

I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
67-38 (COR) As amended by the Committee on Transportation, Tourism, Customs, Utilities and Federal and Foreign Affairs.	Jesse A. Lujan Christopher M. Dueñas V. Anthony Ada Tina Rose Muña Barnes Vincent A. V. Borja Frank F. Blas, Jr. Sabrina Salas Matanane William A. Parkinson Joe S. San Agustin Eulogio Shawn Gumataotao	AN ACT TO <i>REPEAL</i> AND RE-ENACT § 1203.1 OF ARTICLE 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING AUTHORITY TO THE ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM TO ADOPT POLICIES AND PROCEDURES FOR THE SOLICITATION, SELECTION, AND AWARD OF AGREEMENTS BETWEEN THE AUTHORITY AND ANY OTHER PARTY FOR THE USE OF AIRPORT FACILITIES AND PROPERTIES FOR AIRPORT PURPOSES AND/OR VISITOR RELATED ACTIVITIES.	2/26/25 3:31 p.m.	3/6/25	Committee on Transportation, Tourism, Customs, Utilities, and Federal and Foreign Affairs.	Request: 3/6/25 Waiver: 3/13/25	4/20/25 9:00 a.m.	5/6/25 As Amended.	
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	PUBLIC LAW NO.	LAPSED	NOTES	
	5/27/25	AN ACT TO <i>REPEAL</i> AND RE-ENACT § 1203.1 OF ARTICLE 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING AUTHORITY TO THE ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM TO ADOPT POLICIES AND PROCEDURES FOR THE SOLICITATION, SELECTION, AND AWARD OF AGREEMENTS BETWEEN THE AUTHORITY AND ANY OTHER PARTY FOR THE USE OF AIRPORT FACILITIES AND PROPERTIES FOR AIRPORT PURPOSES AND/OR VISITOR RELATED ACTIVITIES.	6/3/25	6/5/25	6/17/25	38-21	6/17/25	Received: 6/23/25 Mess and Comm. Doc. No. 38GL-25-0773	

LOURDES A. LEON GUERRERO
GOVERNOR



JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HÅGAN GUÅHAN
OFFICE OF THE GOVERNOR OF GUAM

38GL-25-0773
OFFICE OF THE SPEAKER
FRANK F. BLAS JR.

Transmitted via Email to: speakerblas@guamlegislature.org

June 17, 2025

JUN 17 2025

Time: 4:35 pm
Received: [Signature]

THE HON. FRANK BLAS, JR., Speaker
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Re: Bill No. 67-38 (COR), "AN ACT TO REPEAL AND RE-ENACT § 1203.1 OF ARTICLE 2, TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING AUTHORITY TO THE ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM TO ADOPT POLICIES AND PROCEDURES FOR THE SOLICITATION, SELECTION, AND AWARD OF AGREEMENTS BETWEEN THE AUTHORITY AND ANY OTHER PARTY FOR THE USE OF AIRPORT FACILITIES AND PROPERTIES FOR AIRPORT PURPOSES AND/OR VISITOR RELATED ACTIVITIES."

Håfa Adai Mr. Speaker,

Procurement of specialty retail concession services at the Antonio B. Won Pat International Airport has been mired in controversy for over a decade, due to several procurement disputes and appeals related to the 2012 procurement and subsequent award of a \$154M contract for the services. While the protracted litigation related to the 2012 procurement concluded two (2) months ago, uncertainty regarding the future of procurements for these concessions has spread in its wake, and the Airport finds itself on the verge of losing significant income on which its continued operations rely.

Bill No. 67-38 is far from perfect. As many of its critics have noted, Bill 67 confers *expansive* power on the Guam International Airport Authority ("GIAA") Board of Directors to develop and unilaterally adopt the very regulations that will govern the GIAA's procurement of concessions, without requiring the Board comply with the strictures of the Administrative Adjudication Law ("AAL"), without requiring the Board to obtain the Legislature's approval, and without requiring the Board to obtain my approval.

The bill provides minimal guardrails on the contemplated regulations, requiring only that the GIAA create procedures for "competitive" solicitation, selection and award, that such policies be based on industry standards, consider including small businesses, and do not authorize or permit gambling. In place of the AAL process, the GIAA is merely required to prepare and post a fiscal assessment and a copy of the policies on its website, allow for a 30-day comment period, and conduct a public hearing. The same authority and "limitations" are imposed on the GIAA's award of contracts for the use of Airport facilities and properties for a term of up to fifty (50) years.

