



BRISBEN AIRFIELD

05

INTERNATIONAL AIRPORT AUTHORITY, GUAM • ANNUAL REPORT





HAWAIIAN AIRPORT

05

ANNUAL REPORT

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

MISSION STATEMENT The A.B. Won Pat International Airport Authority, Guam strives to ensure the safety and security of the traveling public; is dedicated to maintaining a superior and reliable level of airport service for our island residents and tourists; and is committed to supporting the development of air linkages and facilities which are integral to the continuous economic growth of Guam.

CONTENT & DIRECTION Airport Marketing Section

DESIGN Rio Fish Creative, Inc.



Jesus Q. Torres
Executive Manager

David A. Mair, Esq.
Legal Counsel

Mariquita R. Cruz-Couch
Board Member

Fa Valencia-Ovalles
Board Member

Martin J. Garber
Board Member

Emelio Y. Uy
Board Member



BOARD

MESSAGE FROM THE BOARD OF DIRECTORS & MANAGEMENT

Clear Skies Ahead, - that is the projection of the A.B. Won Pat International Airport, Guam as we close out Fiscal Year 2005 on a very positive note with a \$15.8M increase in net assets. This marks the second consecutive year that audit findings have concluded on such a positive note.

Guam's Airport posted over 2.9 million total passenger movements in FY 2005, and is projected to surpass this number by 5 percent next fiscal year. We are proud to serve a truly international base, with convenient direct and transit services from major cities in Asia, the U.S., Australia and the neighboring Micronesian islands from our area in the exotic Asia Pacific region. We intend to increase travel options and influence pricing for travel with the introduction of our Air Service Incentive program and our resolve to support Guam's Petition for Expanded Air Service filed with the Department of Transportation.

We have introduced much in the way of enhancing passenger service this year, with the implementation of an Ambassador Program or the "Ayudanten Puetton Batkon Airen Guahan" program that provides foreign speaking assistance for passengers going through regulatory functions in the U.S. Customs & Border Protection and the Guam Customs & Quarantine processing halls. Personal assistance with accommodations, tours, and transportation is also available at our Airport Information Center.

We have invested over \$5M in our retail core, with fresh perspective on passenger convenience and a heightened shopping experience. Our wide array of luxury, brand name boutiques, duty free items, perfumes, magazines and other convenience items set in an "Esplanade" style shopping environment, showcases cultural elements infused with Spanish influence in the architecture and settings.

We continuously work toward providing safe, secure, and efficient travel, and have worked closely with the U.S. Department of Homeland Security and the Transportation Security Agency (TS) in the implementation of the U.S. Entry and Exit programs, meeting the strict federal mandate for screening processes and infrastructure requirements. Our efforts have resulted in additional security passenger processing lane for departing passengers and a TSA certified K9 explosive detection unit.

In FY 2005 the Authority executed grant agreements of nearly \$11M with funding sources from

DELIVERED

PROJECT NAME	EXTENSION OF RUNWAY, PHASE 2
CONTRACT AMOUNT	\$8,989,880.00
CONTRACT DURATION	240 CALENDAR DAYS
COMPLETION DATE	NOVEMBER 12, 2004

The final phase of work for the extension of Runway 6R/24L was completed at the beginning of FY'05. Runway 6R was extended an additional 2,000 feet for an available take-off runway length of 10,000 feet at completion. Runway distance remaining signs and taxiways G, J and M to the extended runway(s) have also been upgraded as part of this project.

Completion of the extension of the Runway 6R/24L allowed the Airport to begin construction work on the extension of primary Runway 6L/24R, which at present is 10,000 feet. Runway 6L/24R will be extended another 2,000 feet to a total 12,000 feet to accommodate long-range, long-haul aircraft.

