA).

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MSC Bellissima Visits Guam

The Port Authority of Guam welcomed its first passenger vessel for the year with the arrival of the MSC Bellissima on January 3, 2024 carrying 5,700 passengers and crew members for a visit to our island. The cruise ship docked at 6:20 a.m. and stayed the whole day, departing after 9:00 p.m.

Visitors spent the day exploring the island, shopping, and enjoying Guam’s dining establishments.

February

Another National Award for the Port Authority of Guam



The Office of the Governor proudly announced that Port Authority of Guam’s General Manager Rory J. Respicio has won another national award recognizing excellence in government finances at the island’s only commercial seaport.

The national Association of Government Accountants (AGA) presented Respicio the “AGA 2024 Distinguished Local Government Leadership Award” during their Annual National

Leadership Training event held in Washington D.C. on February 29, 2024. This award formally recognizes local government professionals who exemplify and promote excellence in government financial management and who have demonstrated outstanding leadership in enhancing sound financial management legislation, regulations, practices, policies, and systems within the past year.

Governor Leon Guerrero and Lt. Governor Josh Tenorio commend Respicio for reversing a \$104K deficit into a \$26.4M surplus within five years. The Port’s strategic financial management and improvements have elevated the Port to a low-risk auditee status, enhancing bond ratings and earning recognition for transparency, including this distinguished award.

March

FEMA Prioritizes Repair of Fuel Piers



On March 5, 2024, off-island Federal Emergency Management Agency (FEMA) officials took a tour of the Port Authority of Guam fuel piers that were damaged by Typhoon Marwar.

FEMA’s Michael Plostock, Acting Director, Recovery Division and Michael Gayrard, Region 9 Public Assistance Branch Chief, along with other FEMA officials visited both Golf Pier and F1 Pier to view damage sustained from Typhoon Mawar. The team was on island to meet with critical infrastructure grant applicants.

Several of the Port’s maritime and upland assets, to include Golf Pier (currently inoperable) and F1 Pier experienced substantial damage from the severe winds, wind-driven rain, and storm surges resulting from the Category 4 typhoon

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which struck the island on May 24, 2023. FEMA and the Port have made Golf Pier a priority for repairs. As a result of the team's site assessment, the priority for F1 Pier has also been elevated and will be addressed after the Golf Pier scope and cost estimates are finalized.

Public Auditor Cites No Fraud or Abuse in Port Authority of Guam's Credit Card Audit



The Office of Public Accountability (OPA) has recently concluded an audit of the Port Authority of Guam and has found no instances of fraud or abuse in the transactions tested.

Port General Manager Rory J. Respicio said this audit underscores the Port's commitment to maintaining ethical financial practices and he expressed appreciation for the audit's findings.

"The OPA's acknowledgment of no fraud or abuse within the Port's transactions is a testament to our dedication to ethical financial management," Respicio said.

April Port Pursues DOD Funding for Three Gantry Cranes, Averting Chinese Options



The Port Authority of Guam Board of Directors unanimously approved procuring up to three new

cranes during its monthly board meeting held on April 25, 2024.

"This will be the first new cranes in the Port Authority of Guam's history," said Port General Manager Rory J. Respicio. "Our current cranes are more than 40 years old and based on consultant reports, they will reach the end of their expected service life and will need to be replaced by 2029. Our efforts to replace the cranes have included an aggressive approach by Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio in national forums and in face-to-face meetings with federal partners in past years."

Respicio said that securing these cranes is imperative for our national security. With the Biden administration's heightened concerns, he said that it is crucial to secure funding aligned with U.S. security policies to prevent reliance on China-manufactured equipment.

The acquisition of new STS gantry cranes would be the first new cranes the Port would procure in its 48 years of autonomy as past and current cranes have been second-hand equipment owned by other American ports. The Port previously submitted a grant application to the U.S. Department of Transportation/MARAD through its Port Infrastructure Development Program (PIDP) for two STS gantry cranes and although the application was well written, it was not awarded due to its nonconformance to the Buy American Act Requirements. Subsequently, in August of 2023 the PAG once again submitted a grant application to the USDOT/MARAD's PIDP and was likewise unsuccessful due to the non-approval of the PAG's Build America, Buy America (BABA) waiver request. Due to the aging cranes and the critical need to procure, the Board authorized the pause of construction activities at H-Wharf and the redirecting of those resources and additional funds toward the purchase of up to three new STS gantry cranes.

The Board also tasked the General Manager with leading a comprehensive procurement strategy that emphasizes engagement with global suppliers, leverages technological innovation for cost-effective operations, and aligns with the highest standards of operational readiness and national security priorities. The Board also authorized Respicio to reallocate budgetary

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resources, negotiate with suppliers, and adjust project timelines accordingly, all in accordance with the Guam Procurement Law.

Background on the Port's Gantry Cranes

The Port's gantry cranes are more than 40 years old. They were manufactured in 1983/1984 and belonged to the Port of Los Angeles. The Port of Guam acquired the used cranes from the Port of LA and they were refurbished and brought to Guam in 2009. Based on consultant reports, they will reach the end of their expected service life and will need to be replaced by 2029. Meanwhile, the Port recently completed the demolition and removal of Gantry two and the agency is currently in the process of removing demolished Gantry three.

40-year-old gantry cranes pass OSHA recertification



All three of the Port Authority of Guam's 40-year-old gantry cranes have successfully passed the Occupational Safety and Health Administration (OSHA) recertification process. This achievement underscores the port's commitment to maintaining the highest standards of safety and efficiency in its operations.

OSHA's rigorous recertification process ensures that equipment meets stringent safety standards, protecting workers and the surrounding environment. The Port's gantry cranes underwent comprehensive inspections, evaluations and testing to ensure compliance with OSHA regulations.

Gantry 3 disassembly complete

In a significant step toward modernization and enhanced safety measures, the Port Authority of Guam celebrated the completion of the demolition of Gantry 3 on April 12, 2024. This action, undertaken as part of the Leon Guerrero Tenorio administration's strategic initiative, aims to remove inoperable assets, freeing up valuable



revenue-generating areas while simultaneously eliminating unsafe working conditions within the port.

