



NEWSLETTER

PORT AUTHORITY OF GUAM

FEBRUARY 2024

Board of Directors

Dorothy P. Harris
Board Member

Conchita S.N. Taitano
Board Member

Port Management

Rory J. Respicio
General Manager

Dominic G. Muna
*Deputy General Manager
Operations*

Pacifico R. Martir
*Deputy General Manager
Administration and Finance*



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Another National Award for the Port Authority of Guam

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

The national Association of Government Accountants (AGA) presented Respicio the "AGA 2024 Distinguished Local Government Leadership Award" during their Annual National Leadership Training event held in Washington D.C. on February 29, 2024. This award formally recognizes local government professionals who exemplify and promote excellence in government financial management and who have demonstrated outstanding leadership in enhancing sound financial management legislation, regulations, practices, policies, and systems within the past year.

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

"Josh and I fully support Rory's innovative and persistent approach, which aligns with our administration's strategic framework to maximize all opportunities for our island, especially in the context of the military buildup," the Governor said. "We appreciate the



strong working relationship between the Port Board and management. This partnership has led to significant progress and success. Their dedication to transparency and accountability has raised the Port to a low-risk auditee status over the past four consecutive years, significantly enhancing bond ratings, stabilizing finances, and earning recognition for transparency."

Lt. Governor Tenorio acknowledged the strides under Respicio, especially the Port's resilience and innovation.

"Implementing the JDE Enterprise One Financial Management system marks a leap toward

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modernization and efficiency,” the Lt. Governor said. “This transformation has revamped our financial operations, underscoring our commitment to excellence and resilience, notably through the Covid pandemic and Typhoon Mawar recovery. Rory’s visionary leadership and public service dedication have been key, bolstering the Port’s role in our economy and national security.”

Respicio credits the Port Strong Family for their dedication, especially acknowledging Chief Financial Officer Jojo Guevara and the financial division’s role in achieving financial transparency. He expressed gratitude for the national recognition, emphasizing the Port’s essential role in national security and strategic positioning in the Asia-Pacific amid geopolitical tensions. This acknowledgment reaffirms the Port’s credibility and commitment to excellence, supported by the Governor, Lt. Governor, dedicated Board, and partners across sectors

“In my role as Port General Manager, I am profoundly grateful for the recognition of our efforts, highlighting the Port of Guam’s essential role in national security and its strategic position in the Asia-Pacific amid growing geopolitical tensions,” Respicio said. “This national recognition reaffirms our high credibility and commitment to excellence, with the steadfast support of Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, our dedicated Board, and our partners in both government and the private sector. Together, we are committed to navigating these complex times, ensuring our port continues to be a vital link in the chain of global commerce and national security.”

Respicio’s leadership, supported by Board Members Dot Harris and Conchita Taitano, Deputy General Managers Dominic Muna and Pacifico Martir, and the management team, has solidified the Port’s status as a key economic driver in Guam and a strategic asset for the Department of Defense in the Asia-Pacific region.

This latest award shows the commitment of the Port to excellence in finances and transparency. In September of 2020, the Port Authority of Guam was awarded, for the very first time, the national “Certificate of Excellence in Citizen-Centric Reporting Award” by AGA for the agency’s Citizen-Centric Report published in July 2020. In December of that year the Port then won the First Place Platinum “Excellence in Citizen-Centric Reporting Award” for the fiscal year 2019 report and the “Accountability and Transparency in Citizen-Centric Reporting Award” for issuing and posting the agency’s Citizen-

Centric Reports on the Port website for fiscal years 2010 through 2019. In 2022, the Port Authority of Guam was awarded the First Place Platinum Award for the Fiscal Year 2021 Citizen-Centric Report (CCR).

Productive Meetings in D.C.



Port General Manager Rory J. Respicio met with USDA officials including Deputy Administrator of Rural Development, Jamie Davenport, and USDA Senior Policy Advisor Surabhi Dabir during a meeting this month in Washington, D.C. to discuss port financing programs.



Port General Manager Rory J. Respicio met with Director Peter Simons, Office of Port Infrastructure Development of MARAD during a meeting this month in Washington, D.C. to discuss the \$22 million RAISE grant the Port received for F1-F6 wharves and a potential modification focusing on F2-F6.



