



CONNECTIONS

FY2012 Citizen Centric Report
A.B. Won Pat International Airport Authority, Guam
 March 2013

AIRPORT AUTHORITY CELEBRATES 37 YEARS



In September of 1975, Public Law 13-57 created the A.B. Won Pat International Airport Authority, Guam (GIAA).

Now, 37 years in existence, GIAA is a self-sustaining autonomous agency within the Government of Guam and generates revenues by levies imposed on its operators,

tenants, concessionaires and others doing business at the Airport.

In 2012, the Authority consisted of 192 personnel in eight divisions: Administration, Accounting, Engineering, Operations, Aircraft Rescue and Fire Fighting, Airport Police, Property Management and Properties and Facilities. These

divisions are tasked with the mission to “ensure the safety of the travelling public, maintain a superior and reliable level of service, and develop air linkages and facilities for the island’s economic growth.”

GIAA received prestigious international recognition and local accolades of its accomplishments. Charles H. Ada II, Executive Manager, has been appointed to the Board of the Pacific Asia Travel Association (PATA) and Pedro Roy Martinez, Deputy Executive Manager was selected to join the Airports Council International (ACI) Asia-Pacific Regional Board of Directors.

Both organizations focus on the development of air transport and the travel industry.

This past year, GIAA was awarded “Department of the Year” under the Government of Guam MagPro Awards Program. GIAA received this award for two years running.

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SISTER AIRPORT RELATIONS WITH SENDAI ESTABLISHED

Sendai Airport, situated in the Miyagi Prefecture of Northern Japan, and the A.B. Won Pat International Airport, Guam and our island, has been connected with regular direct air service for over 21 years.

That connection was temporarily suspended with the closure of Sendai Airport after the Great East Japan Earthquake on March 11, 2011.

Despite the destruction and

challenging conditions, Sendai persevered and recovered to resume its air operations, first domestically and then internationally.

Guam was the first international destination to operate when Sendai re-opened and United Airlines resumed its flights in July 2011. Twice weekly flights continue today, cementing the friendship and goodwill between the two airports.

On November 19, 2012, the Sendai Airport and the A.B.

Won Pat International Airport, Guam, established strong ties with a Sister Airport relationship of mutual friendship, goodwill and economic benefit.



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Expanded Air Services and New Destinations



Guam welcomes Jeju Air to its family of airlines. Jeju Air commenced services on the Guam/Seoul route on September 28, 2012.

2012 was a banner year for flight options for Korean visitors, a fast growing secondary tourist market to Guam.

Jeju Air became the third airline serving the Seoul/Guam route, utilizing a B737-800 aircraft with a one class seat capacity of 186 passengers. The addition of the once - daily flight from Seoul adds 1,302 seats weekly to Guam.

United Airlines added to its popular charters from China with the inaugural flight from Dalian in Jan. 2012. Dalian is the 6th city in China serviced by United, promoting Guam, pending the US Department of Homeland Security final decision in Guam's application for China to be included in the Visa Waiver Program. United also increased frequencies to Cairns

and Hong Kong with two additional flights respectively, for a total of four flights weekly to both destinations. The Airport looks forward to additional carriers to service Guam, with applications already filed with the US Dept. of Transportation by Cebu Pacific, StarFlyer, and Skymark, to name a few.

Hafa Adai and “Zdravstvuyte” !

On January 17, 2012, Guam welcomed the first Russian visitors after the U.S. Department of Homeland Security approved visa parole for Russian citizens on January 15, 2012. The Guam Russia Visa Waiver Parole Authority makes it easy for Russian travelers to enter the island on a case-by-case basis, without the need for a visa, and allows stays for up to 45 days total.

4,038 Russians visited Guam in 2012, up from 635 Russian nationals in calendar year 2011. Robust growth is anticipated in 2013, with 1,074 arrivals posted in January 2013 alone. The Airport Authority is also in preliminary talks with Russian carriers, with the possibility for direct flights to Guam from points in Russia by the end of 2013.



With Russian parole Authority, Guam's tourist landscape is changing. All industry players are taking full advantage of this growth opportunity and diversification of our tourist market. New signage marks scenic sites, forms are being translated to Russian, such as the I - 736 Guam Visa Waiver Form and Guam Customs forms. Russian tour agencies have been licensed to do business at the Guam International Airport, and Russian currency and passports are becoming more familiar in Guam's terminal facilities. The Airport welcomes all Russians to Guam enthusiastically!