Gantry 3, once a prominent fixture at the Port Authority of Guam, had long served as a symbol of the region's maritime heritage. However, over time, the structure had fallen into disrepair, posing safety risks to workers and hindering operational efficiency. Recognizing the necessity for change, the decision was made to bid farewell to Gantry 3 and pave the way for a new era.

The demolition process, led by the Guam Shipyard with the assistance of their subcontractor Smithbridge, was executed with precision and care. Safety protocols while dismantling this crane were strictly adhered to at every stage to mitigate potential risks and prevent accidents. Additionally, all metal from this disassembly is being shipped off-island.

Port launches sustainability efforts

The Port kicked off efforts on April 17, 2024, to create The Port Sustainability Plan, ushering in a new era of excellence with a commitment to environmental sustainability and resilience.

This comprehensive plan will encompass a wide array of strategies designed to enhance energy efficiency, reduce emissions, manage waste effectively, and preserve natural resources. To further these goals, the Port successfully secured a grant of \$1,450,000 from the U.S. Department of Defense Office of Local Defense Community Cooperation (OLDCC), enabling the commissioning of a Port Sustainability and Resiliency Study. This collaborative effort, spearheaded by the Port's owner agent WSP,

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together with its subconsultant, Jacobs Engineering Group Inc., was officially launched today at Adelup with numerous stakeholders and will encompass various critical studies. These studies are aimed at crafting a comprehensive plan for the Port Authority of Guam (PAG) that seamlessly aligns with Guam's broader sustainability initiatives. The studies will include Zero Emissions, Zero Waste, Property Identification as well as Strategy Development.

May Port Shines at Invest Guam Symposium



The Port Authority of Guam made a significant impact at the Guam Economic Development Agency's Invest Guam Symposium 2024 held in New York City on May 14-15, 2024, highlighting the island's strategic importance as a commercial hub in the Pacific.

The symposium provided an opportunity for investors to learn more about the credits they hold in their portfolio and focused on updating investors on the financial condition of each credit and future capital needs thereby strengthening existing relationships with investors and enhancing efforts in being more transparent. The symposium also attracted investment to Guam, featuring a series of discussions highlighting the island's economic potential, infrastructure, and strategic initiatives.

Guam receives DOT waiver for Buy America, cranes excluded

The U.S. Department of Transportation has



granted Guam a waiver for the Buy America requirements for federally-funded infrastructure projects but the waiver does not cover the acquisition of STS cranes.

On April 29, 2024, the DOT announced a public interest "Waiver of Buy America Requirements for the Pacific Island Territories and the Freely Associated States." Domestic preferences are waived for iron, steel, manufactured products, and construction materials used in projects in the Pacific Island Territories to include Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa as well as the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia. The waiver applies to all FTA awards obligated from April 29, 2024, to March 1, 2025.

\$1.94 invested at the Agat Marina



The Port Authority of Guam held a ribbon cutting ceremony to unveil the rehabilitated Agat Marina Dock B, new restroom facilities, and CCTV cameras at 11 a.m. on May 29, 2024.

"The Agat Marina holds a special place in the hearts of many, serving as a gateway to adventure and relaxation for both locals and visitors alike," said Port General Manager Rory J. Respicio. "With the rehabilitation of Dock B, we are expanding our capacity and infrastructure to the public's benefit

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to accommodate a growing demand for maritime services while maintaining our commitment to environmental sustainability.”

The rehabilitation of the Marina’s Dock B provides an additional 48 slips for recreational boaters and fishers of Guam and is the last dock to undergo rehabilitation totaling 162 useable slips. The use of non-rot recycled plastic composite material, marine-grade aluminum frames and stringers, and stainless-steel junction boxes with watertight fittings provide a low-cost maintenance facility. Additionally, the dock is designed to withstand the combination of wind, sea action, boat docking, and other loads without damage to the structure and components throughout a 20-year design life.

June

Port wins CCR Platinum Award



The Port Authority of Guam was once again awarded the First Place Platinum Award for the Fiscal Year 2022 Citizen-Centric Report (CCR).

This is the third time the Port has received the First Place “Excellence in Citizen-Centric Reporting Award” from the Association of Government Accountants, Guam Chapter (AGA), as well as recognition from AGA National’s Certificate of Excellence in Citizen-Centric Reporting for FY 2022.

The award was presented at the AGA recognition ceremony and membership meeting on June 26, 2024 at the Lotte Hotel in Tumon.

“Receiving this prestigious award for a third time reaffirms our team’s commitment toward consistently elevating transparency and comprehensive reporting,” said Port General Manager Rory J. Respicio. “We will continue to be guided by the vision of Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio, who are firm believers in a direct and transparent government.”

The Citizen-Centric Report initiative, adopted

through Guam Public Law 30-127, assists in advancing accountability and transparency in our government. This report provides information about the agency’s goals, performance measures, audited financial statements, challenges and outlook of operations, and how taxpayer or ratepayer dollars are spent in a manner that is easily understandable and accessible to our citizens.

“Congratulations on this well-deserved achievement,” wrote AGA Guam Accountability Director Dr. Doreen Crisostomo to Respicio.

The Port’s Citizen-Centric Report is produced by the Financial Affairs Division under the direction of Financial Affairs Controller Jose B. Guevara, III with the assistance of the Port’s Marketing Division. The award-winning Port Authority of Guam Citizen-Centric Report may be viewed at the Port’s website at https://www.portofguam.com/sites/default/files/fy2022_ccr_new.pdf.

July

Port unveils Challenge Coin honoring its workforce



The Port Authority of Guam unveiled its own challenge coin on July 18, 2024 in a ceremony where management presented each employee with a coin. This meaningful tradition, inspired by the military, symbolizes unity, pride, and camaraderie among Port Strong employees.

The event began with a recognition of the efforts of the Liberation Day float planning committee, headed by the CIP/Engineering, Planning, and Marketing divisions with the support of all other divisions, including Operations and Equipment Maintenance, who played a critical role in designing and building the float. This acknowledgment highlighted a significant chapter in Guam’s history — Liberation Day —celebrating the resilience, courage, and unyielding spirit of the

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island's people.