To: The Hon. Frank Blas, Jr., *Speaker*
Fr: The Hon. Lourdes A. Leon Guerrero, *Governor of Guam*
Date: June 17, 2025
Re: Bill No. 67-38 (COR)

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The authority Bill 67 confers on the GIAA Board is not limited to present exigencies; unless amended, the bill would allow GIAA to effectively self-regulate, and to unilaterally amend the regulations that govern its procurement activities indefinitely into the future, even when it has ample time to undergo the

AAL process for future regulations. The GIAA Board would be authorized instead to adopt policies “from time to time” at its whim.

To say that the powers conferred in Bill 67 are susceptible to abuse would be an understatement to a laughable degree. There is no other agency in our entire government that has the power to create the regulations it is subject to, and amend such regulations at its unilateral discretion. There is no other procurement in our entire government – not schools, not hospitals – that is excused from procurement law. The fact that this unique, unbridled power was conferred on the GIAA for procurement of concessions, the very same type of procurement that was so recently the subject of intense public scrutiny and protracted litigation, begs the question of why our senators would leave the door to potential repeated abuse wide open at a time of intense scrutiny and in the face of such staunch criticism. No agency, even agencies in my administration, should be granted a blank check.

While proponents of Bill 67 may view it as a measure that maximizes flexibility for a specialized agency, whose operations and procurements are distinct from those of our other agencies, that very flexibility and susceptibility to unilateral amendment renders any resulting policies and procedures unreliable for would-be bidders, who cannot reasonably expect such policies will remain unchanged in the absence of the formalities of the legislative or traditional rule-making process. While statutes and regulations are not themselves immutable and are subject to amendment, the regularity of the amendment process lends credibility and reliability to the resulting measures.

I recognize the exigency of the Airport procurement for concessions. I acknowledge that the current contract is quickly coming to an end, and that even immediate procurement of a new contract would require mobilization and buildout that could take the better part of a year. While such exigency may merit temporary suspension of ordinary rulemaking processes including the AAL to usher in interim regulations while more permanent regulations are considered, Bill 67 contains no such safeguards. The bill does not sunset; it merely continues in existence until further amendment by the Legislature.

The Organic Act vests in the Legislature the authority to define the procurement standards for airport concessions by statute, authority it has abandoned in Bill 67. While the Legislature may be willing to abdicate its Organic Act responsibilities, I am not willing to abdicate mine.

The Organic Act of Guam, as amended, vests the executive power of Guam in the Governor of Guam, and provides that she shall have general supervision and control of all departments, bureaus, agencies, and other instrumentalities of the executive branch of the government of Guam. This provision necessarily includes autonomous agencies such as the GIAA. The Organic Act further provides that all executive branch officers shall have such powers and duties as may be conferred or imposed on them by law *or by executive regulation of the Governor not inconsistent with any law.*

To: The Hon. Frank Blas, Jr., *Speaker*
Fr: The Hon. Lourdes A. Leon Guerrero, *Governor of Guam*
Date: June 17, 2025
Re: Bill No. 67-38 (COR)

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Accordingly, Bill 67 will lapse into law without my signature, and the GIAA will be permitted to proceed with drafting policies and procedures for its concessions procurements and facilities contracts. However, its policies and procedures *shall* be subject to the requirements set forth in an executive order I will issue within the next week, which will contain the important guardrails Bill 67 is silent on. I will require the GIAA to abide by the instructions set out in the executive order, to ensure the integrity of the procurement process, and restore public confidence in the Airport's procurements.

For these reasons, Bill No. 67-38 (COR) will lapse into law without my signature as ***Public Law No. 38-21.***

Senseramente,



LOURDES A. LEON GUERRERO

I Maga'hågan Guåhan

Governor of Guam

Enclosure(s): Bill No. 67-38 nka P.L. 38-21

cc via email: *Honorable* Joshua F. Tenorio, *Sigundo Maga'låhen Guåhan*, Lt. Governor of Guam
Compiler of Laws



38GL-25-0773
Messages and Communications

RECEIVED
COMMITTEE ON RULES
June 23, 2025

12:19 p.m.

