

BOARD OF DIRECTORS

Dorothy P. Harris, Chairperson

Conchita S.N. Taitano, Vice Chairperson

Fe R. Valencia-Ovalles, Board Secretary

Mark B.C. Mendiola, Board Member



Resolution No. 2026-01

RELATIVE TO MEMORIALIZING THE INTENT OF THE GENERAL MANAGER TO TRANSITION THE F1 FUEL PIER FROM A MANAGEMENT AGREEMENT STRUCTURE TO A LEASE ARRANGEMENT AND TO NEGOTIATE AND EXECUTE A LEASE CONSISTENT WITH THE POLICY FRAMEWORK ESTABLISHED UNDER BOARD RESOLUTION NO. 2025-41 GOVERNING PROPERTY USE ARRANGEMENTS AT THE PORT.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT:

WHEREAS, *I Liheslaturan Guåhan*, through its enactment of Public Law 13-87, created the Port Authority of Guam as a public corporation and autonomous instrumentality with responsibility over Port assets and facilities as provided in Title 12 of the Guam Code Annotated; and

WHEREAS, the Port Authority of Guam owns and operates the Jose D. Leon Guerrero Commercial Port, including its piers, wharves, terminals, and associated marine facilities serving Guam's commerce, energy logistics, and national security operations; and

WHEREAS, the F1 fuel pier is a Port owned marine facility used for the transfer of petroleum products serving Guam's commercial and energy needs; and

WHEREAS, certain operational infrastructure associated with the storage and distribution of petroleum products, including pipeline systems connected to the F1 fuel pier, is privately owned and operated; and

WHEREAS, since approximately 2009, the use and operation of the F1 fuel pier has been governed through a management agreement with Tristar Terminals Guam, Inc.; and

WHEREAS, under the existing management agreement structure, the operation of the F1 fuel pier involves a management arrangement associated with the handling and throughput of petroleum products through the facility rather than a traditional lease framework governing the use of Port owned marine facilities, which as a matter of structure has resulted in the Port compensating the operator for management services rather than receiving lease revenue associated with the occupation and use of Port owned property, an outcome that may be viewed as an unintended consequence of the original agreement structure and which over time has limited the Port's ability to realize lease based revenue from the use of the F1 fuel pier over the duration of the agreement; and

WHEREAS, in 2021, the current General Manager, Rory J. Respicio, executed the continuation of the management agreement as part of the existing contractual structure governing the use of the F1 fuel pier, though he required, for the first time, that fuel companies bid to compete for the award of said contract; and

WHEREAS, during the course of administering the agreement, the current General Manager identified concerns regarding whether a management agreement structure was the most appropriate framework for the long term occupation and use of a Port owned pier; and

WHEREAS, notwithstanding those concerns, the Port Authority of Guam honored the existing contractual framework and did not seek to terminate the agreement prior to its expiration in order to avoid disruption of operations and potential contractual disputes; and

WHEREAS, the current management agreement is scheduled to expire in April 2026, creating an appropriate opportunity for the Port Authority of Guam to reassess the structure governing the use of the F1 fuel pier; and

WHEREAS, the Board of Directors adopted Resolution No. 2025-41 establishing a Notice of Area Availability process and clarifying and institutionalizing the administrative procedures governing new leases, permits, licenses, and other property use arrangements involving Port property, including the processes applicable to agreements exceeding month to month or yearly terms; and

WHEREAS, Resolution No. 2025-41 provides the policy framework through which the Port Authority of Guam administers property use arrangements in a manner that promotes transparency, consistency, and orderly governance of Port controlled facilities; and



WHEREAS, *I Liheslaturan Guåhan* recently amended Title 12 of the Guam Code Annotated to authorize the Port Authority of Guam to enter into lease agreements for terms of up to fifteen (15) years for the use of Port property, thereby providing greater flexibility and long term operational certainty for agreements involving Port facilities; and

WHEREAS, the Port Authority of Guam has implemented lease arrangements governing the use of certain Port property for fuel pipeline and storage facilities, including the Berth F3, establishing a framework that aligns operational responsibility with the use of Port owned marine facilities while supporting transparency, consistency, and long-term financial sustainability; and

WHEREAS, the Board recognizes that such lease structures provide a comparable framework that may be applied when evaluating arrangements governing the use of similar Port owned property; and

WHEREAS, by correspondence dated December 31, 2025, the General Manager formally initiated discussions with Tristar Terminals Guam, Inc. regarding the upcoming expiration of the management agreement and the potential transition of its use and occupation of the F1 fuel pier to a lease arrangement; and

WHEREAS, the potential transition from a management agreement structure to a lease arrangement has previously been discussed with the Board of Directors in order to ensure transparency and alignment with the Board's oversight responsibilities regarding the use of Port facilities; and

WHEREAS, transitioning the arrangement regarding the F1 fuel pier from a management agreement structure to a lease arrangement would more appropriately align operational responsibility, facility use, and long term stewardship of this public asset;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Port Authority of Guam acknowledges and memorializes the intent of the General Manager to transition the F1 fuel pier from the existing management agreement structure to a lease agreement and to negotiate and execute a lease governing the occupation and use of the F1 fuel pier consistent with the policy framework established under Board Resolution No. 2025-41 and other applicable Port policies governing the use of Port property; and

BE IT FURTHER RESOLVED, that the transition to a lease agreement structure is intended to ensure responsible stewardship of Port assets, transparency in the use of public facilities, and the long term financial sustainability of the Port Authority of Guam; and

BE IT FURTHER RESOLVED, that the Chairperson certify to, and the Secretary attest to, the adoption hereof.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 27th DAY OF MARCH, 2026.

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

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

