



NEWSLETTER

PORT AUTHORITY OF GUAM

DECEMBER 2025

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Moody's Issues Baa2 Credit Rating for Fifth Year in a Row

The Port Authority of Guam received strong financial news on December 4, 2025 as Moody's Investors Service reaffirmed the agency's Baa2 credit rating with a stable outlook for fiscal year 2024. The rating reflects the Port's continuing financial strength, stable revenue profile, and solid debt service coverage, further supporting its position as the island's sole commercial seaport and a critical link in Guam's supply chain.

According to Moody's, the Port's rating is supported by low leverage, healthy liquidity, and stable operations, even amid typhoons and other environmental challenges. Moody's highlighted several key factors, including:

- **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 and the impact of the Typhoon Mawar, the port's operating revenue between 2021 and 2024 averaged \$58 million, in-line with pre-pandemic figures.
- **Healthy Liquidity:** The port authority's liquidity position is healthy. Fiscal 2024 financials show unrestricted cash/discretionary reserves of approximately \$50 million, representing 344 days cash on hand. The port has held more than 300 days cash on hand since 2016, a trend we expect

MOODY'S RATINGS

will continue at least through the outlook period.

- **Solid Debt Service:** Debt service coverage for the port is sound and expected to remain around 2x on a net revenue basis. Debt service coverage in fiscal 2024 was healthy at 3.6x, up from 3.0x in 2023, which was reflective of insurance claim proceeds.
- **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 Moody's report further states, "The scorecard-indicated outcome for Port Authority of Guam is A3, which is two notches above the assigned rating of Baa2. Financial metrics are based on the 3-year average for fiscal 2021-2024. The assigned Baa2

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rating is constrained by the authority's exposure to weather-related events including typhoons; the linkages to the credit quality of the Government of Guam (Baa3 stable); and high customer concentration."

Governor Lou Leon Guerrero and Lieutenant Governor Josh Tenorio have provided consistent support for the Port's work to strengthen operations and financial performance. General Manager Rory J. Respicio also thanked the Board of Directors for their continued encouragement and confidence in the Port team as they carry out the agency's priorities and long-term plans.

General Manager Respicio emphasized the Port's continued progress and vision for the future.

"Moody's reaffirmation of our Baa2 rating is another milestone for the Port Strong family. It reflects our commitment to operational

excellence, sound financial management, and strategic planning. Our team continues to execute the initiatives in our Master Plan to modernize infrastructure, strengthen resilience, and support Guam's economic growth and national security role."

Moody's also noted the Port's rapid recovery and disciplined management during and after major weather events, including Typhoon Mawar, and its ability to maintain financial stability despite a small operating scale and high customer concentration.

The Port Authority of Guam continues to advance major capital improvement projects, supported by bond proceeds, federal grants, and local investment, to ensure the island's only commercial seaport remains strong, efficient, and resilient for decades to come.

Port Launches F1 Pier Restoration Project



The Port Authority of Guam on December 2, 2025 formally kicked off the Joint Region Marianas Pier Restoration Project at F1 Pier, the island's only operational fuel offloading terminal.

In September the Port was awarded a \$4.8 million federal grant under the Department of War's Defense Community Infrastructure Program (DCIP) to fund urgent structural and safety upgrades at F1 Pier, the island's sole operational fuel import terminal. The total cost of the Joint Region Marianas Pier Infrastructure

Restoration Project is \$6.9 million, with the DCIP grant covering the majority of the funding.

General Manager Rory J. Respicio said the kickoff reflects the leadership and support of Governor Lourdes A. Leon Guerrero, Lieutenant Governor Joshua F. Tenorio, and the Port Authority of Guam Board of Directors, who continue to stand behind the Port Strong team's efforts to modernize Guam's strategic seaport.

"With Golf Pier out of service after Typhoon Mawar, F1 Pier now carries the full responsibility for supplying the fuels that keep our island's civilian and military operating to ensure commerce and national defense missions," Respicio said.

The F1 Pier project will execute near-term structural and safety upgrades to stabilize the pier, extend its operational life, and maintain critical functionality until long-term replacement funding and construction can be secured.

F1 Pier serves as the primary offloading point for fuels including Jet Fuel, Marine Gas Oil (MGO), High Sulfur Fuel Oil (HSFO), Ultra-Low Sulfur Diesel (ULSD), and Liquefied Petroleum Gas (LPG). These fuels are essential for the operations of Andersen Air Force Base, Naval Base Guam, Marine Corps Base Camp Blaz, the Guam Power Authority, the Guam International Airport, and numerous commercial distributors.

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The proposed upgrades will eliminate immediate safety hazards, improve operational readiness, and ensure uninterrupted deliveries to both defense and civilian sectors for the next 5–10 years. This critical investment directly supports mission assurance, strategic mobility, and Guam's

energy resilience.

"This project is an investment in the safety, stability, and resilience of our island," Respicio said. "We remain focused on protecting this essential fuel lifeline that supports every home, business, and military installation on Guam."

Port GM and Lt. Governor Meet with MARAD Officials



Lt. Governor Josh Tenorio and Port Authority of Guam General Manager Rory J. Respicio held meetings in Washington, D.C. on December 10, 2025 with officials from the Maritime Administration to discuss Port of Guam priorities, including modernization efforts, grant opportunities, and long-term resiliency planning.

The discussion included the Defense Community Infrastructure Program (DCIP) recent award to modernize Fuel Pier A, the potential use of a Build America, Buy America (BABA) waiver to address specialized equipment needs, and alignment on advancing shovel-ready infrastructure projects that strengthen supply chain and energy resilience. Respicio also provided updates on current capital priorities and implementation timelines, including the status of the RAISE 21 project.

MARAD officials outlined upcoming federal programs that may support Guam's long-term port modernization strategy and reaffirmed their commitment to continued partnership, while noting that all funding opportunities remain subject to a competitive award process. Participants included Bill Paape, Associate Administrator for Ports and



Waterways, Peter Simons, Director of the Office of Port Infrastructure Development, and other Maritime Administration officials.

"The Port of Guam is central to our economic stability and our role in regional security," said Lt. Governor Tenorio. "Sustained federal partnership is essential to keeping our port infrastructure strong, resilient, and ready to meet the growing commercial and strategic demands placed on our island."

Port Hosts Coordination Meeting on Agat Marina Maintenance Dredging Project

The Port Authority of Guam hosted a coordination meeting on December 17, 2025 with the U.S. Army Corps of Engineers (USACE) to prepare for the upcoming maintenance dredging project at the Agat Marina in May 2026. The marina, constructed in 1989, has not undergone maintenance dredging since its original completion, prompting the need for renewed action to restore safe navigation depths.

The meeting, held at the Port Command Center Conference Room, brought together Port staff and USACE representatives to review project details, environmental considerations, and operational requirements. USACE Project Manager Mike Terlaje provided an overview of survey findings and planning updates to ensure that all Port divisions are informed and aligned as preparations move forward.

The project aims to remove approximately 8,000 cubic yards of sediment from the channel system, addressing navigability and hydraulic flow concerns. It will include the complete maintenance dredging of Agat Harbor in full compliance with environmental standards, while training Seabees



in dredging operations and logistics, prepositioning stock for future missions, and collecting operational data to support long-term capability development.

General Manager Rory J. Respicio thanked USACE for the briefing and highlighted the importance of close coordination as preparations continue.

“This project strengthens the long-term safety and functionality of Agat Marina, and this meeting ensures our teams are fully informed on the technical and environmental requirements,” Respicio said. “We appreciate the partnership with the Army Corps and will continue working closely with them as the project progresses.”

Port Meets with Bond Finance Team

The Port Authority of Guam met with key representatives from its Bond Finance Team on December 2, 2025, for a strategic meeting in support of ongoing capital improvement planning and financial infrastructure development.

Port General Manager Rory J. Respicio and Chief Financial Officer Jose B. Guevara III joined the online meeting which included representatives from the Port’s key financing partners Bank of America and Morgan Stanley as well as Government of Guam partners from the Guam Economic Development Authority and BBMR.

“This engagement with our Bond Finance Team reinforces the Port’s commitment to sound financial stewardship and transparency,” said Respicio. “Our partners play an essential role in helping us deliver the capital improvements that keep our seaport modern, resilient, and ready



to support the people of Guam and the defense mission.”

The Port continues to execute major initiatives under its Capital Improvement Plan to modernize terminal operations, strengthen resilience, and maintain the island’s only commercial seaport as a vital hub for economic activity and national security.

Blessing Ceremony Marks Milestone in Glass Breakwater Restoration Project

The Port Authority of Guam joined federal, local, and industry partners on December 19, 2025 for a blessing ceremony recognizing progress on the Glass Breakwater Restoration Project, a major effort to restore one of Guam's most critical maritime infrastructure assets and strengthen the protection of Apra Harbor.

The ceremony marked an important milestone in the ongoing repairs to the Glass Breakwater, a structure originally constructed in the 1940s by the U.S. Navy Seabees. The breakwater serves as a vital barrier shielding the Port and Apra Harbor from strong waves and storm surges, supporting both commercial shipping and military operations.