Marie Crisostomo

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2025 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'HÅGAN GUÅHAN

This is to certify that **Bill No. 67-38 (COR)**, “AN ACT TO *REPEAL AND RE-ENACT* § 1203.1 OF ARTICLE 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING AUTHORITY TO THE ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM TO ADOPT POLICIES AND PROCEDURES FOR THE SOLICITATION, SELECTION, AND AWARD OF AGREEMENTS BETWEEN THE AUTHORITY AND ANY OTHER PARTY FOR THE USE OF AIRPORT FACILITIES AND PROPERTIES FOR AIRPORT PURPOSES AND/OR VISITOR RELATED ACTIVITIES,” was on the 3rd day of June 2025, duly and regularly passed.



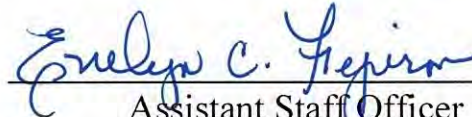
Frank F. Blas, Jr.
Speaker

Attested:



Sabrina Salas Matanane
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 5th day of June, 2025, at 4:56 o'clock pm.M.



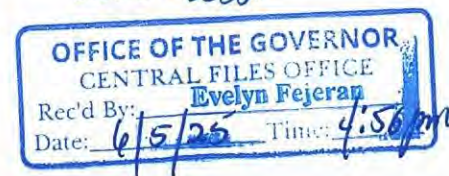
Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 6/17/2025

Public Law No. 38-21



I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2025 (FIRST) Regular Session

Bill No. 67-38 (COR)

As amended by the Committee on Transportation,
Tourism, Customs, Utilities and Federal and Foreign Affairs.

Introduced by:

Jesse A. Lujan
Christopher M. Dueñas
V. Anthony Ada
Tina Rose Muña Barnes
Vincent A.V. Borja
Frank F. Blas, Jr.
Sabrina Salas Matanane
William A. Parkinson
Joe S. San Agustin
Eulogio Shawn Gumataotao
Chris Barnett
Shelly V. Calvo
Telo T. Taitague
Therese M. Terlaje

**AN ACT TO *REPEAL AND RE-ENACT* § 1203.1 OF
ARTICLE 2, TITLE 12, GUAM CODE ANNOTATED,
RELATIVE TO PROVIDING AUTHORITY TO THE
ANTONIO B. WON PAT INTERNATIONAL AIRPORT
AUTHORITY, GUAM TO ADOPT POLICIES AND
PROCEDURES FOR THE SOLICITATION, SELECTION,
AND AWARD OF AGREEMENTS BETWEEN THE
AUTHORITY AND ANY OTHER PARTY FOR THE USE
OF AIRPORT FACILITIES AND PROPERTIES FOR
AIRPORT PURPOSES AND/OR VISITOR RELATED
ACTIVITIES.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that the Antonio B. Won Pat International Airport Authority, Guam (the “GIAA”) is

1 Guam’s only commercial service airport and contributes substantially to the
2 economic health and welfare of Guam’s economy. The GIAA plays an important
3 role in the local, regional, and international air transportation system as the largest
4 airport in Micronesia and is vital for the continued recovery of the tourism industry
5 on Guam.

6 *I Liheslaturan Guåhan* further finds that allowing the GIAA to expand and
7 diversify its revenue stream is fundamental to its ability to continue to operate a safe,
8 secure, and efficient commercial airport for Guam, its residents, and visitors. And
9 that one of the largest non-aeronautical revenue streams any airport generates is from
10 its concession agreements, which also provides vital business and customer focused
11 services for the traveling public.

12 In consideration of the GIAA’s mandate to be self-sustaining, *I Liheslaturan*
13 *Guåhan* further finds that providing the GIAA the efficient ability to establish
14 processes for the solicitation, selection, and award of agreements between the
15 Authority and any other party for the use of airport facilities and properties for
16 airport purposes and/or visitor related activities will provide the best opportunity to
17 achieve continued financial growth and stability through revenue expansion and
18 diversification to further solidify the GIAA’s financial position and to ensure the
19 GIAA’s ability to keep up with industry standards, best practices, and changing
20 market conditions so that it can continue to provide the vital commercial airport
21 services to the traveling public.

