

BOARD OF DIRECTORS

Dorothy P. Harris, Chairperson
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**Resolution No. 2025-44****RELATIVE TO ADOPTING THE “LOOK AHEAD 2026” PLAN: STRATEGIC EXECUTION, OPERATIONAL DURABILITY, AND INSTITUTIONAL READINESS AT THE PORT AUTHORITY OF GUAM****BE IT RESOLVED BY BOARD OF DIRECTORS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT:**

WHEREAS, the Port Authority of Guam is the island’s primary gateway for commerce, facilitating approximately ninety percent of incoming goods and supporting a significant share of military and national security operations critical to Guam and the broader Indo-Pacific region; and

WHEREAS, since 2019, the Port Authority of Guam has undertaken a deliberate and disciplined transformation, under the shared governance of the Board and management, to strengthen institutional governance, stabilize finances, rebuild organizational credibility, and position the Port for long-term operational readiness; and

WHEREAS, in 2019, the Port Authority of Guam began a period of stabilization and reset, during which the Board and management focused on strengthening governance, reestablishing fiscal controls, addressing longstanding procedural gaps, and reinforcing institutional credibility, with immediate priorities including audit remediation, procurement discipline, ensuring billing consistency with the approved tariff, clarifying management authority, initiating the update of the Port’s Master Plan, laying the groundwork for the eventual restoration of procurement delegation following a fourteen-year lapse, and establishing the foundation for budget reform initiatives including zero-based and performance-based budgeting; and

WHEREAS, in 2020, through continued coordination between the Board and management, the Port Authority of Guam remained fully operational throughout the COVID-19 pandemic, sustaining uninterrupted cargo and vessel operations while maintaining supply chain reliability for Guam, as financial controls, workforce safety, and operational resilience were tested under unprecedented conditions, reinforcing the importance of disciplined governance, adaptability, and continuity of operations; and

WHEREAS, in 2021, the Board and management emphasized recovery and structural correction by addressing deferred maintenance, correcting legacy personnel and classification issues, strengthening procurement and human resources controls, continuing to lay the groundwork for modernization, and transitioning the Port to the EnterpriseOne financial management system, thereby strengthening financial reporting, internal controls, and enterprise-wide accountability while managing ongoing pandemic impacts; and

WHEREAS, in 2022, the Port Authority of Guam focused on rebuilding capacity and restoring confidence, as continued clean audits, improved financial transparency, and strengthened internal controls, achieved through Board oversight and management execution, allowed the organization to shift from defensive management to forward planning, marking the beginning of sustained improvement in the Port’s credit profile and enabling capital planning, workforce development, and eligibility for future federal funding opportunities, while also reinvesting in critical yard equipment and operational assets using a combination of Port funds and federal support, including awards through the Maritime Administration’s Marine Highway Program and the United States Environmental Protection Agency’s Diesel Emissions Reduction Act program; and

WHEREAS, in 2023, the Board and management advanced the Port’s Master Plan, aligned priorities with the Governor and Lt. Governor’s One Guam Strategic Framework, and positioned the Port within national security and Indo-Pacific readiness discussions, as planning and coordination matured around Ship-to-Shore (STS) gantry cranes, fuel infrastructure, wharves, information technology systems, and sustainability initiatives, supported by strengthened cross-divisional coordination, improved tariff application and billing alignment, enhanced lease compliance, and continued improvement in audit outcomes and financial credibility; and

WHEREAS, in 2024, the Port Authority of Guam continued to center on recovery, alignment, and framework development amid external pressures including the military buildup, pandemic aftereffects, and typhoon recovery, and through coordinated action by the Board and management, clarified strategic priorities, infrastructure readiness, succession planning, reinforced workforce resilience, operational efficiency, strengthened financial accountability, advanced federal coordination efforts, and secured grant funding including awards under the United States Environmental Protection Agency's Clean Ports Program, resulting in multiple consecutive years of clean audits and improved bond ratings that reflected restored confidence in the Port's governance and financial management; and

WHEREAS, in 2025, the Port Authority of Guam emphasized institutionalizing reforms, reinforcing financial discipline, strengthening compliance systems, enhancing maintenance and equipment reliability, executing sustainability and environmental initiatives, continuing advocacy on national readiness and federal collaboration, and preparing the organization for execution, as systems established since 2019 became embedded practice through sustained Board oversight and management accountability; and

WHEREAS, during this period, the Board and management advanced a formal tariff adjustment petition before the Guam Public Utilities Commission to normalize the consistent application of approved tariff provisions and address structural instances of underbilling and labor cost recovery gaps, reflecting a commitment to transparency, regulatory compliance, stakeholder engagement, and the long-term financial sustainability of Port operations while preserving predictability for Port users; and

WHEREAS, in parallel, the Board approved bond borrowing authority to support critical infrastructure modernization and federal matching requirements, advanced implementation planning for federally awarded grants including the United States Environmental Protection Agency's Clean Ports Program, and secured additional federal investment for the F1 Fuel Pier Repair project through DOD's Office of Local Defense Community Cooperation (OLDCC) Defense Community Infrastructure Program (DCIP), collectively strengthening the Port's energy resilience, fuel security, national defense readiness, and capital execution capacity while maintaining financial stability and governance integrity; and

WHEREAS, in 2025, the Port Authority of Guam also marked its 50th anniversary through Port Week celebrations under the theme "Port Strong: 50 Years of Grit, Resilience, and Service Fueling Local and Regional Economies, Partnerships, and National Security," culminating in the Maritime Resilience and Innovation Summit, which honored and recognized the contributions of all Port employees, past and present, and reinforced the Port's enduring role as a cornerstone of commerce, energy resilience, and national security in the Indo-Pacific; and