Governor Lou Leon Guerrero was in the nation's capital in February advocating for Guam's strategic interests. While on this federal mission, she is requested support in response to the Biden Administration's recent Executive Order to address concerns over national security vulnerabilities related to crane procurement from China.

"Securing these cranes is imperative for our national security," said Governor Leon Guerrero. "With the Biden Administration's heightened concerns, securing funding aligned with U.S. security policies to prevent reliance on China-manufactured equipment is crucial. The Port of Guam is critical to our national security and economic prosperity. Ensuring its operational strength and security is a duty we uphold for our nation."

The Port Authority of Guam is at a pivotal moment, with the acquisition of three new STS gantry cranes critical for sustaining its commercial and military operations. The existing cranes, acquired in 2008, are approaching the end of their service life. Port Authority documents underscore the essential role these cranes play in meeting increasing demands and supporting the Department of Defense's Indo-Pacific Strategy and

Pacific Deterrence initiatives amidst geopolitical tensions. The potential operational impact, as outlined in the Port's planning documents, highlights the importance of an immediate crane replacement. Should one crane go out of service, the Port's capacity to meet commercial demand and support Department of Defense missions would be significantly compromised, potentially delaying the military buildup by up to four years.

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Governor Lou Advocates for Port

Port General Manager Rory J. Respicio stated, “The proactive stance of Governor Leon Guerrero, Lieutenant Governor Tenorio, and our board in emphasizing the link between port and military readiness is forward-thinking. We are modernizing the port to the best of our financial ability and advocating for support to address infrastructure shortfalls, notably the urgent replacement of the gantry cranes.”

While in Washington D.C., Governor Leon Guerrero is provided testimony to the Interagency Group on Insular Affairs (IGIA), participated in the National Governors Association Winter Meeting, State Department’s Roundtable for Pacific Island Territories, and attended follow-up meetings with the Department of Defense at the Pentagon. To ensure progress, she is requesting federal support for initiatives that propel the region, including funds to construct a state-of-the-art medical complex, support for our ports and its critical infrastructure to keep the flow of goods into our island, the reauthorization of Compact Impact funding, and funds to establish a Micronesian Islands Forum Secretariat to improve responses to Micronesian issues.



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GOVERNOR LEON GUERRERO

While in the nation's capital, Governor Leon Guerrero is requesting support in response to the Biden Administration’s recent Executive Order to address concerns over national security vulnerabilities related to crane procurement from China.



Port cranes not only ensure the flow of goods into our island, but they also support the Department of Defense’s Indo-Pacific Strategy and Pacific Deterrence initiatives amidst geopolitical tensions. Should one crane go out of service, the Port’s capacity to meet commercial demand and support Department of Defense missions would be significantly compromised, potentially delaying the military buildup by up to four years.



Gantry 6 Repairs Highlight Need for New Cranes

The Port Authority of Guam repaired and returned Gantry 6 to service on February 8, 2024, after nearly two days offline following necessary repairs.

On Monday, February 5, 2024, Gantry 6 was not performing to standards. ABB engineers along with the Port's crane mechanics were able to diagnose that the computer needed replacement and communications between the Crane Maintenance Station (CMS) and Programmable Logic Controls (PLC) needed to be reestablished. The computer was replaced

and a secondary port was reconfigured so communications to both the CMS and PLC were restored.

Gantry 6, also known as Bumuchåcho, was returned to service yesterday at 11:30 a.m.

"The Port currently utilizes three used gantry cranes that are more than 40 years old and based on consultant reports, they will reach the end of their expected service life and will need to be replaced next year," said Port General Manager Rory J. Respicio. "Our efforts to replace the cranes have included an aggressive approach by Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio in national forums and in face-to-face meetings with federal partners in past years."

The acquisition of new STS gantry cranes



would be the first new crane the Port would procure in its 48 years of autonomy as past and current cranes have been second-hand equipment owned by other American ports.

Respicio added, "We have all been proactively communicating with the Department of Defense, Department of Transportation (MARAD), FEMA, INDOPACOM, key House and Senate members, and the Joint Region Marianas emphasizing the crucial need for robust infrastructure support as a matter of commerce, economic growth and now, more than ever, national security with growing geopolitical tensions. The downtime experienced serves as a stark reminder of the vulnerabilities in throughput capacity that will impact military readiness programs."