The coin's design, chosen by employees through a survey, reflects their input and pride. These coins serve as keepsakes and reminders of the collective effort that drives the Port Authority's success.

August

FY2023 Financial Audit and Prestigious Award



The Port Authority of Guam has achieved another significant milestone by receiving a clean audit report for the fiscal year ending September 30, 2023. This independent audit, conducted by Ernst and Young LLP (EY), confirms that the Port's financial statements are accurate and reliable, reflecting the Authority's strong financial position in accordance with accounting principles generally accepted in the U.S.

Independent auditors EY issued an unmodified (clean) opinion, affirming the accuracy and reliability of the Port's financial statements. The Port's assets plus deferred outflows exceed liabilities plus deferred inflows by \$31 million, marking a 17.4% increase in net position from the previous year. No material weaknesses, no significant deficiencies, and no noncompliance material were found in the Port's internal control over financial reporting. Conducted according to Government Auditing Standards, a clean opinion was also issued regarding the Port's compliance with major federal programs.

Prestigious Award

The Port Authority of Guam has also been awarded the Platinum Award for "Excellence in Citizen-Centric Reporting" by the Association of Government Accountants (AGA) Guam Chapter, highlighting its dedication to accountability and

transparency. This is the third time the agency has been recognized for this achievement.

Reed Topasna Dies in Tragic Accident



Port Authority of Guam Stevedoring Superintendent Reed Topasna died August 24, 2024 during a hiking expedition at the Mount Taene area in Santa Rita-Sumai.

Reed was with a group of fellow hikers when he fell into a 35-foot hole during the hike. Despite efforts to rescue Reed and airlift him to Naval Hospital via a military helicopter, he passed away from his injuries.

Reed was a well-known hiker in the community where he served as President of the non-profit hiking organization Guam Boonie Stompers. His days off were often spent hiking and exploring the beauty of our island.

Port Authority of Guam General Manager Rory J. Respicio said Reed significantly contributed to the agency's growth, particularly in safeguarding Guam's supply chain. Respicio said that Reed consistently upheld the highest standards of integrity, treating fellow employees and Port customers with respect and his outstanding performance in fulfilling his duties and responsibilities is commendable.

September

Port moves forward on critical fuel infrastructure with Public-Private Partnership Initiative

In a major step toward improving the resiliency and capacity of Guam's fuel supply operations, the Board of Directors of the Jose D. Leon Guerrero

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Commercial Port Authority of Guam voted in their monthly meeting held on September 26, 2024 in favor of issuing a procurement solicitation for a Public-Private Partnership.

This partnership will manage, operate, and maintain the Golf Fuel Pier, Foxtrot Fuel Pier 1, and the fuel tank farm at Area A, subject to legislative and gubernatorial approval. This resolution aligns with the Port's strategic plan to address infrastructure vulnerabilities, especially following significant damage to the piers from Typhoon Mawar. With the port serving as a critical hub for fuel transshipment across Guam and the wider Micronesian region, upgrading and maintaining these assets is vital to both local needs and military readiness within the Indo-Pacific region.

General Manager Rory J. Respicio expressed his confidence in the Board's decision, stating, "This Public-Private Partnership ensures the long-term sustainability of our critical fuel infrastructure while maintaining public ownership of these assets. By leveraging private sector resources and expertise, we can more efficiently manage repairs, make necessary upgrades, and increase our resilience in the face of future disruptions."

The Public-Private Partnership model is designed to bring significant benefits to Guam, not only improving infrastructure but also fostering economic growth through local employment opportunities, skills training, and collaboration with small businesses. This initiative also will support the island's strategic importance as part of U.S. Indo-Pacific defense operations.

Board passes FY2025 budget

The Port Authority of Guam Board of Directors unanimously approved the agency's budget for Fiscal Year 2025 during their monthly board meeting.

Board members approved the new budget, projecting total revenues of \$54.2M which is

\$1.7M higher than the previous year's projected revenues of \$52.5M and FY 2025's total expenses of \$53M.

To arrive at a feasible revenue forecast, the Port Authority utilized a formula considering Guam's economic growth to project an added 3% increase in cargo-related proceeds to arrive at a realistic revenue projection for the agency. Using fiscal prudence, the Port's total expenses were based on the needs of each division and annual obligations to include yearly debt service of \$5.7 million, maintaining a Debt-Service Coverage Ratio (DSCR) of 1.5, days cash on hand – 500, and funding for capital improvement projects from bond, federal and local funding sources.

"Our 'bottom-up zero-based budgeting' approach focuses on financial accountability and sensible spending strategies while identifying cost-saving alternatives, and I am very pleased that this approach has proven successful for our previous fiscal years," said Port General Manager Rory J. Respicio. "I thank our Board of Directors for their support and for recognizing that this FY 2025 Budget demonstrates our best estimation of the upcoming fiscal year's resources, operational, and capital requirements. These numbers provide realistic valuations for the Port's financial position for FY 2025."

With the projected numbers on revenue and expense, the funds available for debt service will result in a debt ratio of 1.8.

"We have been spot-on achieving our revenue projections while spending significantly less than what we have been authorized to spend, and our decisions are prudent and transparent," said Respicio.

WSP reviews Port's Tariff

After a lengthy review of the Port Authority of Guam Terminal Tariff, the Port's OAE Consultant WSP provided their final assessment that focused on capturing all potential revenue in line with the tariff structure.

"As part of our ongoing commitment to optimizing revenue collection and operational efficiency, we initiated a comprehensive review of the Port's terminal tariff in collaboration with WSP," said Port General Manager Rory J. Respicio. "This review, part of WSP Task 14.6: TOSS & Tariff Implementation Support, is designed to

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ensure that all potential revenue under Tariff #1 (effective October 1, 2020) is being captured before we move forward with the implementation of a Simplified Tariff.”

The Port Authority of Guam’s Terminal Tariff outlines the fees and charges for using port facilities and services. Established by the Guam Legislature, this tariff regulates costs for everything from cargo handling to berthing and storage. It ensures transparent and standardized pricing, benefiting both commercial and military users. Regular updates help align the tariff with operational changes and infrastructure improvements.