Energy Management Program Takes Off

The lights are a lot brighter, and the air much cooler, with less power used at the airport.

Over 18,000 lamps, exit signs, occupancy sensors, parking lot inductions and other lighting or illumination components have been installed, and are designed to use one-fifth to one-third the electric power, and last eight to fifteen times longer.

Full replacement and refurbishment work on the cooling towers, chillers, air handling units and other components of the Terminal's air conditioning system is proceeding and is anticipated to greatly decrease power consumption at the Airport.

Upon completion of the replacement, upgrade and installation of electrical equipment and cooling systems in the terminal, the Airport anticipates to realize savings of over \$1.3M in

power consumption a year. The airport has historically paid an average of \$563K a month to support the 767,000+ square foot facility that operates 24 hours a day, 7 days a week.

The Energy Management Program is the Airport's foray into sustainable management of resources and stewards of the environment.



New energy efficient cooling systems replace old terminal cooling equipment.

2012 PERFORMANCE

Passenger activity in FY2012 was a milestone year for the Authority. It's been 11 years since 2001 that passenger enplanements (departures + transit) surpassed the 1.5 million threshold.

Numbers reflect the entry of Eva Air who operated a full year of services on the Taipei/Guam route twice weekly. Also reflected is Jeju Air's operations that began September 2012. Both airlines applied for and received signatory status with the Guam International Airport. Signatory status signifies a firm commitment to provide service for specified terms and thresholds and allows the airline to avail of preferred rates.

The Authority continued to rank in the top 10 in international arrivals for all U.S. ports of entry ahead of large airports such as Atlanta and Washington D.C. Over 90% of the Authority's enplanements are international from Origin and Destination markets.



Financial Results

In FY2012, operational revenues increased by 6.6% over FY2011. Much of the increase was in concession, ground transportation and rental revenue streams, reflective of the positive ripple effect of increased passenger arrivals, new airline operations and additional

leased space. Expenses increased 4.2% over FY2011 due to increases in material and supplies and an increase in bad debt expenses.

As capital improvement projects were completed and/or placed on hold, grant revenue decreased by 29% from

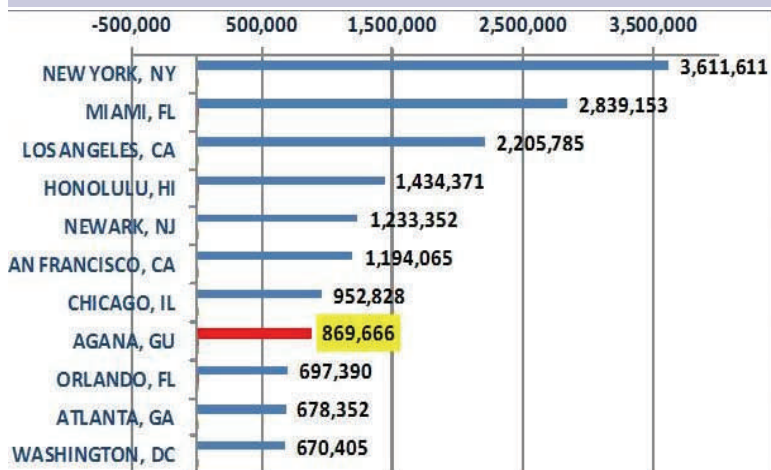
the FAA and other U.S. Government entities. The end result was an overall decrease in net assets for the Authority.

FY2012's bottom line for the airlines was a decrease in the cost per enplaned passenger (CPE) of

Source: FY12 Accounting Statistics

\$16.81 versus the \$16.95 CPE for FY11, and a healthy debt service coverage (DSC) of 1.66, well over the minimum DSC of 1.25 required under the 2003 General Revenue bonds.

