NEWSLETTER
PORT AUTHORITY OF GUAM

November 2025

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PORT OF GUAM

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General Manager Submits FY 2025 Management Performance Assessment to Port Authority Board

Port Authority of Guam General Manager Rory J. Respicio formally submitted the FY 2025 Management Performance Assessment to the Port Authority of Guam Board of Directors as part of his General Manager's Report during the regular Board of Directors meeting held on November 21, 2025.

The comprehensive assessment provides a division-by-division review of the Port's performance over the fiscal year and documents measurable progress in financial discipline, operational readiness, modernization initiatives, personnel system compliance, and alignment with Board directives and administration priorities. It includes the official performance reports prepared and submitted by each division head, and when applicable, their assistant managers.

"This assessment reflects the collective work of every division and demonstrates how each team is fulfilling its responsibilities while advancing the Port's strategic priorities," said Respicio. "It provides transparency, accountability, and a clear snapshot of where we stand as an organization as we continue to strengthen the Port for the future."

The FY 2025 report details advancements in key areas including revenue integrity initiatives, modernization of port infrastructure and equipment, improved compliance measures, workforce development, and the continued implementation of Board-directed reforms. It also outlines how divisions addressed challenges ranging from infrastructure demands and evolving regulatory requirements to long-term planning for resilience and sustainability.

Lease Agreements with IP&E Holdings, LLC Memorialized at Board Meeting

The Board of Directors of the Jose D. Leon Guerrero Commercial Port Authority of Guam unanimously approved Resolution No. 2025-39 during its regular meeting on November 21, 2025, formally recognizing the General Manager's forthcoming execution of two lease agreements with IP&E Holdings, LLC.

The resolution memorializes the continuation of IP&E's existing lease at the F-3 wharf for fuel storage and refueling facilities and authorizes the lease of certain subterranean and surface areas at F-4 for the installation of fuel pipelines and bunkering pits to serve berthing marine vessels. Both lease agreements are for terms of up to fifteen (15) years and are established at the approved open-space rental rate of $0.62 per square foot, consistent with applicable law.

IP&E has maintained operations at the F-3 location since 2010 and has installed substantial infrastructure in support of fuel storage and distribution. Under the extended lease, the company intends to implement significant safety and operational upgrades, including an automated tank gauging system, portable truck loading capacity, typhoon-resilient pipeline modifications, enhanced fire suppression systems, improved lighting, security systems, and additional protective infrastructure. These improvements are expected to strengthen safety standards, improve resilience, and extend the operational life of existing assets.

The resolution passed by the board of directors also recognizes the need to expand Guam's marine fueling capabilities. By developing fuel bunkering infrastructure at F-4, the Port will gain the ability to more efficiently fuel visiting marine vessels, supporting increased vessel activity, improved operational efficiency, and greater competitiveness within the regional maritime network.

"This action supports critical infrastructure improvements that enhance the operational readiness, safety, and long-term capability of the Port to serve Guam and the region," said General Manager Rory J. Respicio. "By formalizing this lease framework, we are helping to modernize fuel handling operations and strengthen the Port's ability to support commerce, energy security, and visiting vessels."

The resolution was adopted pursuant to the authority provided in Public Law 38-1, which authorizes public agencies on the island, including the Port, to execute commercial leases of public real property for up to fifteen years without requiring separate legislative approval.

Fueling Excellence

IP&E Holdings, LLC. dba IP&E Guam

Board Adopts Resolution Recognizing Maritime Resilience and Innovation Summit

The Board of Directors of the Jose D. Leon Guerrero Commercial Port Authority of Guam unanimously approved Resolution No. 2025-40 during its November 21, 2025 meeting, formally recognizing the outcomes of the Maritime Resilience and Innovation Summit and adopting the Summit's After-Action Report as part of the Port's official record.

The resolution affirms the success of the Summit, which was held on October 22, 2025 at the Hyatt Regency Guam as part of the Port's 50th Anniversary celebration and Port Week 2025. The event brought together more than 130 leaders from government, military, academia, and industry to advance dialogue and coordination on clean energy transition, workforce development, infrastructure modernization, and regional maritime resilience.

The Board's action also acknowledges the Port's $2.41 million award under the United States Environmental Protection Agency's Inflation Reduction Act Clean Ports Program. The grant supports initiatives including an emissions inventory, Net Zero Emissions Strategy, Workforce Development Plan, Resilience Strategy, Implementation Plan, and Emissions Reduction and Scenario Analysis Tool.

As part of the Summit, the Port of Guam and the Port of Long Beach formally entered into a Sister Ports Agreement to promote cooperation and information sharing in areas including environmental sustainability, trade development, infrastructure planning, and clean technology. The agreement establishes a framework for ongoing collaboration, knowledge exchange, and professional development between the two ports.