WSP held a meeting on August 28, 2024 with key Port divisions involved in Operations and Tariff. Meanwhile, Port Authority of Guam representatives as well as WSP held a meeting with Stakeholders to include Carriers and Agents on September 11, 2024 regarding the Port Tariff Implementation & Billing Practices. During the meeting, WSP presented their analysis of the Port’s Terminal Tariff and discussed billing practices.

“It was generally understood that we would provide accurate billing moving forward and charge for all services rendered by the Port,” said Respicio. “I informed them that they could contest any charges if they disagreed. There seemed to be general consensus and agreement in our approach to implementing WSP’s findings.”

Respicio noted that this review and assessment by WSP was crucial to ensuring that the Port captures all revenues called for in the Terminal Tariff.

Port Applies for \$12 Million NTIA Grant

The Port Authority of Guam on September 23, 2024 launched efforts to obtain \$12 Million in federal funding from the U.S. Department of Commerce.



The new grant opportunity is from the U.S. Department of Commerce 2024 National Telecommunications and Information Administration (NTIA) Digital Equity Competitive Grant Program. The Port submitted the PAG Strategic Smart Port Digital Equity Project (Project) that would fund initiatives that ensure communities have the access and skills to fully participate in the digital world, regardless of background or circumstances. The overarching goal of the Project is to build a robust and resilient digital ecosystem that calls for digital equity and digital inclusion, catalyzing growth to covered populations by connecting underserved shoreline communities. To achieve this, the Port has been designated a Community Anchor Institution that will provide broadband services to five (5) surrounding communities by establishing Community Resource Centers/Digital Equity Hubs at the Hagatna and Agat Marinas. The total project cost is estimated at \$12 Million.

“This grant ties into our sustainability efforts here at the Port that are a critical part of our progress as we move forward to serve not just our Port and Port users but our neighboring communities as well,” said Port General Manager Rory J. Respicio. “Under the leadership and guidance of Port Board Vice Chairperson Conchita Taitano, who is actively involved in our sustainability and resilience initiatives, the Port’s

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Planning team collaborated with WSP (the Port's Owner Agent), Jacobs, and Mr. David Louise Bell, an independent contractor to Jacobs serving as the project's lead, to develop and submit the proposal on September 23, 2024."

The goal of the Digital Equity Competitive Grant Program is to fund initiatives that ensure communities have the access and skills to fully participate in the digital world, regardless of their background or circumstances. This program will complement digital equity activities funded by the Capacity Grant Program.

This is the first funding opportunity from the \$1.25 billion Digital Equity Competitive Grant Program, the third of the three Digital Equity Act programs. The Digital Equity Act provides \$2.75 billion to establish three grant programs that promote digital equity and inclusion.

EQMR implements new dashboard

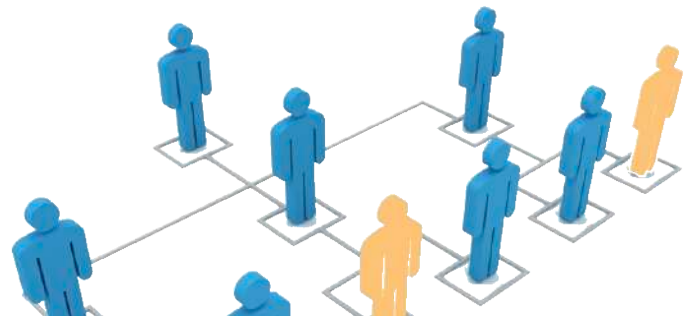


The Equipment Maintenance and Repair Division is now utilizing a new system of recording and tracking the status of all Port equipment and vehicles. The EQMR Dashboard, set up by Equipment Maintenance Superintendent Shine San Agustin with the support of the Maintenance Division, is a centralized interactive digital interface that provides real time updates about the status, performance and maintenance needs of each equipment of the Port Authority of Guam.

Raw data is collected from E1 and is manually downloaded and integrated into the Dashboard which automatically processes and displays the relevant insights based on predefined settings, saving the Planning team three hours daily as compared to the previous reporting process. The information provided through the dashboard includes vehicles or equipment that are down, how long they have been out of service (in days), the estimated completion time, current status of the assets, and whether parts are on order including details about the parts ordered.

The Dashboard has been a valuable tool as it delivers daily updates to the Port users on their assigned assets, ensuring data integrity and maintaining transparency with the EQMR division. It has been helpful in prioritizing maintenance work based on an objective matrix of needs by tracking key metrics such as equipment downtime, parts availability, and estimated completion times. This ensures that maintenance decisions are data-driven and based on operational necessity, reducing the risk of delays and human error.

Port launches new Desk Audit Policy



A new Desk Audit Policy will take effect on October 1, 2024 that ensures that employees' job classifications accurately reflect their current duties and responsibilities, promoting fairness, transparency, and alignment with the Port's operational needs.

"This policy is designed to ensure that your job classification accurately reflects the hard work and responsibilities you're handling at the Port," Port General Manager Rory J. Respicio said. "If your role has expanded, this process will help you receive the recognition you deserve as part of our Port Strong family."

The policy is designed to make sure that employees are classified appropriately based on their actual duties, that they are provided a formal process for employees to request a review if they believe their role has expanded beyond their current classification and that fairness and transparency is paramount which maintains equity across the organization while supporting professional growth.

In line with the Port Authority of Guam Personnel Rules and Regulations (PRR) Rule 5.011, employees can request a desk audit if their duties have expanded over the past three months and are not temporary. To move forward, employees will need to outline how their

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responsibilities have changed since their last review, if applicable, or provide other factors that support a reclassification.

According to the General Manager, this policy reflects his belief that when team members are accurately recognized for their expanded roles and responsibilities, it not only enhances their professional growth but also strengthens the entire organization.

Port welcomes 9th cruise ship



The Port Authority of Guam welcomed its record-breaking 9th passenger vessel of the year, marking a significant achievement for the island's only commercial seaport as well as Guam's tourism industry.