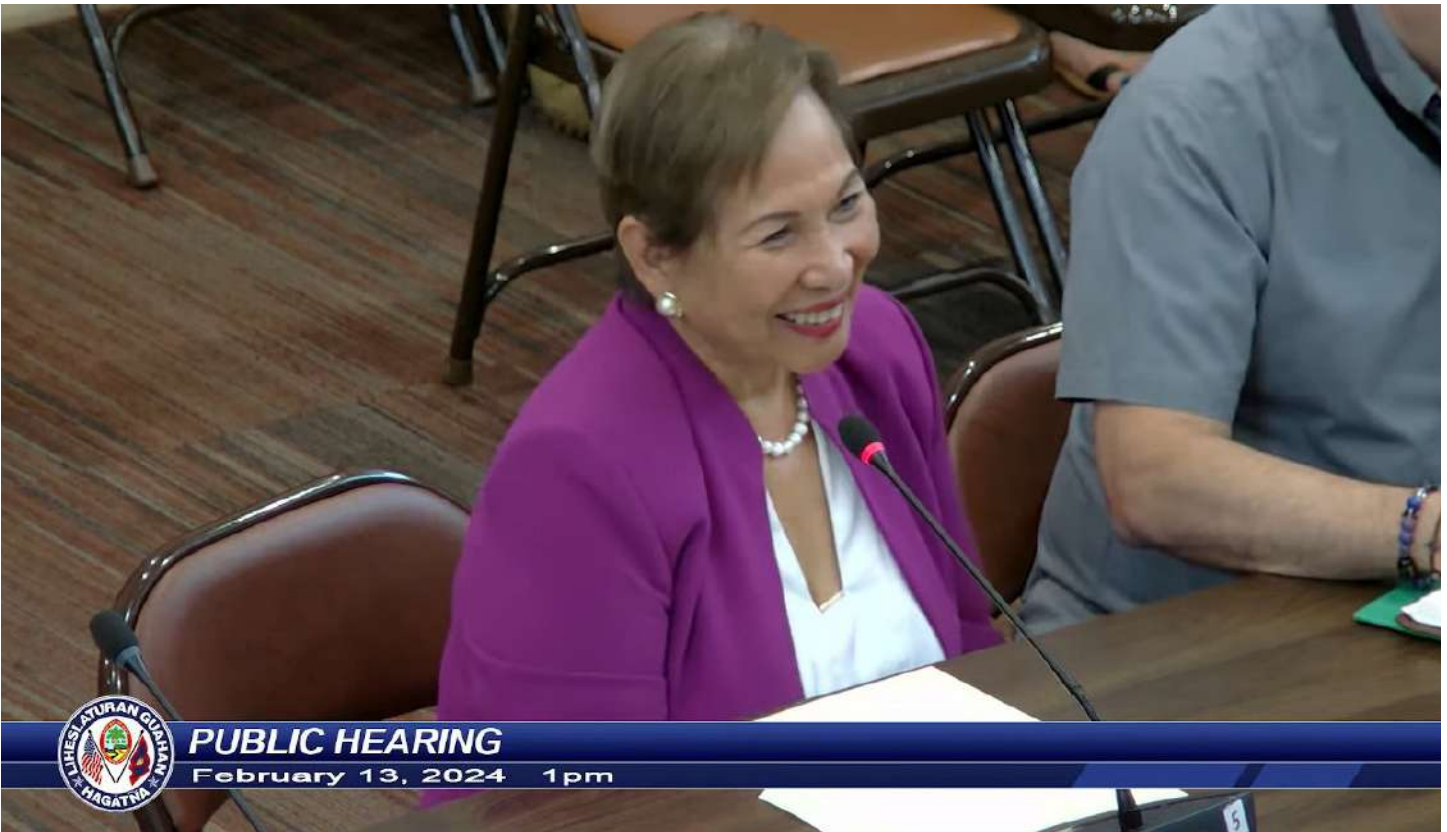


FEMA Administrator Visits the Port



FEMA Administrator Deanne Criswell met with Port Authority of Guam General Manager Rory J. Respicio on February 6, 2024. Criswell came to Guam to meet with Port officials on the damage the island's only commercial seaport sustained during Typhoon Mawar. She brought her team with her to give the Port an update on her agency's efforts to fund the damage from the typhoon as well as mitigation and resiliency projects. Criswell was joined by FEMA Region IX Administrator Robert Fenton and FEMA National Recovery Director Robert Pesapane. Numerous other FEMA officials as well as Port officials attended the meeting.