The Glass Breakwater sustained significant damage during Typhoon Mawar in 2023, prompting the U.S. Army Corps of Engineers to classify the structure as failed. In response, Naval Facilities Engineering Systems Command Marianas initiated emergency repairs ahead of schedule in March 2025, demonstrating the urgency and importance of restoring the breakwater's protective function.

Governor Lou Leon Guerrero and Lieutenant Governor Josh Tenorio previously toured the project site in August 2025 alongside Port Authority of Guam General Manager Rory J. Respicio, members of the Port's Board of Directors, representatives from Black Construction, and Piti Mayor Jesse Alig. Their visit underscored the significance of the project to Guam's economy, public safety, and regional security.

"This ceremony represents more than construction progress," said Respicio. "It reflects strong collaboration among federal partners, the Port Authority of Guam, and the construction team to protect Apra Harbor and ensure the uninterrupted flow of goods that our island depends on every day."

To support the restoration work, Black Construction has leased several Port-owned



properties, including Hotel Wharf, to stage and execute project activities. Earlier this year, the Port's Board of Directors approved Resolution No. 2025-23, authorizing a lease credit arrangement to facilitate project-related expenses and support the timely advancement of the repairs. This partnership highlights the Port's role not only as Guam's commercial gateway but also as a landlord supporting strategic infrastructure projects that benefit the entire island.





The Board of Directors of the Port Authority of Guam unanimously adopted the Look Ahead 2026 Plan during its Regular Monthly Meeting held on December 30, 2025.

The adoption of Look Ahead 2026 formalizes the Port's strategic direction focused on execution, operational durability, and long-term institutional readiness. The plan represents an evolution of the Port's prior Look Ahead frameworks and reflects the organization's transition from recovery and reform toward disciplined delivery of major capital projects while maintaining uninterrupted operations.

Look Ahead 2026 builds on years of strengthened governance, financial discipline, and operational resilience. It emphasizes the execution of critical infrastructure modernization initiatives, protection of financial stability, workforce continuity, sustainability implementation, and the reinforcement of systems designed to endure beyond individual leadership. The plan also remains aligned with the Leon Guerrero-Tenorio Administration's One Guam Strategic Framework and national security priorities in the Indo-Pacific region.

"Look Ahead 2026 builds on a strong and deliberate foundation," General Manager Rory J. Respicio told the Board. "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. Core systems have been strengthened, accountability embedded across operations, and governance practices matured to support disciplined decision making."

In addition to adopting Look Ahead 2026, the Board unanimously approved several other resolutions addressing key policy, operational, and planning matters. These included establishing a notice of area availability process for new leases and property use arrangements, acknowledging the Guam Public Utilities Commission consultant's recommendation and authorizing management to conduct a comprehensive tariff review within twelve months, supporting the Port Authority of Guam's hosting of the 112th Annual Conference of the Association of Pacific Ports in August 2026, and approving the relocation of fenders from Golf Pier to Berth F1 under the Port's management agreement.

General Manager Rory J. Respicio thanked the Board for its continued guidance and support, noting that the actions taken during the meeting reinforce the Port's commitment to transparency, accountability, and long-term readiness.

Guam Closes Out 2025 with Back-to-Back Cruise Ship Arrivals

The Port Authority of Guam closed out 2025 on a high note for the island's cruise ship industry, welcoming two Japan-flagged passenger vessels in a three-day period, a year-end milestone that underscores Guam's growing presence as a regional port of call in the Western Pacific.

The back-to-back arrivals began on December 30 with the MS Asuka III, which made its maiden voyage to Guam, followed by the Mitsui Ocean Fuji, which berthed the following morning on December 31, marking the final passenger vessel arrival of the year.

Sailing under the Japan flag, the 754.6-foot MS Asuka III arrived from Japan carrying 540 passengers and 460 crew, offering guests a full day to experience Guam's culture, cuisine, and hospitality before departing for Saipan later that evening.

The momentum continued into New Year's Eve with the arrival of the 649.63-foot Mitsui Ocean Fuji, which arrived from Saipan with 419 passengers and 340 crew and remained overnight before its New Year's Day departure to Japan.

The Guam Visitors Bureau coordinated a cultural welcoming for passengers of both vessels upon arrival, showcasing CHamoru traditions and reinforcing Guam's reputation for warm island hospitality.

"Closing out the year with consecutive passenger vessel arrivals reflects both our operational readiness and the growing confidence cruise operators have in



Guam as a regional port of call," said Port General Manager Rory J. Respicio. "Behind each arrival is extensive coordination by our Port team to safely and efficiently accommodate passenger operations within an active commercial port environment."

Together, the two vessel calls accounted for 959 passengers and 800 crew, a positive indicator for continued cruise activity in the region.

As Guam looks ahead to 2026, the successful year-end arrivals of the MS Asuka III and Mitsui Ocean Fuji serve as a strong close to the cruise season and a signal of continued opportunity for tourism, maritime partnerships, and regional engagement through the Port of Guam.



Port Joins Multi-Agency Strike Force Operation



The Port Authority of Guam took part in a coordinated Multi-Agency Strike Force Operation (MASFO) on December 9th and 10th, joining federal and local partners for two days of unannounced inspections aimed at enhancing cargo safety and regulatory compliance. The operation, led by the U.S. Coast Guard, brought multiple agencies together to review containerized cargo entering the island and to ensure adherence

to hazardous materials regulations and other federal requirements.

Throughout the exercise, inspection teams examined 130 cargo containers selected at random from the Port terminal yard. The reviews focused on verifying proper documentation, safe packing and labeling of hazardous goods, and compliance with the Port's operational and safety standards. Inspectors reported favorable results, with no major issues identified. Their only concern was that the packing of certain cargo posed safety concerns during the inspection.

General Manager Rory J. Respicio emphasized the value of the operation, noting, "Protecting the safety of our facilities, employees, and community remains one of our highest priorities. We appreciate the strong cooperation among all of the agencies that joined us for this effort, and we remain committed to meeting the highest standards of safety and regulatory compliance."

The December MASFO included participants from USCG, USDA, FDA, DEA, Port Police and Customs and Quarantine.

By working together, these agencies strengthened communication, reinforced regulatory oversight, and supported the safe movement of cargo across Guam's supply chain. The Port Authority of Guam remains dedicated to partnering with federal and local agencies to protect maritime operations and ensure the reliable flow of goods to the island.



St. John's Students Tour Port to Learn About Guam's Role in the Global Economy



The Port Authority of Guam welcomed fourth grade students from St. John's School on December 2, 2025, for an educational tour designed to strengthen their understanding of Guam's role in the global economy and the importance of the island's only commercial seaport.

The visit began at 9 a.m. in the Port Training Room where the students were greeted by General Manager Rory J. Respicio. He welcomed the class, spoke about the Port's role in supporting Guam's families and businesses, and encouraged the students to continue learning about how goods move across the world before reaching the island.

The students received a safety briefing from Port staff before beginning their activities for the day. Presentations were delivered by Port staff representatives from the Terminal, Stevedore, and Transportation divisions, who explained how ships are processed, how cargo is handled, and

how different parts of the Port work together to keep Guam supplied.

"We are always excited to welcome students to the Port," said Respicio. "Experiences like this help young people understand how important the seaport is to everyday life on Guam. Nearly everything we use arrives through our terminals, and it is valuable for students to see firsthand the work our Port Strong team does."

Following the presentations, the students were guided on a supervised tour of the Port facilities where they observed vessel operations, cranes, container yards, and the equipment used to move cargo safely and efficiently.

The Port Authority of Guam remains committed to community education and continues to offer opportunities for local schools to learn about Guam's supply chain, maritime workforce, and the Port's critical role in the region.

PAGGMA Announces Election Results

The Port Authority of Guam Goodwill and Morale Association (PAGGMA) has announced the results of its elections held on December 2, 2025. This year's election identified the top eight vote-getters, who will help lead PAGGMA's initiatives and support employee-focused programs throughout the agency.

Although PAGGMA has six officer positions, the two additional high vote-getters will assist with committees such as events, fundraising, and other organizational activities that help strengthen morale and teamwork across the Port Authority of Guam's employees.

Election Results:

- Kevin Sanchez
- Jennifer Leon Guerrero
- Raymond Santos
- Teresa Taitano
- Wayne Drilon
- Frances Candoleta
- Jolene Camacho
- Chris Flores

These members will work together to support PAGGMA's mission of goodwill, morale-building, collaboration, and professional development across the Port Strong family.