The MV Seabourn Pursuit, making its second voyage to Guam this year, arrived at the Port Authority of Guam at 6:56 p.m. on September 7, 2024 with 183 passengers and 233 crew members. The cruise ship departed the port the following evening on September 8th.

The arrival of the MV Seabourn Pursuit not only boosts Guam's reputation as a premier luxury cruise destination, but also sets a new record for the most passenger vessels to visit the island in a single year. This historic event highlights the growing appeal of Guam as a must-see cruise destination for travelers seeking unique experiences in the Pacific with more than 17,000 passengers and crew members welcomed to our shores this year.

October

Port Board Approves Crane Replacement, DoD Funding Sought to Avoid Chinese-Made Cranes

In a crucial advancement for the Port Authority of Guam, the Board of Directors—Chairperson Dot Harris, Vice Chairperson Conchita S.N. Taitano, and Board Secretary Fe R. Valencia-Ovalles—passed Resolution No. 2024-16 today, authorizing

a multi-step bid process to replace the Port's aging gantry cranes.



The GUAM DOD MASTER PLAN (PART 1B: GOVERNMENT OF GUAM GAP ANALYSIS AND EXECUTION PLAN, 10/2024) has highlighted critical infrastructure gaps, noting that the Port's current cranes, acquired second-hand in 2009 and over 40 years old, pose a risk to both commercial and military logistics. With these cranes nearing the end of their service life, the Port's capacity to manage cargo effectively is at stake, especially amid rising geopolitical tension.

The gap analysis emphasizes the importance of upgrading these cranes to meet increased throughput demands and support national security objectives. Recognizing this need, the Port's Board has taken decisive action through Resolution No. 2024-16, authorizing the General Manager to issue an invitation for bid (IFB) structured to procure up to three new gantry cranes, contingent on funding. This approach allows the flexibility to acquire one, two, or three cranes initially, meeting rigorous specifications, including cybersecurity measures and storm resilience, to withstand Guam's extreme weather conditions.

Port General Manager Rory J. Respicio highlighted the administration's role in providing advocacy and critical data reflected in the DoD gap analysis, noting that it underscores urgent infrastructure needs at the Port as well as other key priorities, such as the modernization of the public hospital and infrastructure shortfalls identified in their strategic initiatives. "Current funds may only cover one crane, but failing to pursue every option to acquire at least three, and ideally four, Ship-To-Shore (STS) gantry cranes would significantly impact the Port's operational resilience and

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strategic importance,” stated Respicio. “Our efforts to secure new cranes are integral to Guam’s role as a reliable logistics hub for commerce and the military—now more than ever amid geopolitical tension. Thanks to the awareness advanced by Governor Leon Guerrero, Lt. Governor Tenorio, our Board, and all other local and federal partners, the DoD’s gap analysis underscores the urgency of enhancing port readiness.”

Resolution No. 2024-16 not only authorizes the IFB process but also reallocates funds from the suspended Hotel Wharf project to prioritize crane procurement. This financial commitment aims to address Guam’s immediate operational needs while aligning with national security standards, including efforts to obtain Buy American waivers to avoid reliance on Chinese-manufactured cranes.

Financing Plan and Next Steps: To finance these critical assets, the Port is pursuing a blend of federal funding, including DoD grants, FEMA support, and MARAD assistance. Recent efforts have centered on securing waivers to meet Buy American compliance, bridging current funding gaps. Should sufficient funds be secured, the IFB allows for the acquisition of up to four cranes. Without further federal support, however, the Port may only be able to purchase a single crane. The Port will initiate the bid process while continuing collaboration with DoD, FEMA, and MARAD to secure necessary funding and waivers.

“This resolution acknowledges that funding constraints may limit the Port’s ability to purchase more than one crane,” Respicio added. “If the bid process identifies a Chinese manufacturer as the most responsive, we would evaluate the bid in line with all statutes. However, DoD funding would likely preclude the acquisition of China-manufactured cranes, maintaining alignment with U.S. security standards.”

S&P Global Ratings Affirms Port’s Long-Term ‘A’ Rating, Maintains Stable Outlook

S&P Global Ratings has reaffirmed the Port Authority of Guam’s long-term ‘A’ rating on its series 2018 Port Revenue Bonds and maintained its outlook at stable, as per the latest assessment.

Credit Profile		
Guam Port Auth port	A/Stable	Current
Long Term Rating		
Guam Port Auth port	A/Stable	Current
Long Term Rating		
Guam Port Auth port	A/Stable	Current
Long Term Rating		

“The stable outlook reflects our expectation that port activity will continue to demonstrate resilience in the aftermath of Typhoon Mawar, and remain near current levels,” the S&P Global Ratings report states. “The outlook also reflects our expectation that key financial metrics will remain sufficient for the rating and the port’s debt capacity will remain strong.”

The stable outlook reflects S&P’s expectation that the Port will continue to demonstrate resilience in port activity and maintain sound financial metrics, especially following the impact of Typhoon Mawar in 2023. The Port’s debt capacity and coverage ratios have also remained strong, which is essential for continued operations and funding future infrastructure projects.

“The rating reflects our opinion of an island port that has relatively stable container volumes given its role as sole provider of maritime facilities and services in Guam and stabilizing military presence due to its strategic importance to the U.S. military, despite relatively high shipping carrier concentration and being located in a region prone to severe weather events,” the S&P Global Ratings report states. “The rating also reflects our expectation that the authority’s DSC (as per our calculations), debt burden, and liquidity will remain at levels we consider strong, low, and adequate, respectively.”