The resolution recognizes the leadership of Governor Lourdes A. Leon Guerrero, Lieutenant Governor Joshua F. Tenorio, Senator Jesse A. Lujan, Sharon L. Weissman of the Port of Long Beach, Vice Chairperson Conchita S. N. Taitano, General Manager Rory J. Respicio, and the many local, federal, military, academic, and industry partners who contributed to the Summit's success. It also commends the Planning Division, WSP, and Jacobs Engineering for their early and ongoing technical work that

positioned the Port to secure federal support for its Clean Ports initiatives.

Additionally, through this resolution, the Board honored the late David Bell for his lasting contributions to sustainability, recycling, and zero-waste initiatives at the Port. His work, including support for the recycling enterprise zone and zero-waste studies, helped lay the foundation for the successful Clean Ports Program grant. The Board directed that a copy of the resolution be transmitted to his family in recognition of his legacy.

"The unanimous adoption of this resolution reflects the Board's commitment to strengthening the Port's role in advancing resilience, sustainability, and long-term economic and environmental stewardship for Guam and the broader region," said Port Authority of Guam General Manager Rory J. Respicio. "The Summit and the partnerships formed through it mark an important step forward in preparing our island's only commercial seaport for the challenges and opportunities ahead."

The Board further directed that the resolution be shared with key local and federal partners, including the Governor of Guam, the Lieutenant Governor, the Guam Legislature, the U.S. Environmental Protection Agency, the Maritime Administration, the Office of Local Defense Community Cooperation, the University of Guam, and other stakeholders involved in advancing maritime sustainability and regional resilience.

During the November monthly meeting of the Port Authority of Guam Board of Directors, General Manager Rory J. Respicio provided an update on the Port's year-to-date financial performance, outlining key trends in revenue, cargo throughput, operating expenses, overtime, direct labor revenue, and debt service coverage. The update included a close-out snapshot as of September 30, 2025 for Fiscal Year 2025 and an early performance look as of October 31, 2025, marking the first month of Fiscal Year 2026. The report highlighted the Port's continued operational resilience, strong debt service coverage, and the financial impact of the one-time GASB 101 adjustment, while noting improved performance trends at the start of the new fiscal year.

The General Manager provided the following summary for September 30, 2025:

REVENUES AND CARGO THROUGHPUT:

• The Port's total operating revenue as of September 30, 2025 is $57.7 million, which is 7.5% or $4.7M lower than the FY 2026 revenue budget of $62.4.

• The total number of containers handled as of September is 83,574, which is lower by 2% or 1,684 containers compared to last year's YTD total of 85,258 containers.

OPERATING EXPENSES:

• The total operating expenses as of September 30, 2025 is $63.2 million, which is 10.2%, or $5.8M higher than the FY25 budget of $57.4 million. For Fiscal Year 2025, all government agencies are subject to the implementation of GASB 101, which requires government to recognize a liability and an expense for uncompensated leave balances for all the active employees of the government agency. To execute this requirement, the Port's calculation for expense and liability for Sick Leave Uncompensated balance is $4.9 million. This adjusting journal entry is part of the Operating Expense. This is considered a non-cash expense and since this big amount is a one-time entry since it is meant for employees' sick leave balance since they started. The operating expense would have been $58.3 million, without the GASB 101 adjusting entry, and the percentage variance compared to budget would have been 1.6%.

OVERTIME EXPENSE AND DIRECT LABOR REVENUE:

• Overtime for all the divisions as of September is $1.9 M, which is 20%, or $314 K higher than the FY25 overtime budget of $1.6M.

• The total Direct Labor revenue as of October is $4.3 M, 5.3% or $214K higher than the FY25 projection of $4.0 M.

YTD OPERATING REVENUES MINUS YTD EXPENSES:

• Operating results (Operating revenues minus operating expenses) for September showed an operating loss of $5.5 million. The Port ended with a net loss of $2.7M after adding the net of Other Income/Expenses of $2.8 M. The Port would have ended with a $2.1 million in net income, but due to the GASB 101 adjusting entry, the result is a net loss of $2.8 million.

• We anticipate $4M as the remaining balance in the typhoon Mawar claim which would bring us back to a positive net income for FY2025.

YTD DEBT SERVICE COVERAGE RATIO (DSCR) STATUS:

• Based on the September numbers, the DSCR calculation for FY 2025 is at 1.95, which is above by 0.7 or 56% to the 1.25 ratio requirement in the 2018 bond indenture agreement.

The General Manager provided the following summary for October 31, 2025:

REVENUES AND CARGO THROUGHPUT:

• The Port's total operating revenue as of October 31, 2025 is $5.8 million, which is 6.4% or $349K higher than the October revenue budget of $5.4 million as of October 2025.