Port Participates in the 4th Annual Governor's Holiday Light Festival



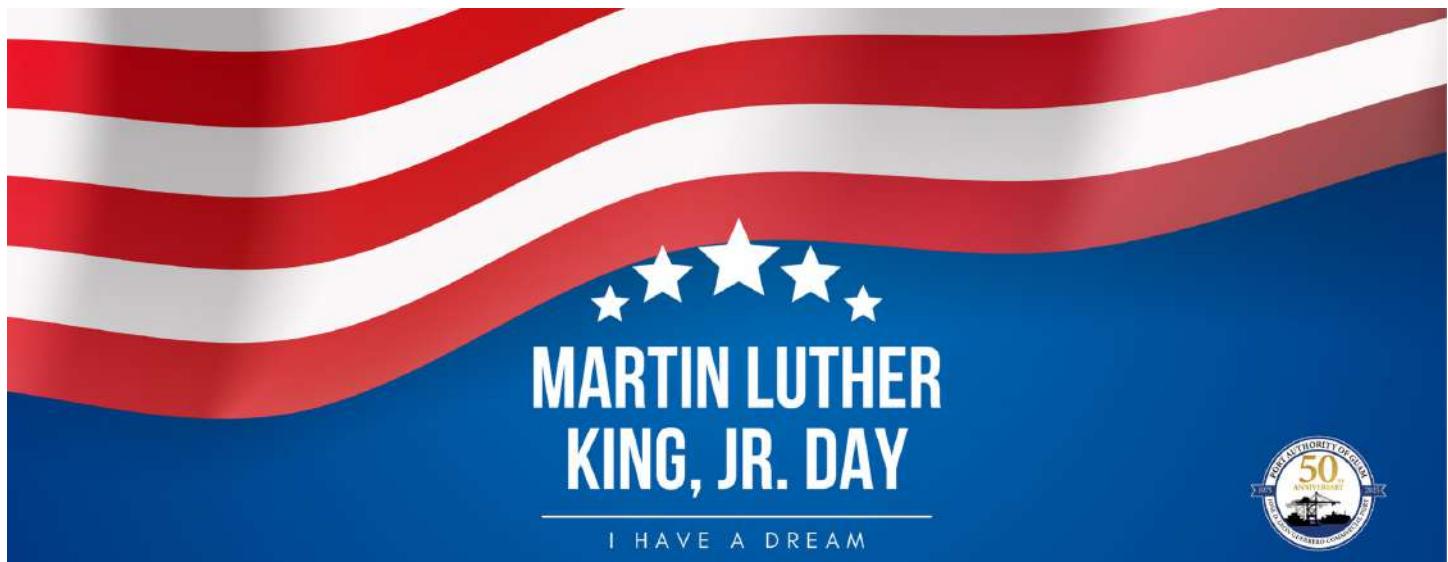
The Port Authority of Guam joined the island community in celebrating the 4th Annual Governor's Holiday Light Festival, Christmas in Paradise, held on Wednesday, December 17, 2025, at Skinner Plaza in Hagatna. The event, hosted from 7 pm to 9 pm, brought families together to enjoy festive displays, holiday music, and the lighting of Christmas decorations that welcomed the start of the season.

The Port's Facilities team played a major role in preparing the Port's contribution to the festival. The team completed the assembly of the Port's decorated trailer, which featured holiday lights and festive artwork representing the Port Strong spirit. Employees volunteered their time to distribute

candies to children and families throughout the evening, helping create a warm and cheerful atmosphere for all who attended.

General Manager Rory J. Respicio expressed his appreciation to the Port employees who supported the effort and thanked the volunteers who represented the Port at the event.

The Holiday Light Festival continues to be an opportunity for the Port to engage with the community and share the holiday spirit while showcasing the teamwork and goodwill of its employees. The Port remains committed to participating in positive community events that bring joy and connection during the holiday season.



2025 Year in Review

A Message from the Port's General Manager

In 2025, the Port Authority of Guam marked a milestone year as we celebrated our 50th anniversary as the island's lifeline for commerce, national security, and regional partnerships. Under the theme "Port Strong: 50 Years of Grit, Resilience, and Service Fueling Local and Regional Economies, Partnerships, and National Security," we honored five decades of service while continuing one of the most transformative years in our history.



Guided by Board Chairperson Dot Harris, Vice Chairperson Conchita Taitano, Board Secretary Fe Ovalles, and Member Mark Mendiola, and supported by Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio, we advanced significant initiatives in transparency, fiscal discipline, safety, and modernization. Early in the year, the Port earned its fourth national Certificate of Excellence in Citizen-Centric Reporting from the Association of Government Accountants and later received Silver from the AGA Guam Chapter for the FY 2023 Citizen-Centric Report. These recognitions, along with another clean FY 2024 audit and an improved net position, reaffirm our commitment to responsible management and government accountability.

Modernization continued across the Port. We launched the 2.4 million dollar EPA Clean Ports Program, expanded our fleet with new container yard tractors, forklifts, and mobile reefer generators through MARAD grants, and broke ground on the Warehouse I Building Maintenance Project. Each of these investments strengthens our ability to serve the community, support military readiness, and prepare for future demand.

Financial discipline remained central to our work. The FY 2026 budget was built using zero-based budgeting and unanimously approved, reflecting careful planning and a strong focus on long-term stability. S&P Global Ratings reaffirmed the Port's A rating with a stable outlook, recognizing our effective debt service planning and sound management practices. We also advanced our revenue enhancement strategy, filed a petition with the Public Utilities Commission to update tariff rates, and initiated a targeted three million dollar pay down of the 2018 Revenue Bond. These actions protected our debt service coverage ratio, preserved borrowing capacity, and kept the Port on firm financial ground.

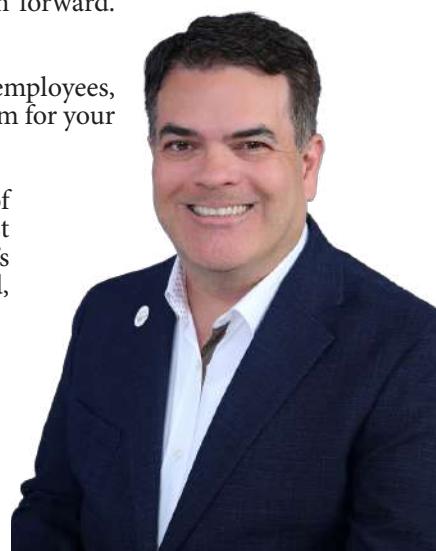
This year also gave us the opportunity to celebrate our people and our culture. During the 50th Anniversary Port Week, employees participated in friendly competitions, a parade of trucks, and the Maritime Resilience and Innovation Summit. The Summit brought together more than 130 leaders from government, military, academia, and industry, and it resulted in a Sister Ports Agreement between the Port of Guam and the Port of Long Beach to support shared goals in sustainability, clean energy, and modernization. We also released the Port's 50th Anniversary Legacy Booklet, capturing five decades of progress and the stories that shaped our agency.

Every accomplishment in 2025 reflects the hard work of the dedicated men and women of the Port Authority of Guam. Their pride, professionalism, and grit continue to move this organization forward. They are the reason the Port remains strong, resilient, and ready for the future.

As we close this milestone anniversary year, I extend my deepest gratitude to our employees, tenants, port users, government partners, military partners, and the people of Guam for your continued trust and support.

Happy New Year to our Port Strong family. Together, we will carry the progress of 2025 into the year ahead, continue modernizing our facilities and equipment, invest in our workforce, and strengthen our sustainability and resilience so that Guam's only commercial seaport remains a steady and dependable lifeline for our island, our region, and our nation.


General Manager
Port Authority of Guam



January

Port Earns Prestigious National Transparency Award for the Fourth Time



The Port Authority of Guam received the Certificate of Excellence in Citizen-Centric Reporting from the national Association of Government Accountants (AGA) for its Fiscal Year 2023 Citizen-Centric Report (CCR). This is the fourth time the Port has been honored with this prestigious national recognition, having previously received awards for its FY 2022, FY 2021, and FY 2019 reports.

The AGA commended the Port's unwavering commitment to government accountability and fiscal transparency. In their letter to the Port, AGA CEO Ann M. Ebberts stated, "AGA applauds your commitment to good government and responsible fiscal action reflected in the Citizen-Centric Report you produced on behalf of the Port Authority of Guam." She highlighted the Port's exceptional use of visuals such as charts, tables, and photos, and its ability to effectively communicate complex information in an engaging and accessible manner.

The Port's FY 2023 Citizen-Centric Report was prepared by the Financial Affairs Division, under the direction of Chief Financial Officer Jose B. Guevara III, with the support of the Marketing Division. The report provides a concise overview of the Port's financial performance, accomplishments, and future outlook, fulfilling the requirements of local law for all Government of Guam agencies to publish such a report within 60 days of the independent audit release.

Governor Lou Leon Guerrero expressed her congratulations, stating, "The Port Authority of Guam's achievement in receiving this prestigious

award for the fourth time reflects the high standards of transparency and accountability we expect from our government agencies. This award-winning Citizen-Centric Report ensures that the people of Guam have the information they deserve about how their government is working for them."

Lt. Governor Josh Tenorio added, "The Port has set an exemplary standard for effective communication and fiscal responsibility. This award highlights the dedication of the Port's leadership and team in fostering trust and ensuring our citizens are informed about the progress and challenges of one of Guam's most critical institutions."

Port Board Approves Key Resolutions to Strengthen Port Operations

The Board of Directors for the Jose D. Leon Guerrero Commercial Port convened for its regular monthly meeting on January 23, 2025, addressing several critical issues and passing seven resolutions aimed at enhancing operational efficiency, financial sustainability, and infrastructure development at the Port.

Among the resolutions passed, Board Resolution No. 2025-01 was highlighted as a significant step toward ensuring the Port's financial sustainability. This resolution formalizes efforts to enhance revenue generation since 2019 and implements a strategic methodology to secure continued revenue growth for the Port.