Port Introduces New Draft Temporary Out-of-Position Assignments Policy for Employee Growth and Flexibility

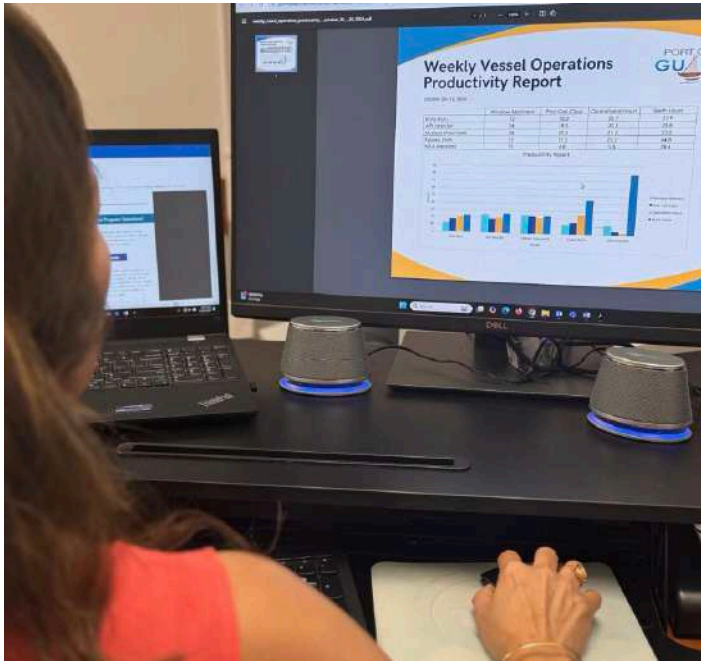
The Port Authority of Guam is moving forward with a policy designed to benefit and empower employees through opportunities with the draft of the new Temporary Out-of-Position Assignments Policy.

With this forward-thinking policy, our Port employees will have the chance to step into roles outside of their typical job classifications, earning compensation for higher-level work or retaining current pay in lower-level assignments. This initiative—championed by Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, and the Port’s Board of Directors—is intended to support employee growth, flexibility, and fair treatment as we continue to uphold operational excellence.

General Manager Rory J. Respicio emphasized the core goals of the policy, stating,

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“We are focused on meeting the Port’s needs while also investing in our most valuable resource—our people.



This policy is designed to provide opportunities for career growth and allow employees to contribute in new and meaningful ways, all with fair compensation and respect for their role.”

Port Celebrates 49 Years of Service with a Memorable Port Week 2024



The Port Authority of Guam marked its 49th Port Week from October 21-25, embracing the theme “Port Strong: Nearly Half a Century of Grit, Resilience, and Service Fueling Local and Regional Economies, Partnerships, and National Security,” celebrating nearly fifty year of dedication and impact on Guam and the region.

The celebrations began with a powerful opening ceremony, where Governor Lou Leon Guerrero’s keynote underscored the Port’s vital role in Guam’s economy. Reflecting on the impact of the Port’s employees, she told the crowd, “You keep Guam’s economy and daily life thriving. Your work feeds families, supplies hospitals, and powers businesses. Remember, every task you do contributes to the well-being of our people.” The Governor’s words highlighted the importance of every Port employee in sustaining Guam’s strength and resilience.

General Manager Rory J. Respicio expressed pride in the Port’s achievements over nearly five decades. Recognizing the dedication of the “Port Strong” employees, he told employees during his speech at the Opening Ceremony, “Your grit—passion and perseverance—is the driving force behind our accomplishments.” Respicio acknowledged that each employee has been instrumental in overcoming challenges, including the global pandemic and Typhoon Mawar, when the Port reopened just three days after the storm—a testament to their strength and unity.

Chairperson of the Board of Directors, Dot Harris, also celebrated the contributions of Port employees, saying, “You are the backbone of this organization, and your grit and resilience continue to inspire us all, which is why the Port is among the best organizations in the Government of Guam!” Harris’ heartfelt remarks at the Opening Ceremony honored the resilience and dedication of every team member, reflecting the pride and respect the community holds for the Port’s workforce.

November

Moody’s Issues Baa2 Credit Rating for Fourth Year in a Row



The Port Authority of Guam received positive financial news on November 5, 2024 as Moody’s Investors Service issued a Baa2 credit rating for FY 2023.

This rating was based on the Port’s credit

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strengths for the fiscal year. Moody's report highlighted the following:

- **VERY STABLE REVENUE PROFILE:** The port's credit is supported by a very stable revenue profile, which has proven resilient in recent years. Despite an effective closure of the island's tourism economy from the coronavirus pandemic, the port's operating revenue between 2021 and 2023 averaged \$57.8 million, in-line with pre-pandemic figures.

- **HEALTHY LIQUIDITY:** The port authority's liquidity position is healthy. Fiscal 2023 financials show unrestricted cash and cash equivalents of \$28.6 million, with unrestricted and discretionary reserves of \$51.8 million; days cash on hand for 2023 was 368 days, from the 429 in 2022. The port has held more than 300 days cash on hand since 2016, a trend we expect will continue at least through the outlook period.

- **SOLID DEBT SERVICE:** Debt service coverage for the port is solid and expected to remain around 2x on a net revenue basis.

- **CREDIT STRENGTH:** The port derives credit strength from its role as the sole commercial port in Guam, handling around 90% of the territory's imported cargo, of which approximately 30% is military related. Competition from other smaller ports in Micronesia only applies to a small volume of volatile transshipment cargo. The Port of Guam is the only port in the Micronesia region that has the infrastructure and equipment required to service container vessels with a capacity of up to 4,000 TEUs (twenty-foot equivalent units). The port faces limited restrictions to accommodate future growth related to the military build-up. The port's capacity limit is around 192,000 containers; in fiscal 2023, the port handled around 86,000 containers, in-line with volumes over recent years.

- **QUICK MAWAR RECOVERY:** We've noted in prior reports that the port is exposed to weather-related events that could affect revenue-generating activities. In late May, Typhoon Mawar shut down port activities for several days, though early and prudent preparations limited the extent of damage, with sustained damage quickly remediated by the port.

Brigadier General with INDOPACOM visits the Port

Brigadier General Christopher K. Faurot, Mobilization Assistant to the Commander, U.S.

Indo-Pacific Command, visited the Port Authority of Guam on November 22, 2024 to meet with Port General Manager Rory J. Respicio. The visit included a tour of the Port's facilities and discussions on its critical role in supporting local and national security operations in the Indo-Pacific region.

The Port of Guam serves as a cornerstone of U.S. defense infrastructure, ensuring seamless support for military and civilian operations essential to the Pacific region's security. The tour highlighted the Port's readiness initiatives and ongoing efforts to address infrastructure challenges to meet



increasing demands.