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• The total number of containers handled as of October is 8,456, which is higher by 19.9% or 1,401 containers compared to last year's YTD total of 7,065 containers.

OPERATING EXPENSES:

• The total operating expenses as of October 31, 2025 is $5.05 million, which is 4.5%, or $239K lower than the October FY26 budget of $5.3million.

OVERTIME EXPENSE AND DIRECT LABOR REVENUE:

• Overtime for all the divisions of the Port Authority of Guam as of October (1st month of FY 2026) is $180,000, which is 42 percent, or $53K higher than the FY26 overtime budget of $126K.

• The total Direct Labor revenue as of October is $435 K, 4.3% or $18K higher than the FY25 projection of $42 K.

YTD OPERATING REVENUES MINUS YTD EXPENSES:

• Operating results (Operating revenues minus operating expenses) for October showed an operating Income of $732K. The Port ended with a net income of $564K after deducting the net of Other Income/Expenses of $168 K.

YTD DEBT SERVICE COVERAGE RATIO (DSCR) STATUS:

• Based on the October numbers, the DSCR calculation is at 2.06, which is above by 0.8 or 65% to the 1.25 ratio requirement in the 2018 bond indenture agreement.

happy Thanksgiving

This Thanksgiving, we show our gratitude to our Port family. Every employee in every division plays a crucial role in keeping Guam and our region supplied and our operations steady. Whether work happens in the yard, on the docks, in patrol units, maintenance shops, or in the offices, we recognize that every contribution matters. The Port continues to operate because of the dedication of its workforce across all divisions of the Jose D. Leon Guerrero Commercial Port.

This year was especially meaningful as we celebrated fifty years of service under the theme Port Strong: fifty years of grit, resilience, and service. It reflects the people who worked through storms, supply chain pressures, a global pandemic, modernization demands, and the responsibility of running Guam's only commercial seaport. We celebrated the employees who built the Port's foundation and those who responsibly and respectfully carry it forward. Our fiftieth year also affirmed what Port Strong means in practice. Independent annual audits again confirmed clean results, and the Port maintained its A rating with a stable outlook from S&P Global Ratings. These outcomes reflect disciplined work, careful stewardship of public funds, and a shared commitment to protect the Port's future.

We are also thankful for the meaningful progress made this year in modernization and reliability across the Port. This included new yard equipment, continued momentum on crane replacement, and critical improvements to our wharves and supporting infrastructure. While much has been accomplished, there is still important work ahead, and our Port Strong commitment will continue driving this effort forward.

We strengthened revenue integrity through consistent application of our tariff and moved forward on major capital improvements, including waterline upgrades, warehouse rehabilitation, Typhoon Mawar repairs, new lighting projects in the terminal yard and at the Gregorio D. Perez Marina, and upkeep of the Agat Marina.

Across Operations, Stevedoring, Terminal, Transportation, Maintenance, Facilities, Safety, and Port Police, our teams kept cargo moving and ensured secure, uninterrupted operations. Vessel service standards are at the core of the Port of Guam's identity. We take pride in beating the clock, adjusting to changes, and delivering with consistency and discipline.

Across Finance, HR, Procurement, General Administration, Planning, CIP, Engineering, IT, Marketing, Commercial, Legal, the Harbor Master's Office, and the General Manager's Office, our administrative teams provided the coordination and oversight that strengthen our work and support field operations.

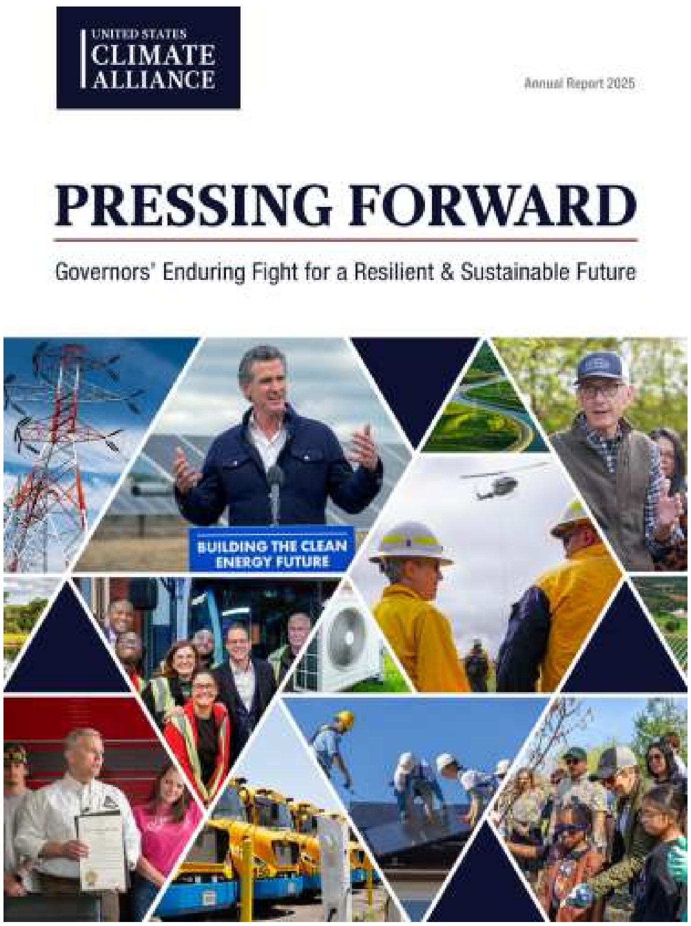
Together, we advanced the Port's responsibilities tied to commerce, national defense, and energy resilience. Port workers ensure the flow of goods that families and businesses rely on in Guam and across the region, and we continue to pursue clean port initiatives, energy efficiency projects, and long-term resilience.