"The adoption of Resolution No. 2025-01 reflects the Board's commitment to long-term financial stability and sustainability," said General Manager Rory J. Respicio. "With this resolution, we are paving the way for a more resilient Port that can meet the demands of Guam's growing economy and our critical role in regional and national security."

In addition to Resolution No. 2025-01, the Board also approved the following key resolutions:

- Resolution No. 2025-02: Establishing provisions for FY2025 budget allocations and budget ceiling adjustments for FY2026 and FY2027 to ensure operational continuity and address the lack of confirmed board members.
- Resolution No. 2025-03: Aligning with Public

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Law 30-19, requiring board approval for lease rates for Port properties.

- Resolution No. 2025-04: Authorizing a lease agreement between the Port and Black Construction Corporation to support the Glass Breakwater repair project, a critical infrastructure initiative.
- Resolution No. 2025-05: Approving the abolishment of specific positions under the Port's classification and compensation plan to align with Title 4, GCA Section 6303.1.
- Resolution No. 2025-06: Opening a General Reserve TDOA savings account to bolster financial reserves.
- Resolution No. 2025-07: Opening a Crane Reserve TDOA savings account to ensure the sustainability of Port equipment.

Port Hosts Kick-Off Meeting for \$2.4 Million Clean Ports Program Grant



The Port Authority of Guam marked a critical milestone on January 16, 2025 by hosting a Kick-Off Meeting for its \$2,410,415 award from the U.S. Environmental Protection Agency's Clean Ports Program. The funding, part of the Climate and Air Quality Planning Competition, was among 55 projects selected across 27 states and territories to advance zero-emission equipment and climate planning.

The meeting brought together key stakeholders, including representatives from WSP, the Port's owner agent, and Jacobs, its subgrantee, alongside Port leadership, environmental planners, and community partners. Vice Chairperson Conchita Taitano, who played a pivotal role in securing this grant, emphasized the Port's commitment to sustainability.

"Governor Lou Leon Guerrero and Lt. Governor Joshua Tenorio tasked the Port to lead in sustainability efforts, and this project underscores

their vision," said General Manager Rory J. Respicio. "With Vice Chair Taitano's decades of experience at Guam EPA and her advanced certification through MIT's Sustainability Program, the Port is well-positioned to meet the ambitious goals of this initiative."

During the Kick-Off Meeting, participants discussed key objectives of the Net Zero Emissions Strategy Update and Implementation Plan, including:

1. Conducting a mobile emissions inventory,
2. Updating the Net Zero Emissions Strategy,
3. Preparing a workforce development plan,
4. Developing a resiliency strategy to assess climate risks and vulnerabilities, and
5. Creating an actionable implementation plan for decarbonizing and electrifying Port operations.

Port Earns 5-Year Certification for Temporary Hazardous Duty Pay

The Port Authority of Guam (PAG) successfully passed its 5-Year Certification for Temporary Hazardous Duty Pay following a thorough inspection conducted by officials from the Guam Department of Labor (GDOL) on January 16, 2025.

During the inspection, labor officials conducted an on-site review of Port operations, observing employees across various divisions, including Port Police, Facility Maintenance, Terminal Operations, and Stevedoring, as they performed their duties in hazardous working conditions. The certification reaffirms the Port's compliance with all requirements for hazardous duty pay and recognizes the unique challenges and risks faced by Port employees in their day-to-day operations.

General Manager Rory J. Respicio expressed his gratitude for the dedication of PAG employees and the partnership with GDOL, stating, "This certification underscores the critical role our employees play in maintaining Guam's only commercial port under challenging conditions. The recognition from the Guam Department of Labor affirms our commitment to ensuring that our workforce is properly acknowledged and compensated for their efforts."

The Temporary Hazardous Duty Pay certification, issued by GDOL, is valid for a period

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of five years and highlights the following key divisions whose operations involve hazardous duties: Port Police, Maintenance Department, Facility Maintenance Section, Welding Section, Preventive Maintenance Section (Corrosion Control), Fleet Maintenance Division, Crane Maintenance Section, Transportation Division, Terminal Division, and Stevedoring Division.

MARAD Buy American Waiver

On January 15, 2025, the United States Department of Treasury issued the MARAD (Maritime Administration) Waiver of Buy America Requirements for the Pacific Island Territories and the Freely Associated States allows certain exemptions from the federal “Buy America” provisions for projects in these regions, including infrastructure developments like purchasing new cranes for the Port Authority of Guam.

Under normal circumstances, “Buy America” requirements mandate that infrastructure projects funded by federal grants use American-made products and materials. However, the MARAD waiver specifically applies to the territories of the U.S. Pacific Islands and the Freely Associated States (such as the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau). The waiver was designed to address challenges faced by these regions in sourcing specific equipment and materials that may not be readily available or economically feasible to procure from American manufacturers.

The waiver means that the Port Authority of Guam could have greater flexibility in procuring cranes and other infrastructure components for development projects, without strictly having to adhere to the “Buy America” rules. This could significantly reduce costs and time delays associated with importing specialized equipment that may not be manufactured in the United States.

February

Governor, MARAD, and Port GM Discuss Buy America Waiver and Urge Action on Gantry Crane Replacement

Governor Lou Leon Guerrero, officials from the U.S. Maritime Administration (MARAD), and the General Manager of the Port Authority of Guam met in Washington, D.C. on February 20, 2025 to discuss the newly amended Buy America waiver for the Pacific island territories and its impact on securing federal funding for critical infrastructure



projects, including the replacement of Guam’s aging ship-to-shore (STS) gantry cranes.

“This waiver acknowledges the unique challenges faced by Guam and other Pacific island territories and ensures that we can modernize our infrastructure without unnecessary delays or cost increases. The Port has applied for MARAD grant funding for new STS gantry cranes for the past two consecutive cycles, but those applications were denied due to Buy America requirements. With this waiver in place, we now have a real opportunity to secure the equipment needed to strengthen our supply chain and port operations,” said Governor Leon Guerrero. “Lt. Governor Josh Tenorio, Port General Manager Rory Respicio, and I have been requesting this waiver from MARAD because of the inability to meet domestic manufacturing requirements for STS gantry cranes, and we are pleased with this favorable result. However, we continue to urge action to recognize that port readiness equals military readiness. If just one of the Port’s aging gantry cranes fails, the resulting delays could set back military readiness by four years due to the prolonged disruption caused by not having three fully operational cranes. Additionally, the service life of these three gantry cranes is set to expire in 2028, 2030, and 2032, respectively, making timely replacement critical.”

This amended waiver, recently issued by the U.S. Department of Transportation (DOT), eliminates domestic sourcing requirements for iron, steel, manufactured products, and construction materials in federally funded projects in Guam, the Commonwealth of the Northern Mariana Islands (CNMI), and American Samoa. This is particularly critical for STS gantry cranes, which are not manufactured in the United States. Guam would find it nearly impossible to meet the previous Buy America requirements without them.

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While STS cranes can now be procured if not sourced from China, officials noted potential flexibility under these exclusions. They encouraged continued coordination on future procurement needs. Additionally, the de minimis waiver remains in effect, allowing up to 5% of total material costs (including shipping) or \$1,000,000 to be exempt from Buy America restrictions.

Approval to Petition PUC for 2025 Tariff Rate Revenue Enhancement

The Port Authority of Guam Board of Directors on February 26, 2025 unanimously passed Resolution No. 2025-09, a critical measure aimed at enhancing revenue sustainability and ensuring financial stability for the island's only commercial seaport. This resolution authorizes the General Manager to petition the Public Utilities Commission (PUC) for approval of the 2025 Tariff Rates Revenue Enhancement. The resolution formalizes the Port's ongoing financial sustainability efforts since 2019, which include cost-saving measures, operational efficiency improvements, and a structured methodology to ensure that revenue collection aligns with the cost of services provided by the Port. Under this phased implementation plan, the tariff rates will see an 8.5 percent increase for the first four months, followed by a 17 percent increase from months five through twelve. This measured approach is designed to mitigate financial impact on industry partners, allowing for a structured transition while addressing operational costs and inflationary pressures.

The Port Welcomes Its First Cruise Ship of 2025



The Port Authority of Guam proudly welcomed the first cruise ship of the year when the MS Asuka II arrived at the Port at 6:34 a.m. on February 23, 2025. Carrying approximately 642

passengers and 511 crew members, the vessel marks the beginning of what is anticipated to be an exciting year for tourism and maritime activity on the island.

Port General Manager Rory J. Respicio expressed the Port's enthusiasm in welcoming the ship and its passengers, stating, "The arrival of the MS Asuka II reaffirms Guam's status as a premier destination in the Pacific. Converting our terminal yard to accommodate a cruise ship takes careful planning and a lot of hard work, and I want to thank our Port employees for making it happen. Their dedication ensures a smooth and welcoming experience for every vessel that comes through. We look forward to more cruise liners visiting this year, bringing new opportunities for our island's tourism and economy."

The MS Asuka II departed from Guam at 5:00 p.m. that day, allowing passengers to explore the island's rich culture, history, and hospitality before continuing their voyage.