"We are grateful for Brig. Gen. Faurot's visit and the opportunity to showcase the Port of Guam's strategic importance," said Port General Manager Rory J. Respicio. "The Port stands at the intersection of economic vitality and national defense. With the full support of Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, and our Board of Directors, we are focused on enhancing the Port's readiness through critical infrastructure upgrades, including the replacement of our aging gantry crane."

Brig. Gen. Faurot's visit underscored the importance of collaboration between the military and local leadership in bolstering the Port's infrastructure and ensuring its long-term operational readiness. Discussions focused on inter-agency coordination and strategic investments that enhance the Port's ability to support the growing demands of military logistics and commercial shipping.

Port Adopts Ambitious Zero-Emission and Zero-Waste (ZEZW) Resiliency and Sustainability Goals

The Port Authority of Guam Board of Directors has unanimously adopted Resolution No. 2024-18, formalizing the Zero-Emission and

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Zero-Waste (ZEW) Resiliency and Sustainability Goals developed by Jacobs and WSP USA Inc.

This monumental decision, made at the November 30, 2024, Board of Directors meeting, integrates these objectives into the sustainability framework of the 2023 Master Plan, reaffirming the Port's commitment to environmental stewardship and operational resilience.

The ZEW Plan, supported by a \$2.41 million grant from the U.S. Environmental Protection Agency's Clean Ports Program, outlines a transformative path to reduce the Port's carbon footprint, enhance climate resilience, and drive innovation in sustainable operations.

"Our adoption of the ZEW goals reflects our unwavering dedication to advancing sustainability as a core pillar of the Port's future," said Port General Manager Rory J. Respicio. "This initiative is more than an environmental commitment—it's a promise to our island community to prioritize long-term resilience and efficiency while aligning with regional and global sustainability strategies. We are building a legacy for the generations to come."

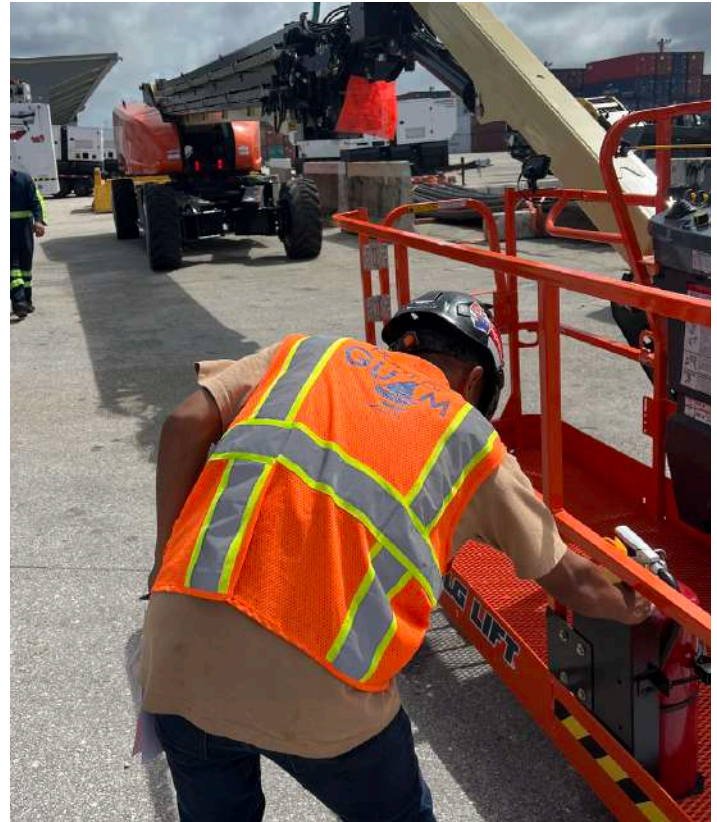
Resolution No. 2024-18 underscores the Port's strategic priorities, including conducting a comprehensive mobile emissions inventory, updating the Net Zero Emissions Strategy, and developing a workforce equipped to embrace sustainable practices. The resolution states, "The Port is dedicated to fostering a culture of environmental responsibility through community engagement, reinforcing a shared vision for a cleaner and more sustainable Guam."

Port Receives New Telescopic Boom Lift

A brand new state-of-the-art 180' telescopic boom lift has arrived at the Port Authority of Guam. The acquisition of this cutting-edge equipment, delivered to the Port on November 22, 2024, is a key milestone in enhancing the Port's capabilities and improving operations.

The purchase of the new boom lift, made possible through the FY2022 America's Marine

Highway Program, was awarded by the U.S. Department of Transportation's Maritime Administration (MARAD). The grant, totaling \$517,205.41, was approved on June 10, 2024 and is part of the \$5.7 million that was awarded in October 2022 for the expansion of the Port's fleet of specialized container yard equipment. It is part of the federal government's ongoing commitment



to support the development and modernization of port facilities across the country.

The 180' telescopic boom lift, manufactured by JLG Industries, Inc., will significantly increase the Port's ability to safely and efficiently handle high-reach tasks, primarily for the maintenance of the gantry cranes and buildings, as well as inspection and other operational needs throughout the Port's facilities. This investment will enhance productivity and contribute to the Port's long-term growth and success, reinforcing its role as a critical hub for trade and transportation in the Pacific region.

General Manager Rory J. Respicio expressed his enthusiasm about the new addition to the Port's fleet, stating, "The acquisition of this advanced telescopic boom lift is a testament to our commitment to improving the safety, efficiency, and capability of our operations. We are grateful for the support of MARAD and the America's Marine

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Highway Program, which continues to play a vital role in strengthening the Port's infrastructure. This lift will allow our team to perform tasks at greater heights with enhanced safety, ensuring we are ready to meet the growing demands of our



maritime industry.”

Port Sustains No Damage During Tropical Storm Man-Yi

The Port Authority of Guam (PAG) is pleased to announce that the island's vital seaport facilities sustained no damage during the passage of Tropical Storm Man-Yi on November 13, 2024.