22 **Section 2.** § 1203.1 of Article 2, Chapter 1, Title 12, Guam Code Annotated,
23 is hereby *repealed* and *re-enacted* to read:

24 **“§ 1203.1. Agreements Between the Authority and Other Parties;**
25 **Agreements Between the Authority and Airlines.**

26 (a) Notwithstanding any other provision of law, including without
27 limitation, 5 GCA Chapter 5, § 5127 and Chapter 9, and 21 GCA §§ 60112,

1 60114, and 60115, any agreement between the Authority and any other party
2 for the use of airport facilities and properties for airport purposes and/or
3 visitor-related activities *shall* conform to the following:

4 (1) with regard to concession agreements, *shall* be authorized
5 for a term of up to fifteen (15) years and shall be subject to policies and
6 procedures for the competitive solicitation, selection and award of
7 concession agreements adopted from time to time by the GIAA's Board
8 of Directors. The GIAA shall ensure that said policies and procedures
9 and amendments thereto are based on industry standards, are
10 competitive in nature, and consider the inclusion of small businesses in
11 its adoption. Said policies and procedures shall not in any way authorize
12 or permit gambling of any kind as defined in 9 GCA Chapter 64. Prior
13 to adoption or any amendment of said policies and procedures by the
14 GIAA's Board of Directors, the GIAA shall prepare a fiscal assessment,
15 which shall be posted with a copy of said policies and procedures or
16 amendments thereto on its website, allow for no less than thirty (30)
17 calendar days for public comment, and hold a public hearing noticed
18 pursuant to 5 GCA § 8107 (Open Government Law) and held no sooner
19 than thirty (30) calendar days after posting of the fiscal assessment and
20 policies and procedures (or amendments thereto). Said fiscal
21 assessment shall directly address, at a minimum, the purpose and need
22 for, the financial impact upon those persons or entities directly affected
23 by, and the potential benefits expected to the GIAA by the proposed
24 policies and procedures or amendments thereto. Concessions include,
25 but are not limited to retail, specialty retail, food and beverage,
26 advertising, currency exchange, car rentals, and parking; and

1 (2) with regard to all other contracts for the use of Airport
2 facilities and properties, *shall* be authorized for a term of up to fifty (50)
3 years and shall be subject to applicable Federal Aviation
4 Administration (FAA) requirements for aeronautical and non-
5 aeronautical uses to include rates charged for non-aeronautical uses at
6 fair market value pursuant to FAA requirements and policies and
7 procedures adopted from time to time by the GIAA's Board of
8 Directors. The GIAA shall ensure that said policies and procedures
9 shall not in any way authorize or permit gambling of any kind as
10 defined in 9 GCA Chapter 64. Prior to adoption or any amendment of
11 said policies and procedures by the GIAA's Board of Directors, the
12 GIAA shall prepare a fiscal assessment, which shall be posted with a
13 copy of said policies and procedures or amendments thereto on its
14 website, allow for no less than thirty (30) calendar days for public
15 comment, and hold a public hearing noticed pursuant to 5 GCA § 8107
16 (Open Government Law) and held no sooner than thirty (30) calendar
17 days after posting of the fiscal assessment and policies and procedures
18 (or amendments thereto). Said fiscal assessment shall directly address,
19 at a minimum, the purpose and need for, the financial impact upon those
20 persons or entities directly affected by, and the potential benefits
21 expected to the GIAA by the proposed policies and procedures or
22 amendments thereto.

23 (3) shall be subject to applicable federal laws and regulations;
24 and

25 (4) shall be subject to the Authority's bond covenants.

26 (b) Any agreement between the Authority and any airline offering
27 service to Guam shall charge the airline using the Antonio B. Won Pat Guam

1 International Air Terminal facilities rates sufficient to cover the operating
2 expenses of the air terminal and debt service coverage of the bonds authorized
3 to be issued by this Section, and be in compliance with the requirement that
4 no one (1) or more airlines shall be unreasonably discriminated against in
5 comparison with any other similarly situated airline in these charges.”

6 **Section 3. Effective Date.** This Act shall be effective from and after its
7 enactment.

8 **Section 4. Severability.** If any provision of this Act or its application to any
9 person or circumstance is found to be invalid or inorganic, such invalidity shall not
10 affect other provisions or applications of this Act that can be given effect without
11 the invalid provision or application, and to this end the provisions of this Act are
12 severable.