Time is Now to Confirm Port Board Nominee



The Port Authority of Guam (PAG) stands at a pivotal juncture awaiting the confirmation of its board nominee Fe Valencia-Ovalles. Valencia-Ovalles' nomination holds profound significance, particularly considering the critical nature of the Port Authority of Guam.

A confirmation hearing was held for Valencia-Ovalles on February 13, 2024. Valencia-Ovalles has diverse experience in finance, management,

and public service positions and will serve as an additional strategic board member to assist the agency as we navigate through these critical times. With a fresh perspective and a proven unwavering dedication to public service, Valencia-Ovalles embodies the qualities essential for effective board leadership, crucial for addressing the port's multifaceted programs and issues being

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addressed now and in the near future.

At present, the PAG board of directors languishes one member short of constituting a quorum, severely impeding its ability to make critical decisions and chart the course for the port's future.

The absence of a quorum not only endangers statutory obligations but also jeopardizes the port's operational efficacy and strategic planning endeavors. PAG General Manager Rory Respicio aptly highlighted the ramifications during the confirmation hearing, emphasizing the imperative of restoring the board's functionality to uphold the port's credibility and operational integrity.

"The necessity for a fully constituted board cannot be overstated, particularly considering our critical infrastructure modernization imperatives," said Port General Manager Rory J. Respicio. "Inaction or delay in confirming Valencia-Ovalles

would impede progress on the port's critical initiatives. These repercussions extend beyond mere procedural lapses, but encompass tangible impacts on port operations, commerce, and regional economies. Therefore, lawmakers must prioritize the confirmation process, recognizing its pivotal role in safeguarding the port's viability and ensuring effective governance."

As stakeholders await the outcome of Valencia-Ovalles' confirmation, one thing remains clear: the Port Authority of Guam's board of directors must be fully constituted to fulfill its mandate effectively.

In confirming Valencia-Ovalles, lawmakers can reaffirm their commitment to ensuring Guam's only commercial seaport and nexus to the global supply chain remains uninterrupted for the continued prosperity of our community and that of the Western Pacific Region.



MES CHAMORU

CELEBRATING AND SHARING
GUAM'S UNIQUE CULTURE,
HERITAGE AND HISTORY.

Biba!

Two Cruise Ships Visit Guam in February

The Port Authority of Guam received two cruise ships in the month of February. The MS Zuiderdam arrived to port on Sunday, February 18, 2024, and a week later, the MS Artania arrived.

Combined, the two vessels brought in approximately 2,190 passengers and 1,272 crew. While the vessel received provisions dockside, passengers were afforded time to explore Guam's beauty and hospitality as they made their way about.

"The coordination to receive cruise vessels like these at the Port Authority of Guam, which is primarily a container yard, requires extensive collaboration," said Port General Manager Rory J. Respicio. "It is a testament to the effectiveness of teamwork between the Guam Visitors Bureau (GVB), the ship's agent, the Customs and Quarantine Agency, Customs and Border Protection, and the Port Authority of Guam. Each entity plays a critical role, ensuring smooth operations to welcome tourists, thereby enhancing Guam's tourism industry and local economy."

Other potential cruise ship visits we anticipate in the coming year include the MS Asuka II on March 3rd, the MS Queen Elizabeth on March 21st, the Le Soleal on March 24th, the Carnival on April 8th, the Seabourn on May 14th and September 7th, the Le Soleal on October 8th, the Carnival on October 22nd, and the MS Asuka II on December 30th.



February Photo Highlights Continued





Happy *Birthday* to you!

ANTOINETTE M. MAFNAS
FRANKIE C. ROSALIN
ANTHONY J. EVANGELISTA
JOHN J. LEON GUERRERO
ERNESTO D. MADAHAN
RITA B. CARBULLIDO
MELISSA F. AGUERO
ALEXANDER J. AFLAGUE
CURTIS R. ETTLEMAN
IANFRANK D. TAITANO
JOSETTE J. JAVELOSA
PATRICK E. ALVAREZ

PETER T. CRUZ
PEDRO JOSE LEON GUERRERO
PETER C. LORENZO
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