Comprehensive inspections conducted by PAG confirmed that all infrastructure and equipment remain fully intact. Thanks to the extensive preparations and coordinated efforts of our dedicated team, the Port remained fully operational, ensuring the continuous flow of goods to the island.

In preparation for Tropical Storm Man-Yi, the Port Authority of Guam implemented a series of precautionary measures, such as lowering container stacks to two-high configurations and securing the gantry cranes to withstand high winds. These proactive steps, taken well in advance of the storm's arrival, were crucial in safeguarding critical assets and ensuring the swift resumption of normal operations.

Port Announces Updated Uniform Allowance Policy for Port Police

The Port Authority of Guam has implemented a revised uniform allowance policy to better align the benefits received by its Port Police personnel with their counterparts in other law enforcement agencies.

This updated policy, which came into effect effective October 1, 2024, increases the annual uniform allowance from \$350 to \$500, reflecting the agency's commitment to ensuring parity for its officers.

The new policy streamlines the process for the Port Police, allowing officers more flexibility in selecting their duty gear and uniforms. Notably, PAG has shifted away from stockpiling certain uniform items, instead providing personnel with the autonomy to upgrade their police gear at their own expense. This change empowers officers to select duty gear that best suits their specific operational needs.

The updated policy is part of PAG's ongoing efforts to enhance employee welfare while maintaining operational excellence. The change also aligns with the agency's broader initiative to modernize processes and streamline administrative procedures.

Port Authority of Guam Celebrates Employee Excellence at Port Week Grand Finale

The Port Authority of Guam marked the close of Port Week with a Grand Finale and Employee Recognition Ceremony on November 8, 2024 that was held to honor the outstanding contributions and dedication of Port Strong employees.

This year's event, which capped off the week-long celebration of the Port's 49th anniversary, was attended by dignitaries, community leaders, and Port employees and held at Top O' The Mar in Nimitz Hill.

Port General Manager Rory J. Respicio addressed the audience and highlighted the critical role the Port plays in Guam's economy and security and praised the honorees for their hard work and resilience, calling them the backbone of Guam's only commercial seaport.

A highlight of the event was the Annual Awards, where employees and divisions were recognized across multiple categories for going above and beyond in their roles.

Story continues on page 26

- Employee of the Year (Category I): Brenda Ann T. Atalig
- Employee of the Year (Category II): Jacqueline A. Cruz
- Employee of the Year (Category II): Gerdie H. Sicat
- Supervisor of the Year (Category I): Donna Lizama-Acosta
- Supervisor of the Year (Category II): Gus Alan D. Aromin
- Supervisor of the Year (Category II): Derrick M. Balajadia
- Outstanding Work Center (Category I): Marketing Division
- Outstanding Work Center (Category II): Transportation Division
- Good Housekeeping Work Center (I): General Manager's Office
- Good Housekeeping Work Center (II): Corrosion Control

Port Wellness Program Continues



Crisis and Suicide Lifeline by Port Police

The Port Authority of Guam remains dedicated to fostering a healthy and supportive environment for its employees and their families.

Prioritizing initiatives that promote physical, mental, and emotional well-being, the Port continues to demonstrate its commitment to creating a workplace culture that values overall wellness. Through educational programs, fitness activities, and community engagement, the Port strives to empower its workforce to lead healthier lives.

This commitment will be further highlighted in the upcoming wellness events calendar on the right.




Seawall Walk by Transportation Division




PreventT2 Presentation by IT Division

Division	Assigned Week
Engineering/CIP	December 30 – January 3, 2025
Operation Division	January 6 – January 10, 2025
Strategic Planning	January 13 – January 17, 2025
Terminal Division	January 20 – January 24, 2025
Harbor Master's Office	January 27 – January 31, 2025



MARTIN LUTHER KING, JR. DAY

-I Have a Dream-



Christmas Luncheon Photos



December Photo Highlights



The Port Police Division is preparing to launch its next cycle of training for 18 incoming port police officers. This rigorous program is designed to equip the new recruits with the skills and knowledge necessary to uphold safety and security at the Port Authority of Guam. As the island's only commercial seaport, the Port Police play a vital role in maintaining public safety, and this training reflects the Port's ongoing commitment to strengthening its security operations and workforce.

PLEASE JOIN US FOR THE PORT AUTHORITY OF GUAM GOODWILL AND MORALE ASSOCIATION'S

NEW YEAR'S PARTY

"ALL THAT GLITTERS IS GOLD"
Dress Your Best
HOTEL NIKKO GUAM
TASI BALLROOM
SATURDAY
JANUARY 11, 2025
6:00PM - 11:00PM

ENTRANCE FEE
PAGGMA MEMBER FREE
MEMBER'S 1ST GUEST \$75.00
MEMBER'S 2ND GUEST/NON-MEMBER \$100.00

Strike a Pose
 PHOTO BOOTH

DJ

Tickets Available for Sale December 16, 2024. See Jeni LG or Teresa Taitano at Finance

NO MINORS ALLOWED
 SPECIAL ROOM RATES: CONTACT HOTEL NIKKO GUAM AT (671)649-8815 FOR MORE DETAILS

January Birthdays

PORT OF GUAM

Happy Birthday

ALAN I. CALIP	KENNETH A. SANTOS	JARED J. ANDERSON
SHANNON T. QUENGA	JASMIN K. SANTOS	NOREEN B. BABAUTA
PAUL A. CRUZ	JR., IAN D. WAKI	KIANA MARIE M. SANTOS
MELCHOR B.D. PEREZ	DA'OK H. CHARFAUROS	CLARENCE V. LAGUTANG
JUAN C. BORJA	JACOB RICO JR. I. PAUNTE	JEROME C. VALDEZ
DAVID B. ESPLANA JR.	BRENDA ANN T. ATALIG	PETE P. SALAS
BENNY G. CRUZ	JEROME L. CASTRO	DARRELL P. HARRIS
JACQUELINE A. CRUZ	AMOS JUDE T. TAIJERON	ELIJAH JOAQUIN S. CRUZ
BERNADETTE STERNE	JERIC L. NAVARRO	