As we spend time with our families this Thanksgiving, even as many in our Port family remain at work, we are reminded that the Port's strength comes from unity, trust, and a commitment to fairness. It showed that when we move together, we are resilient and ready for whatever challenges come next.

To our Port Authority of Guam family, may your Thanksgiving be filled with gratitude, comfort and joy. We look forward to the continued work ahead as we keep moving forward together. Si Yu'os Ma'åse.

RORY J. RESPICIO
General Manager

U.S. Climate Alliance Releases Annual Report



The U.S. Climate Alliance released its Annual Report, Pressing Forward: Governors' Enduring Fight for a Resilient and Sustainable Future, detailing how its members are achieving record climate pollution reductions, driving economic growth, building the clean energy and clean technology future, and charting a path forward to save Americans trillions of dollars. Under the Leon Guerrero-Tenorio Administration, Guam has been a member of the U.S. Climate Alliance since 2023.

"We are proud that our collective efforts are reducing greenhouse gas emissions - a key priority that protects our island and oceans," said Acting Governor Josh Tenorio. "Through the US Climate Alliance, we are also furthering the goals of the Pacific Islands Forum. Our partners estimate that increasing global temperatures will threaten Pacific Islands with sea level rise unless we achieve rapid, deep, and sustained reductions in global greenhouse gas emissions. By working together with other state governors and showcasing Guam's climate efforts and challenges on the global stage, we are strengthening the collective impact of USCA, learning best practices from our counterparts, and bringing greater attention to the issues impacting Guam's land, air, and sea resources, such as the threat of rising seas."

Acting Governor Tenorio added, "Although federal funding for these important efforts has seen setbacks, this administration is committed to reaching a sustainable future through our local agencies and stakeholders. Our land and water have sustained this island for thousands of years, and it is our responsibility to protect these priceless treasures for future generations. That commitment extends beyond our shores, throughout Micronesia, the Pacific, and the globe. Collectively, our actions can help reduce the tragedies caused by climate change."

"We are resilient, determined, and undaunted. And most importantly, our states are standing together," said Alliance Co-Chairs Wisconsin Governor Tony Evers and California Governor Gavin Newsom in their Annual Report message. "Americans want a cleaner, safer, healthier future, and that's what we will continue delivering. No matter the obstacles, we are pressing forward."

The report was released during November 2025 by Governor Evers and New Mexico Governor Michelle Lujan Grisham, during a press conference at the COP30 Local Leaders Forum in Rio de Janeiro, Brazil, where the world's mayors, governors, and subnational leaders are showcasing how local action is driving global climate progress.

Looking ahead, the Alliance will lead a delegation of top state leaders to the UN Climate Change Conference (COP30) in Belém, Brazil, where they will send a clear message to the international community that climate action in the U.S. cannot be stopped.

Working in collaboration with various Government of Guam agencies, the University of Guam Center for Island Sustainability and Sea Grant, and Guam Green Growth, the island has made significant progress toward its climate and resilience goals, tackling climate pollution, leveraging natural climate solutions, and expanding the green workforce.

Thanksgiving Celebration

On November 20, the Port Authority of Guam hosted a Thanksgiving luncheon and dinner for employees across all divisions, bringing the Port family together in the spirit of gratitude and appreciation. The gathering provided an opportunity for staff on all shifts to enjoy a meal together, reflect on the year's accomplishments, and strengthen the sense of unity that defines the Port's workforce. As operations continued throughout the day, the event honored the men and women whose dedication keeps Guam's only commercial seaport running every day, in every condition.

Birthdays and Celebrations