Congressional Staff Delegation Visits Port for Briefing and Facility Tour



The Port Authority of Guam welcomed a delegation of Congressional staff members from Washington, D.C., along with officials from Joint Region Marianas, for a comprehensive briefing and facility tour on February 19, 2025. The visit provided an opportunity for in-depth discussions on key infrastructure projects, including the Gantry Crane Proposal Upgrade and potential Capital Improvement Projects.

The Congressional delegation included:

- Daniel Ramirez, Military Legislative Assistant to Representative Joe Wilson (SC-02), specializing in military and national security policy.
- Megan Amen, Legislative Assistant to

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Representative Joe Wilson (SC-02), focusing on Defense, Oversight, and Government Reform.

- Alex Fink, Legislative Assistant for Congressman Juan Ciscomani, handling Appropriations, Veterans Affairs, and Defense.
- Grace Looney, Legislative Assistant to Representative Pat Fallon (R-TX), with expertise in Defense, Homeland Security, and Infrastructure.
- Rachel Everette, National Security Advisor for Congressman Jason Crow (CO-06), specializing in national security, defense, and foreign policy.

During the meeting, Port officials highlighted the Port's ongoing modernization efforts to enhance operational efficiency, resiliency, and capacity to support both commercial and military logistics as well as our efforts to obtain new gantry cranes. Following the briefing, the delegation participated in a guided tour of the Port's facilities, gaining firsthand insight into the critical role the Port plays in the region's supply chain and national security objectives.

March

Port Expands Fleet with Arrival of Nine New Container Yard Tractors



The Port Authority of Guam continued to modernize its operations with the arrival of nine new container yard tractors on March 6, 2025. The new tractor additions are part of the \$5.7 Million grant awarded to the Port by the U.S. Department of Transportation's Maritime Administration under the America's Marine Highway Program. The grant, announced by U.S. Transportation Secretary Pete Buttigieg on October 7, 2022, aims to enhance the nation's supply chains by improving marine highway services and increasing the efficiency of

cargo movement.

Through the Guam Marine Transportation Enhancement Initiative, this funding has enabled the Port to significantly expand its fleet of specialized container yard equipment, bolstering operations and strengthening its ability to handle cargo efficiently. Today's arrivals bring the Port one step closer to completing its grant-funded procurement of vital equipment.

The equipment procured through this grant must comply with the Build America, Buy America Act, ensuring that these investments support U.S. manufacturing and infrastructure development.

The addition of these container yard tractors will improve cargo-handling efficiency, reduce congestion, and enhance the Port's overall resilience in supply chain management. As the Port awaits the final pieces of its grant-funded fleet, these strategic investments continue to position Guam as a key player in the region's shipping and logistics network, ensuring the timely and effective movement of goods for years to come.

Port Unveils 50th Anniversary Logo: A Symbol of Legacy, Progress, and Unity



The Port Authority of Guam proudly on March 26, 2025 unveiled its official 50th Anniversary logo, marking the beginning of a yearlong celebration of five decades of service to the island and region. The new commemorative logo is the result of a spirited employee-driven campaign that reflects the Port's commitment to honoring its history while embracing its future.

In the true spirit of unity and collaboration,

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the Marketing Division facilitated a logo selection process that engaged the Port's entire workforce. A majority of employees, including our board members, responded to the internal survey, a remarkable show of participation and pride in the agency's milestone. With three design options to choose from, the final winning logo emerged ahead by just two votes, showcasing the diversity of opinion and the collective care put into this momentous decision.

"Having our employees select the 50th anniversary logo underscores who we are as an agency—united, dedicated, and proud of our shared journey," said Port General Manager Rory J. Respicio. "This logo is more than a design; it's a symbol of the heart and soul of all of our employees and the progress we've made together."

The logo served as the visual centerpiece of the Port's 50th Anniversary celebration, which is being commemorated under the theme: "Port Strong: 50 Years of Grit, Resilience, and Service Fueling Local and Regional Economies, Partnerships, and National Security."

Congressman Moylan Tours Port Authority of Guam Facilities



The Port Authority of Guam was honored to welcome Congressman James Moylan for an official tour of its facilities on March 14, 2025, providing him with a firsthand look at the critical operations that power the island's supply chain and regional logistics.

During his visit, Congressman Moylan received an in-depth overview of the Port's daily functions, including a close-up view of the agency's gantry cranes, key equipment responsible for

handling more than 90% of all goods that enter Guam. As Guam's only commercial seaport and the largest deep-water port in the Western Pacific, the Port plays a vital role not only in serving local residents, but also in supporting federal and military readiness across the region.

Port officials briefed Congressman Moylan on the agency's ongoing efforts to modernize its infrastructure and maintain operational resilience. Discussions included the need for new gantry cranes, continuing capital improvement projects, and the Port's long-term strategy to enhance both efficiency and security. These investments are central to the Port's commitment to remaining "Port Strong" in the face of natural disasters, global supply chain challenges, and rising demand.

April

Port Receives Reefer Generators to Boost Cold Chain Capacity



The Port Authority of Guam marked another key milestone in its ongoing modernization efforts with the arrival of two 40-plug mobile reefer generators. These advanced reefer units are part of the Port's equipment acquisition under the \$5.7 million grant awarded by the U.S. Department of Transportation's Maritime Administration through the America's Marine Highway Program.

Announced by U.S. Transportation Secretary Pete Buttigieg on October 7, 2022, the grant supports the Guam Marine Transportation Enhancement Initiative and is aimed at strengthening the nation's supply chains by expanding marine highway services and improving cargo-handling efficiency at the Port.

"These reefer generators are essential to enhancing our cold chain logistics and supporting the growing demands of Guam's import-driven economy," said Port General Manager Rory J.

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Respicio. "With their arrival, the Port is another step closer to completing the full delivery of critical equipment under this transformative federal investment."

The new generators, valued at approximately \$920,000, are designed to power up to 40 refrigerated containers per unit, ensuring safe and reliable temperature-controlled storage of perishable goods while at the terminal or in transit within the yard. Their mobility and capacity significantly boost the Port's ability to handle refrigerated cargo without disruption.

Port Participates in Oversight Roundtable



The Port Authority of Guam participated in an oversight roundtable hosted by Senator Jesse A. Lujan, Majority Leader and Chairman of the Committee on Transportation, Tourism, Customs, Utilities, and Federal & Foreign Affairs, on April 18, 2025 at the Guam Congress Building.

During the session, General Manager Rory J. Respicio delivered a comprehensive presentation highlighting the Port's ongoing initiatives, completed capital improvement projects, and its strategic roadmap for FY2025 and beyond.

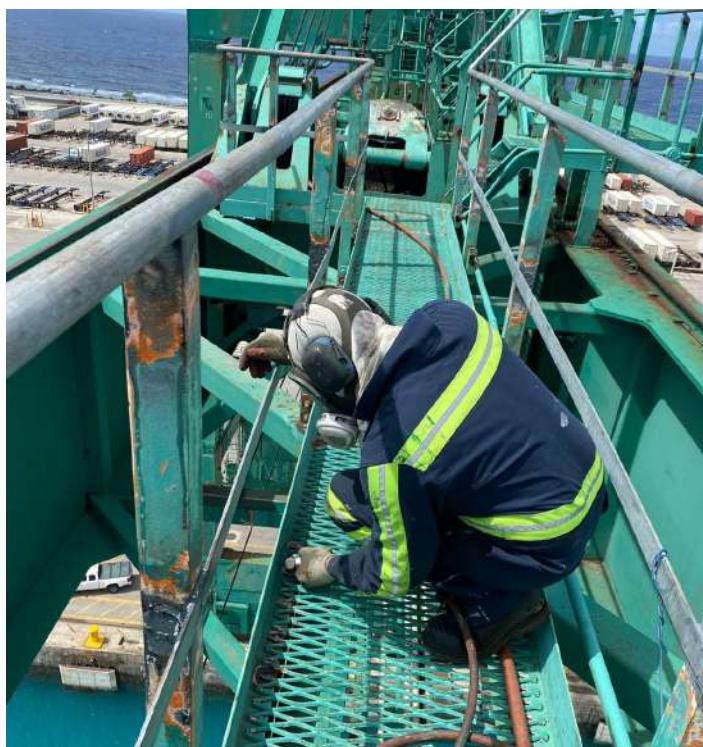
"Our continued focus is on sustainability, modernization, and readiness," said Respicio. "We are not only meeting today's needs—we are preparing Guam's only commercial seaport to support the island's long-term economic growth and national defense responsibilities."

Respicio provided updates aligned with the Port's 2023 Master Plan and Indo-Pacific strategic framework, including:

- Modernization of aging infrastructure such as the Fuel Pier, Golf Pier, and Berths F2–F6;
- Replacement of outdated shore cranes and Port buildings to ensure resiliency and operational safety;

- Advancement of public-private partnerships (P3s) to finance major capital projects without overburdening public funds; and
- Workforce initiatives like the Desk Audit Policy, cross-training, succession planning, and employee recognition programs.

Gantry Cranes Pass Federal OSHA Quadrennial Inspection



The Port Authority of Guam's gantry cranes once again passed their comprehensive quadrennial inspection conducted by the Occupational Safety and Health Administration (OSHA), reaffirming the Port's operational reliability and commitment to equipment safety. The inspections were completed by Doc Bailey Construction Equipment and all cranes received official OSHA 71 certifications.