Top U.S. Ports of Entry (all Modes) by Non Residents



	FY 2012	FY 2011	% Change
Revenues	\$52.5m	\$49.2m	6.6%
Expenses	\$35.2m	\$33.7m	4.2%
Net Assets	\$305.9m	\$307.2m	-0.4%
CPE	\$16.81	\$16.95	-0.8
DSC	1.66	1.53	8.6%

Source: U.S. Dept. of Commerce, ITA, Office of Travel & Tourism, September 2012

Source: Ernst & Young GIAA Financial Statements, FY12 and FY11

FY2012 YEAR IN REVIEW



TABLETOP EMERGENCY RESPONSE EXERCISE - DECEMBER 2011

Under Federal Air Regulations (FAR) Part 139, GIAA conducts annual table top exercises with all responding agencies to test emergency response with all players. Based on a given scenario, responding agencies verbalize their role, and interact with each other as if in a real emergency. GIAA chose December for the table top exercise to test response during the holidays, when secondary responders may be on duty. This gives them an opportunity to test their response procedures in lead roles.

FAA PACIFIC AVIATION DIRECTORS WORKSHOP - MARCH 2012

FAA officials from the Western Pacific Region chose to hold its annual workshop on Guam to review technical operations, runway safety and facility enhancements they had funded in the Micronesia islands. Over 100 participants, including Airport managers from Guam, Palau, Yap, Kosrae, Chuuk, Pohnpei, Commonwealth Ports Authority, American Samoa, Hawaii and the Marshall Islands presented along with Guam for a very productive work session with the FAA.



GIAA ANNUAL GUPOT CHAMORRO FIESTA - MARCH 2012

The Annual Airport Fiesta offers our off island visitors the first and last chance to experience a fiesta. Tables are laden with all the Chamorro delicacies one would find at the village fiestas. It's a showcase of Guam's best foods and Chamorro hospitality and entertainment. The Annual Airport Fiesta is hosted by the Authority, and generosity of our airlines, and tenant partners.

1ST VICE CHAIRMAN OF SMALL AIRPORTS NETWORK - JULY 2012

Mr. Pedro Roy Martinez was nominated and appointed First Vice Chair of the Small Airports Network after an impressionable presentation and networking with the Airports Council International (ACI) Asia Pacific organization, at its annual conference in Singapore in May 2012. The Small Airports Network is a platform for the region's small airports to address common concerns in their operations. About 20% of the ACI Asia-Pacific organization can be classified as small airports, and it is often through exchange and best practices that bring about responsible development.



1ST PLACE LIBERATION FLOAT - July 2012

For the second year in a row, the Airport's float entry took 1st place in the Gov-Guam agency category.

GIAA SWEEPS AWARDS IN THE 2012 MAGPRO PROGRAM

The Authority came in as Department of the Year for 2012 among mid-size GovGuam agencies. This is the second time the Authority won this distinct honor. Additionally, GIAA employees attained distinctive awards of excellence in several fields of skill sets in the MagPro Awards Program.

Also recognized are the 2012 Employee Recognition Program awardees: Josephine Dela Rosa - Employee of the Year, Arleen Sanchez - Supervisor of the Year, Vincent Iglesias - Integrity Award, Citadel Sablan - Spirit Award, Airport Police - Division of the Year, Carlos Bordallo - Manager of the Year, and the Procurement Unit taking the Executive Manager's Award.

SUPERLATIVE AGENCY AND EMPLOYEE PERFORMANCE IN 2012



*The Outstanding Employees and Programs
in Fiscal Year 2012
Executive Branch Government of Guam*

A.B. Won Pat International Airport Authority

- Vivian Aflague, Personnel Specialist III. *Supervisor of the Year*
- Thomas P.C. Daga, Airport Police Supervisor. *Supervisor of the Year*
- Noel Dela Cruz, Airport Police Officer I. *Employee of the Year*
- Alfredo Juaneza, Refrigeration Mechanic Supervisor. *Supervisor of the Year*
- Connie Mendiola, Program Coordinator II. *Employee of the Year*
- Dayton B. Palomo, Airport Police Officer I. *Lifesaving Medal*
- Arleen M. Torres Sanchez, Systems Programmer. *Supervisor of the Year*
- Cindy Toves-Corpuz, Firefighter I. *Employee of the Year*
- Dexter J. Ulloa, Airport Police Officer I. *Lifesaving Medal*
- Airport Police. *Unit of the Year (M)*
- Energy Performance Program. *Cost Savings/Innovative Idea of the Year (M)*
- Department of the Year (M)