WHEREAS, Look Ahead 2026 marks a decisive shift toward delivery, risk management, and institutional durability, as major capital projects move into active execution while the Port maintains uninterrupted operations, safeguards financial discipline, strengthens workforce continuity, and ensures that systems built over the past seven years endure beyond individuals through continued alignment between the Board and management; and

WHEREAS, Look Ahead 2026 remains fully aligned with the vision of Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio under the One Guam Strategic Framework and the United States Indo-Pacific Strategy, including advocacy for federal investment outside the military fence to strengthen civilian infrastructure that supports both commerce and national defense; and

WHEREAS, this evolution reflects the Port's maturity and readiness to move from stabilization to sustained performance, grounded in the shared governance of the Board and management, and reinforced by five consecutive years of clean audits and improved bond ratings; and

WHEREAS, Look Ahead 2026 builds on a strong and deliberate foundation established over recent years, and the Port of Guam enters 2026 not in a reset phase, but with sustained momentum, having moved beyond crisis management, fiscal stabilization, and reform into a period focused on execution and delivery, supported by strengthened core systems, embedded accountability across operations, and governance practices matured to support disciplined decision making; and

WHEREAS, with this foundation in place, the Port is positioned to advance major capital projects that modernize critical infrastructure, improve operational resilience, and ensure reliable and uninterrupted supply chains supporting both civilian commerce and national defense requirements, thereby reinforcing Guam's role as a strategic maritime gateway in the Indo-Pacific region; and

WHEREAS, Look Ahead 2026 prioritizes the execution of critical infrastructure initiatives including Ship-to-Shore (STS) gantry crane replacement, fuel pier rehabilitation and fuel resilience, Wharf F2 through F6 structural hardening, Area A fuel storage rehabilitation, terminal operating system deployment, cybersecurity enhancements, and replacement of obsolete Port facilities; and

WHEREAS, Look Ahead 2026 reinforces the Port's commitment to workforce resilience through succession planning tied to operational roles, mentorship and cross-training, merit-based recruitment and practical assessments, scheduling stability consistent with collective bargaining agreements and Personnel Rules, and continued investment in safety and emergency preparedness; and

WHEREAS, Look Ahead 2026 affirms that financial stability remains non-negotiable, with continued emphasis on clean audits, low-risk auditee status, preservation of debt service coverage ratios, consistent application of approved tariff provisions, quarterly budget controls, and disciplined execution of bond and federal matching strategies; and

WHEREAS, Look Ahead 2026 underscores the principle that systems must outlast individuals, reinforcing procurement discipline, delegated authority, internal pre-audits, standardized reporting, compliance controls, and transparency in leasing, billing, and tenant oversight;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Port Authority of Guam hereby adopts Look Ahead 2026 as the guiding strategic framework for the Port's operations, governance, and execution focus for Fiscal Year 2026 and beyond, reflecting a deliberate evolution from stabilization and recovery toward disciplined delivery, operational durability, and long-term institutional readiness; and

BE IT FURTHER RESOLVED, that the Board affirms that the objectives of Look Ahead 2026 include:

- Advancing the execution of critical port infrastructure projects, including Ship-to-Shore (STS) gantry crane replacement, fuel pier rehabilitation, Wharf F2 through F6 structural hardening, Area A fuel storage rehabilitation, terminal operating system deployment, cybersecurity enhancements, and replacement of obsolete Port facilities, while maintaining uninterrupted port operations;
- Sustaining financial stability through continued clean audits, preservation of low-risk auditee status, protection of debt service coverage ratios, disciplined budget controls, consistent application of approved tariff provisions, and prudent execution of bond and federal matching strategies;
- Strengthening workforce continuity and operational readiness through succession planning tied to operational roles, mentorship and cross-training, merit-based recruitment and practical assessments, scheduling stability consistent with collective bargaining agreements and Personnel Rules, and continued investment in safety and emergency preparedness;
- Ensuring operational resilience during modernization by maintaining supply chain reliability, managing labor and equipment risk, reducing downtime through preventive maintenance, and reinforcing coordination across Operations, Maintenance, Finance, and Safety functions;
- Advancing sustainability, energy resilience, and environmental stewardship by transitioning zero-emission and zero-waste initiatives from planning to implementation, aligned with federal funding priorities and national security objectives;
- Preserving governance integrity and institutional durability by reinforcing procurement discipline, delegated authority, internal pre-audits, standardized reporting and escalation protocols, compliance controls, and transparency in leasing, billing, and tenant oversight; and

BE IT FURTHER RESOLVED, that the Board affirms the Strategic Evolution of the Port Authority of Guam from 2019 through 2026, recognizing that the systems, controls, and reforms established over the past seven years now position the Port to execute major capital projects while safeguarding financial integrity, workforce continuity, and public trust; and

BE IT FURTHER RESOLVED, that the Board directs the General Manager and all divisions to implement Look Ahead 2026 in a manner consistent with these objectives, ensuring that the Port Authority of Guam continues to support Guam's economic stability, regional commerce, and national security readiness; and

BE IT FURTHER RESOLVED, that the Chairperson certify to, and the Secretary attest to, the adoption hereof, and that copies of this Resolution be transmitted to the Governor of Guam, the Lt. Governor of Guam, the Speaker of the Guam Legislature, the Port's Legislative Oversight Chair, and the Thirty-Eighth Guam Legislature.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF
DIRECTORS THIS 30th DAY OF DECEMBER, 2025.**

DOROTHY P. HARRIS
Chairperson, Board of Directors
Port Authority of Guam

FE R. VALENCIA-OVALLES
Board Secretary, Board of Directors
Port Authority of Guam