While the Port's cranes are certified annually, every four years they undergo a more in-depth OSHA inspection that includes full load testing, structural assessments, electrical systems review, and detailed evaluation of safety features and mechanical components. The inspections involved lifting known test weights of up to 112,000 pounds—well beyond the rated 89,600-pound capacity—to confirm structural integrity and operational performance under stress.

The Port operates three Hitachi BT-RH model gantry cranes—Crane #4, Crane #5, and

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Crane #6—each with a capacity of 40 long tons. Despite being more than 40 years old, the cranes continue to meet or exceed federal operational and safety standards thanks to the Port's rigorous maintenance and inspection program.

In addition to mechanical and structural assessments, OSHA inspectors examined over 60 safety-related checkpoints, including emergency cut-off systems, boom hoist brakes, storm locks, gantry drive mechanisms, overload limit switches, cab safety, and electrical conduit integrity. In each case, the Port's cranes met or exceeded regulatory standards, with any identified maintenance needs promptly addressed by the in-house team during the inspection process.

May

Port Secures \$10.5 Million Lease with Black Construction



The Port Authority of Guam is proudly announced the formal execution of a \$10.5 million lease agreement with Black Construction Corporation, following unanimous approval by the Port Authority Board of Directors during its regular meeting on April 30, 2025. The agreement was officially signed by both parties on May 1, 2025.

The lease covers more than 374,000 square feet of Port property and marks a major milestone in the Port's ongoing mission to modernize infrastructure, enhance security, and support both current and future operations critical to Guam and the broader region.

Port Passes US Coast Guard Annual Inspection

The Port Authority of Guam successfully passed the U.S. Coast Guard's rigorous annual inspection of its container yard and cruise ship terminal, conducted on May 1, 2025. The inspection ensures compliance with federal regulations governing maritime facility safety and security, reaffirming the Port's ongoing commitment to excellence and operational integrity.



The U.S. Coast Guard's comprehensive inspection covered critical security and safety elements including security area protocols, the Port's security measures and plans, training records, drills and exercises, hazardous waste management, emergency response plans, signage, and verification of the Facility Security Officer's role. Additionally, the review encompassed TWIC (Transportation Worker Identification Credential) checks, CCTV operations, MARSEC (Maritime Security) level compliance, and the Declaration of Security procedures.

On the safety front, the inspection evaluated electrical systems, flammable material storage, fire extinguishers, eyewash stations, beacon lights, the drum lot, emergency exits, smoke detectors, escape routes, LC 1-5 generators, facility housekeeping, lighting, and the international shore connection—all of which met U.S. Coast Guard standards.

Port Files \$55 Million Federal Lawsuit in Wake of Typhoon Mawar Damage

On May 23, 2025, the Port Authority of Guam filed a civil lawsuit in the U.S. District Court of Guam seeking damages stemming from the destruction of Port facilities during Typhoon Mawar.

The complaint names Guam Industrial Services, doing business as Guam Shipyard, as well as crane barges YD 120 and YD 223, as defendants. The lawsuit alleges that the barges were improperly moored before the typhoon struck on May 24, 2023, causing them to break free and crash into the Port's Golf Pier and seaplane ramp.

The resulting damage rendered both facilities inoperable. According to the complaint, steel piles were sheared, concrete structures were cracked or displaced, and critical infrastructure, including mooring dolphins and piping, was significantly

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damaged.

The Port Authority is seeking no less than \$55 million in damages, citing negligence and trespass to real property. The suit claims that despite widely available warnings about the typhoon, the defendants failed to secure the barges adequately, resulting in what the Port calls a preventable disaster.

June

Port Authority of Guam Earns Clean FY 2024 Audit with Strong Financial Growth and Operational Progress



The Port Authority of Guam once again received a clean, or unmodified, audit for Fiscal Year 2024, ending with a net position of \$34.3 million, a net increase of \$3.3 million over the prior year's \$31 million.

This clean audit reaffirms the agency's commitment to fiscal discipline, transparency, and effective oversight. The independent audit done by Ernst and Young confirmed there were no material weaknesses or significant deficiencies in internal controls.

Operating revenues totaled \$58.7 million, a slight decrease from FY 2023. However, non-operating revenues rose to \$12.9 million, driven in part by a \$5 million Typhoon Mawar insurance settlement. Total net income reached \$3.3 million. Key achievements in FY 2024 include:

- Stable cargo throughput with 85,000 containers processed, steady from FY 2023, and a 22 percent increase in roll-on roll-off cargo;
- \$21 million in capital projects, including EQMR building repairs, waterline replacements, E1 system upgrades, and pipeline work supported by FEMA and EDA;
- Continued federal grant success, securing awards from MARAD, FEMA, EPA, NTIA, and DHS totaling over \$25 million for port upgrades and resiliency planning;

- Reduction of the Port's revenue bond debt to \$61 million;
- Accomplished a Debt Service Coverage Ratio of 1.93, well above the 1.25 indenture requirement;
- Completion of workforce training for over 80 employees in crane operations, rigging, procurement, and equipment handling, alongside reinstated on-the-job training programs;
- Continued hiring reforms, cross-divisional training, and real-time equipment tracking via the EQMR Dashboard;
- Adoption of a Net Zero Emissions Strategy; and
- Updated property appraisal to \$435.8 million, a 57 percent increase, ensuring sufficient insurance coverage post Typhoon Mawar.

The Port also continues to seek federal support to replace its 42-year-old gantry cranes. A loss of even one crane would significantly impact military readiness and regional logistics. Efforts are underway to secure federal and legislative funding to support full crane replacement and long-term modernization.

"We commend the Port Authority of Guam for earning another clean audit. This reflects steady financial gains and responsible management," said Governor Lou Leon Guerrero. "The Port continues to play a critical role in sustaining Guam's economy and ensuring that our island remains strong, secure, and resilient."

"The Port's progress in financial oversight, modernization, and workforce readiness enhances the capacity of our island's only commercial seaport and strengthens our national and regional defense posture," said Lt. Governor Josh Tenorio. "We remain committed to supporting the Port's efforts to deliver for the people of Guam, our region, and our nation."

The Port's net position increased by \$3.3 million, a 11 percent improvement over the previous year, ending FY 2024 at \$34.3 million. This growth was primarily driven by a \$5 million Typhoon Mawar insurance settlement, which helped offset the financial impact of pension and post-employment benefit obligations. Total cash and cash equivalents stood at \$124.5 million, including \$95.9 million in restricted reserves.

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Port Authority of Guam Wins Silver for Excellence in Citizen-Centric Reporting

The Port Authority of Guam announced that it has been awarded Silver in the Association of Government Accountants (AGA) Guam Chapter's Excellence in Citizen-Centric Reporting awards for its Fiscal Year 2023 Citizen-Centric Report (CCR).

The award was officially presented by the AGA Guam Chapter on June 27, 2025 following their review of the Port's latest CCR publication. The recognition highlights the Port's ongoing commitment to transparency, accountability, and public communication.

AGA's Citizen-Centric Reporting initiative encourages public entities to publish accessible, user-friendly reports that clearly communicate how taxpayer dollars are spent. The Port's FY 2023 CCR outlines key financial data, performance measures, and strategic priorities in a format designed for the general public. This marks the sixth time the Port Authority of Guam has been honored for its Citizen-Centric Reports by both the local and national chapters of AGA, a testament to the agency's consistent performance and leadership in government transparency.

Governor Signs Bill to Incentivize Private Sector Investment in Port Infrastructure



In a move to encourage private investment in public infrastructure, Governor Lou Leon Guerrero signed Bill No. 109-38 (COR) into law on June 17, 2025, empowering the Port Authority of Guam to support tenant-led upgrades that improve Port facilities and operations.

The bill was passed by the Guam Legislature

on June 3, 2025.

The newly enacted law authorizes the Port to "grant a dollar-for-dollar offset against lease payments for tenants who invest in tangible, documented improvements to Port property that provide high value to the community or enhance Port operations." The bill also establishes a "streamlined process for implementation," allowing more efficient execution of qualifying improvements.

Introduced by Senators Jesse A. Lujan, Christopher M. Dueñas, and V. Anthony Ada, Bill No. 109-38 underscores a collaborative approach to strengthening Guam's critical infrastructure through community-driven development and operational enhancements. The bill now awaits the Governor's signature.

Port Board Approves \$3M Bond Pay Down Using Existing Port Funds to Protect Finances and Preserve Borrowing Options

The Board of Directors of the Jose D. Leon Guerrero Commercial Port Authority of Guam unanimously approved Resolution No. 2025-20 to protect the agency's financial standing. The resolution, passed during the June 5, 2025 Board of Directors meeting, authorizes up to \$3.07 million from existing Port funds to pay down a portion of the 2018 Revenue Bond debt, a technical correction aimed at maintaining compliance with the debt service coverage ratio requirement for fiscal year 2025.

"The Port is not in financial trouble," said General Manager Rory J. Respicio. "The issue is technical, not operational. We are using our own funds to reduce debt and maintain future capital options. The move is proactive, responsible, and strengthens our ability to invest in long-term improvements. We thank Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, and the Board for standing firm in support of the Port's mission."

Respicio explained that the Port has met the required 1.25 debt service coverage ratio every year since the first payment under the 2018 Revenue Bond. "But each year, the calculation excluded revenues from the Crane Surcharge, Facility Maintenance Fee, and Marina operations, even though these are recurring revenues used to support operations and capital improvements,"

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he said. "We have had to manage around a debt coverage formula that does not reflect our full financial position."

To manage this imbalance and maintain compliance, Resolution No. 2025-20 adopts a defeasance strategy to reduce the amount of debt used in the fiscal year 2025 coverage calculation.

Respicio also noted that fiscal year 2025 revenues are trending about 8.4% below projections and that this year's finances reflect several one-time outlays. "These include full replacement value insurance coverage for the first time in twenty years, major capital equipment purchases, and post-typhoon Mawar repairs," he said. "These were responsible decisions to protect assets and avoid higher costs later."

The Board's resolution directs the Port to deposit \$3,019,862.25 into a restricted escrow account for the July 1, 2025, debt service payment. Funds will come from available Port cash, unrestricted funds, and a release from the debt service reserve. The resolution also authorizes \$50,000 in costs, including reimbursement to the Guam Economic Development Authority for coordinating the transaction, along with the Bureau of Budget and Management Research, Bank of America Securities, and Morgan Stanley & Company, LLC.

Port Receives Five New Forklifts through DOT Grant



The Port Authority of Guam announced the arrival of five new forklifts in June to support cargo operations at the island's only commercial seaport.

These forklifts, valued at a total of \$352,015.00, are the last batch of modernization equipment acquired through a grant awarded by the U.S. Department of Transportation's Maritime Administration (MARAD) under the America's Marine Highway Program. A total of \$8,475,678.41

was spent on the new equipment. Out of that total, the grant paid for \$5.7 million and the Port paid for the remaining amount.

The five new 5.5-ton forklifts arrived on June 22, 2025 augmenting the Port's current fleet of equipment. These forklifts are equipped with advanced capabilities, enabling them to handle a wide range of materials efficiently, including heavy cargo and palletized goods. Their versatility and maneuverability ensure that the Port can meet the demands of modern shipping operations and improve the speed and safety of cargo handling.

This significant grant, first awarded on October 7, 2022, has been instrumental in upgrading the Port's operations and infrastructure, further solidifying Guam's role as a vital hub in the region's shipping and logistics network.

July

Port Breaks Ground on Warehouse 1 Project



The Port Authority of Guam held a groundbreaking ceremony to officially launch the Warehouse 1 Building Maintenance Project, a major infrastructure initiative aimed at enhancing safety and modernizing one of the Port's most critical facilities.

Originally constructed in 1967–1968, Warehouse 1 is a 54,000-square-foot structure vital to daily operations and home to numerous Port employees and tenants. The \$4.8 million project, funded by the Port Authority and awarded to BME & Sons, Inc., will include comprehensive structural repairs to address concrete cracks and spalling, mitigation of salt and water intrusion,

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and the application of a protective silicone roof coating. In addition, the project features the complete replacement of outdated electrical and fire protection systems, ensuring a safe and reliable work environment for years to come.

Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio both addressed attendees, underscoring the importance of investing in critical infrastructure and creating a safe, modern environment for all Port personnel.

The event also included the swearing-in ceremony of two Port Authority board members: returning board member Conchita S.N. Taitano and newly appointed member Mark B.C. Mendiola. Their leadership and expertise will help guide the Port's ongoing modernization efforts.

Port Authority & Department of Labor Claim Top Honors in 2025 Liberation Day Parade



The Port Authority of Guam, in partnership with the Department of Labor, proudly captured First Place in the Government of Guam category at the 81st Liberation Day Parade Float competition held on July 21, 2025. This prestigious win celebrates the vibrant spirit of "Fanohge CHamoru," or "Stand Ye Guamanians," which was skilfully brought to life through the creativity, teamwork, and dedication of our incredible Port Strong family.

From the initial concept to the final construction, the float was a powerful tribute to the resilience of the CHamoru people and the enduring power of unity. Built using authentic local materials including bamboo, lumot (moss), coconut leaves, and various local foliage and flowers, the design authentically reflected our island heritage. Riders on the float represented this unity in diversity, dressed in a striking combination of military uniforms, native cultural attire, and present-day

wear, symbolizing Guam's journey through history to the present.

The celebration extended beyond the float itself. At the Hagåtña Marina, Port employees, family, and friends gathered to watch the parade unfold. As the winning float made its way towards the Governor and Lt. Governor's grandstand, many eagerly joined in, marching alongside the float in a show of collective pride.

Tariff Petition Filed to Update Labor Charges

The Port Authority of Guam filed a petition with the Guam Public Utilities Commission (PUC) to update labor billing rates tied specifically to vessel operations. The proposed correction applies only to labor and equipment services tied to vessel operations that the Port already performs. It does not raise wharfage, fuel surcharges, facility maintenance fees, lease rates, or crane charges.

The proposed rates are based on the average of the lowest and highest pay levels within each job classification, along with administrative surcharges already authorized in the tariff. These labor billing rates have not been updated since 2020.

This petition is narrowly focused on vessel labor and equipment billing using 2025 cost data. While the adjustment averages 17 percent across job classifications, this is not a 17 percent increase to shipping costs or consumer prices.

August

Board Unanimously Approves FY26 Budget

The Port Authority of Guam Board of Directors on August 28, 2025 unanimously approved the agency's budget for Fiscal Year 2026, highlighting continued growth and financial discipline.

The FY 2026 budget projects total revenues of \$57.1 million, an increase of \$2.9 million from last year's \$54.2 million. Total expenses are set at \$56.6 million, which includes \$5.7 million in annual debt service. Based on these figures, the Port projects a debt service coverage ratio of 1.99. The budget also projects a net income of \$4.6 million, excluding revenues from the Crane Surcharge and the Facility Maintenance Fees.

To develop the revenue forecast, the Port applied economic growth factors and projected an average six percent increase in cargo-related proceeds. Divisions built their requests through Zero-Based Budgeting, ensuring operational

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needs are covered while maintaining fiscal responsibility.

The FY 2026 budget also supports ongoing capital improvement initiatives that strengthen the Port's resiliency and capacity. Key projects include the \$4.3 million EQMR Building Maintenance, the \$5.3 million Warehouse 1 Building Maintenance, the \$5.9 million Waterline Replacement and Relocation construction, and the \$4.1 million Enterprise One Financial Management System upgrade, all currently in progress. The capital expenditures outlook includes the acquisition of new gantry cranes, wharf service life extension and rail upgrades, and the ongoing procurement of the Terminal Operating System (TOS).

Governor Leon Guerrero Visits Port for Glass Breakwater Project Site Tour



Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio visited the Jose D. Leon Guerrero Commercial Port of Guam on August 29, 2025 for a site tour of the Glass Breakwater Project, a \$571 million multi-year initiative to restore one of Guam's most critical maritime infrastructure assets.

Joining the Governor were Port Authority of Guam General Manager Rory J. Respicio, the Port's Board of Directors, representatives from Black Construction, and Mayor Jesse Alig of Piti. The group convened at the General Manager's Office before proceeding to the project site.

The Glass Breakwater, constructed in the 1940s by the Navy Seabees, serves as a vital barrier protecting Apra Harbor and the Port of Guam from strong waves and storm surges. The structure sustained significant damage during Typhoon Mawar in 2023, leading the U.S. Army Corps of Engineers to classify it as "failed." In response, Naval Facilities Engineering Systems Command (NAVFAC) Marianas began emergency repairs ahead of schedule in March 2025, marking a significant milestone in safeguarding both commercial and military maritime operations.

September

Port Secures More Than \$1 million in FEMA Funding

The Port Authority of Guam was awarded



\$1,116,368 under the Fiscal Year 2025 FEMA Port Security Grant Program to deliver near-term security upgrades at Guam's only commercial seaport. The award consists of \$987,276 in federal funding and a \$129,092 local match.

The package prioritizes physical security. Funding will install a new security barrier system at Main Gate 1 to prevent unauthorized vehicle access to restricted terminal facilities. In the event of an intended breach, the barriers are designed to stop penetration of the restricted area and reduce the risk of injury to personnel and damage to property. The grant also provides a modular floating dock system with gangway and sinkers or anchors to enhance Port Police prevention, protection, response, and recovery missions for the Port and the Territory in collaboration with U.S. Coast Guard Sector Guam.

The award also strengthens the Port's cyber posture. It advances the Cyber Security Initiative and Roadmap through implementation of Active Directory, a core platform that improves user and resource security, centralizes management of network and user resources, and enables integration and scalability. In addition, the grant replaces the aging SonicWall 4600 firewall with a redundant SonicWall 5700 and provides a three-year subscription to 24/7/365 Intrusion Detection System monitoring by the Center for Internet Security. CIS, designated by the U.S. Department of Homeland Security, supports state, local, tribal, and territorial entities with cyber threat prevention, protection, response, and recovery services. These upgrades fulfill the Facility Security Plan Cybersecurity Annex requirement in 33 CFR 105.275 and strengthen the Port's network and system defense capabilities.

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Port GM Highlights Guam's Critical Role in Indo-Pacific Logistics During Guam Defense Forum



Port Authority of Guam General Manager Rory J. Respicio joined military, government, and industry leaders as a panelist at the 2025 Guam Defense Forum, held September 17–18 at the Dusit Thani Hotel.

The forum, hosted by the Leon Guerrero-Tenorio Administration and the Community Defense Liaison Office, brought together key defense leaders, policymakers, and stakeholders to discuss regional security, civil-military collaboration, and Guam's vital role in the Indo-Pacific region.

General Manager Respicio participated in Panel Discussion 9: Strengthening Guam's Defense Supply Chain and Logistics Ecosystem, alongside senior leaders from the Department of Defense, the shipping industry, and the Guam Airport Authority. The session examined Guam's role as a logistics hub for both military and civilian needs, emphasizing the importance of supply chain resilience, port modernization, secure sourcing of critical materials, and public-private partnerships.

October

S&P Global Ratings Affirms 'A' Rating and Stable Outlook for the Port Authority of Guam

S&P Global Ratings affirmed its long-term 'A' rating on the Port Authority of Guam's outstanding Series 2018 Port Revenue Bonds and maintained a stable outlook. The reaffirmation highlights the Port's strong financial position, essential role in Guam's economy, and continued commitment to responsible fiscal management.

"The stable outlook reflects our expectation

that port activity will remain near current levels, allowing the port to continue producing key financial metrics in line with historical performance and appropriate for the current rating," the S&P report, released on October 9, 2025, stated.

Even with lower cargo volumes in fiscal year 2025, including a 1.6 percent dip in containers and a 10.9 percent drop in breakbulk, the Port delivered solid financial results. Early planning and decisive action, including a \$3 million debt reduction strategy to maintain compliance with its rate covenant and helped maintain strong debt service coverage and overall fiscal stability. Without this one-time action, the Port would not have met its required 1.25x rate covenant. Management action will result in coverage of about 1.59x for the year.

According to the S&P Global Ratings report:

- Management remains focused on the port's financial strength, and has proactively addressed operating pressures caused by inflation, capital expenses, and fluctuations in port cargo activity.
- We believe the port's the proposed tariff increases—pending approval from Guam Public Utilities Commission will help the authority maintain strong financial metrics and offset inflationary pressures, cargo volume declines, and increases in debt service related to planned debt issuance in 2026.
- We expect the planned rate increase, new lease agreement and the overall rebound in activity levels will support port's operating costs and financing of its capital expenditures, including debt service on additional debt needs.

Since 2019, the Port has overhauled its financial management system, strengthened internal controls, and improved debt service planning. These reforms were backed by leadership and supported through expanded capacity in the Finance Division. The Port has maintained over 200 days of cash on hand and continues to carry a manageable debt profile.

Port Concludes Successful 50th Anniversary Port Week Celebration

The Port Authority of Guam successfully concluded its 50th Anniversary Port Week celebration, marking a historic milestone under the

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theme “Port Strong: 50 Years of Grit, Resilience, and Service Fueling Local and Regional Economies, Partnerships, and National Security.”



The week-long celebration featured a full schedule of events honoring five decades of growth, progress, and service to the people of Guam and the region. Port Week began on October 20 with an Opening Ceremony held at the Port’s main administration building. Acting Governor Josh Tenorio, Board Chairperson Dorothy P. Harris, and General Manager Rory J. Respicio delivered remarks recognizing the Port’s transformation and its vital role as Guam’s lifeline for commerce, national security, and regional partnerships.

The ceremony also included a flag-raising, a parade of trucks, and the presentation of a proclamation and a legislative resolution.

Throughout the week, Port employees participated in various friendly competitions including volleyball, basketball, bowling, dart tournament, softball, and a tractor pull event that drew strong participation and enthusiastic crowds. The Port also took part in a roadside cleanup and hosted the Maritime Resilience and Innovation Summit, which brought together local and regional partners to discuss port security, infrastructure readiness, and sustainable growth in the Pacific.

As part of the celebration, the Port published its 50th Anniversary Legacy Booklet, documenting five decades of milestones, investments, and achievements. The agency also premiered its commemorative video, “Our Legacy,” which is now available for public viewing on the Port’s YouTube and official social media pages.

The celebration culminated on October 25 with the Grand Finale and Employee Recognition Ceremony Dinner and Awards Ceremony at LeoPalace Resort Guam.

Maritime Resilience and Innovation Summit held during Port Week

The Port Authority of Guam held the Maritime Resilience and Innovation Summit on October 22, 2025, at the Hyatt Regency Guam.

The event was part of the Port’s yearlong 50th Anniversary celebration and served as a major highlight of Port Week 2025, held under the theme “Port Strong: 50 Years of Grit, Resilience, and Service Fueling Local and Regional Economies, Partnerships, and National Security.”

The Summit brought together government leaders, maritime experts, and regional stakeholders to discuss sustainability, modernization, and innovation across port operations. It showcased Guam’s leadership in building resilient infrastructure and advancing clean port initiatives through the U.S. Environmental Protection Agency’s Clean Ports Program.

Speakers included Governor Lourdes A. Leon Guerrero, Lieutenant Governor Joshua F. Tenorio, Senator Jesse Lujan of the 38th Guam Legislature, Sharon L. Weissman, Commissioner of the Port of Long Beach, Conchita S.N. Taitano, President of the Association of Pacific Ports and Vice Chairperson of the Port Authority of Guam Board of Directors, and Rory J. Respicio, General Manager of the Port Authority of Guam.

The one-day event featured presentations and discussions on energy resilience, environmental stewardship, and modernization of maritime infrastructure as essential components for sustaining economic growth and national security.

November

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 board 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,

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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.

The submission further affirms management’s continued alignment with the Board of Directors and the Leon Guerrero Tenorio Administration’s goals for fiscal responsibility, operational reliability, and strategic modernization, while maintaining the Port’s role as Guam’s only commercial seaport and a critical hub for commerce and national security.

Port Authority of Guam Board Unanimously Approves Resolution Memorializing Lease Agreements with IP&E Holdings, LLC



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 years and are established at the approved open-space rental rate of 62 cents 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 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, including the Port Authority of Guam, to execute commercial leases of public real property for up to fifteen years without requiring separate legislative approval.

Port Authority of Guam Board Unanimously Adopts Resolution Recognizing Maritime Resilience and Innovation Summit

The Board of Directors of the Jose D. Leon Guerrero Commercial Port Authority of Guam

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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 dollar award under the United States Environmental Protection Agency's Inflation Reduction Act Clean Ports Program. The grant supports initiatives including an emissions inventory, a Net Zero Emissions Strategy, a Workforce Development Plan, a Resilience Strategy, an Implementation Plan, and an 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 such as 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, 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. A copy of the resolution will be transmitted to his family in recognition of his legacy.

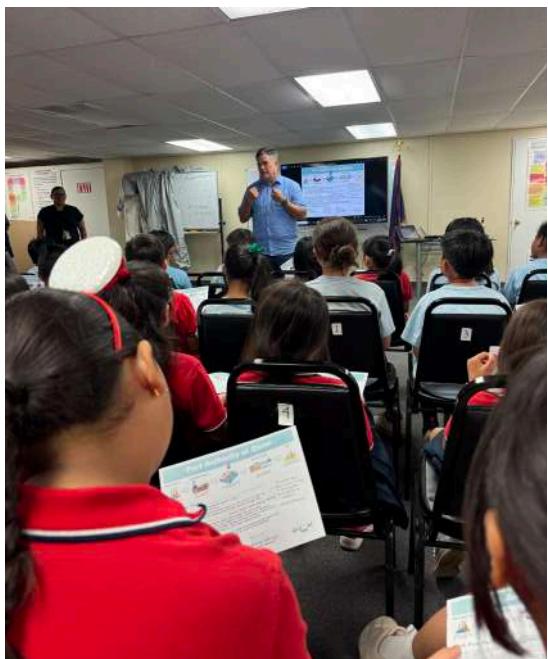
"The unanimous adoption of this resolution reflects the Board's commitment to strengthening the Port's role in advancing resilience, sustainability, and long-term economic and environmental stewardship for Guam and the broader region," said Port General Manager Rory J. Respicio. "The Summit and the partnerships 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.

December Photo Highlights



Hotel Nikko Guam recently presented PAGGMA representatives with a Christmas cake as a warm holiday gesture, extending season's greetings and appreciation during the festive season.



December Photo Highlights



As part of the Port Authority of Guam's 50th Anniversary celebration, our Human Resources team recently distributed commemorative anniversary gifts to Port employees across all divisions. Each employee received a 10' x 10' pop-up canopy featuring the official Port 50th Anniversary logo, a practical token of appreciation designed for use both on and off the job.

"This milestone gift represents more than just an anniversary, it reflects our gratitude for the dedication, resilience, and hard work of the employees who have built and sustained the Port over the past five decades," said Port General Manager Rory J. Respicio. "From operations and security to administration and maintenance, it is our people who remain the Port's greatest asset, and this anniversary is a celebration of every employee who continues to move Guam forward."

January Birthdays