PROJECT NAME	DHL FACILITY
CONTRACT AMOUNT	\$1,272,511.07
CONTRACT DURATION	180 DAYS EACH PHASE
COMPLETION DATE	OCTOBER 6, 2005

A \$1.6 million lease agreement formalized a public/private partnership between the Airport Authority and DHL Worldwide Express Incorporated. Responding to GIAA solicitation of proposals from companies interested in financing, leasing or developing airport

PROJECT NAME	CONTINENTAL VQ-1 HANGAR
CONTRACT AMOUNT	\$3,250,599.00
CONTRACT DURATION	180 DAYS EACH PHASE
COMPLETION DATE	OCTOBER 1, 2005

The Continental VQ-1 Hangar (Building 17-100) suffered extensive damage during Super Typhoon Pongsona on December 8, 2002. The most significant damage to the hangar was the failure of the metal roof and the loss of the front and rear metal doors. The project was divided into two (2) phases: 1) Roof repair and 2) Repair of the remaining structural building elements and mechanical and electrical repairs which included the repair and replacement of the fire suppression system, sprinkler lines, piping and all appurtenances, gate valves, gauges, testing and balancing of HVAC, roof exhaust fans, air conditioning units, mechanical duct work and roof ventilators. Electrical repairs consisted of repair and replacement of light fixtures including wiring and controls, conduits, step-down transformers and panel boards, fire alarm system, heat detectors, telephone distribution system and public address system.

PROJECT NAME	PARALLEL TAXIWAY, PHASE I
CONTRACT AMOUNT	\$8,548,800
CONTRACT DURATION	360 DAYS
COMPLETION DATE	MARCH, 2006

A new Parallel Taxiway was constructed to allow for the taxiing of aircraft. Currently, 6L/24R, our primary runway measuring 10,000 feet, is being used as a taxiway for both arriving and departing aircraft, as well as for landing and take-off. Our secondary runway, 6C/24C, is being used for back-taxiing only - as it is now being

CAPITAL IMPROVEMENT PROJECTS

In FY'05 the Authority had over \$115M listed for 73 capital improvement projects at varying stages. Most significant are completed projects that strengthened the position of the A.B. Won Pat International Airport Authority, Guam as the regional leader in Airport facilities & services in our part of the Pacific. Completed projects included those that took us closer to increasing capacity, completion of a modern, state-of-the-art Express Package Facility in the Tiyan Business Park and the repair and upgrade of an aircraft hangar facility.

*Extension of
Runway Groundbreaking*



AIR SERVICE DEVELOPMENT

The A.B. Won Pat International Airport, Guam's efforts to develop air service resulted in several milestones:

- Implementation of an Air Service Development Incentive Program;
- Introduction of additional flights and new routes served; and
- Filing of a Petition for Expanded Air Services with the U.S. Department of Transportation.

Open dialogue with airline partners and the input of the Guam Visitors Bureau and the Guam Hotel and Restaurant Association were important components in the final outcome of these measures.

→ AIR SERVICE DEVELOPMENT INCENTIVE PROGRAM

At its June 30, 2005 regular meeting, the Airport Board of Directors approved a two-pronged program as an incentive to initiate new air service and to increase individual passenger activity. The Program and incentives was then approved by the Federal Aviation Administration in August of 2005 and became effective retroactively for the full Fiscal Year 2005 and Fiscal Year 2006, respectively.

Specifically, the Program provides incentives for:

- 1 A discount of up to 50% on existing airport rates and charges that constitute the cost per enplaned passenger for new or existing airlines to initiate new air service from destinations new to Guam's airport. The maximum term for this incentive is two years, and does not apply to passenger activity already included in the budgetary passenger forecast.
- 2 A discount of up to 50% on passenger facility charges then in effect for existing airlines. The discount applies to each airline individually and is based on targeted thresholds, specifically, to enplaned passengers that exceed 10% of the forecasted enplaned passengers or exceed 5% of the average annual enplaned passengers for the past two fiscal years, whichever is greater. The discounts for each airline with no arrearages would be reconciled on a quarterly basis, effective for Fiscal Year 2006 and subject to annual approval by the Board during the budget approval process.

3 SERVICE DEVELOPMENT

3. Won Pat International Airport, Guam's efforts to develop air service resulted in several successes:

Implementation of an Air Service Development Incentive Program;

Introduction of additional flights and new routes served; and

Signing of a Petition for Expanded Air Services with the U.S. Department of Transportation.

Dialogue with airline partners and the input of the Guam Visitors Bureau and the Guam Food and Restaurant Association were important components in the final outcome of these successes.

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INTRODUCTION OF ADDITIONAL FLIGHTS AND NEW ROUTES SERVED

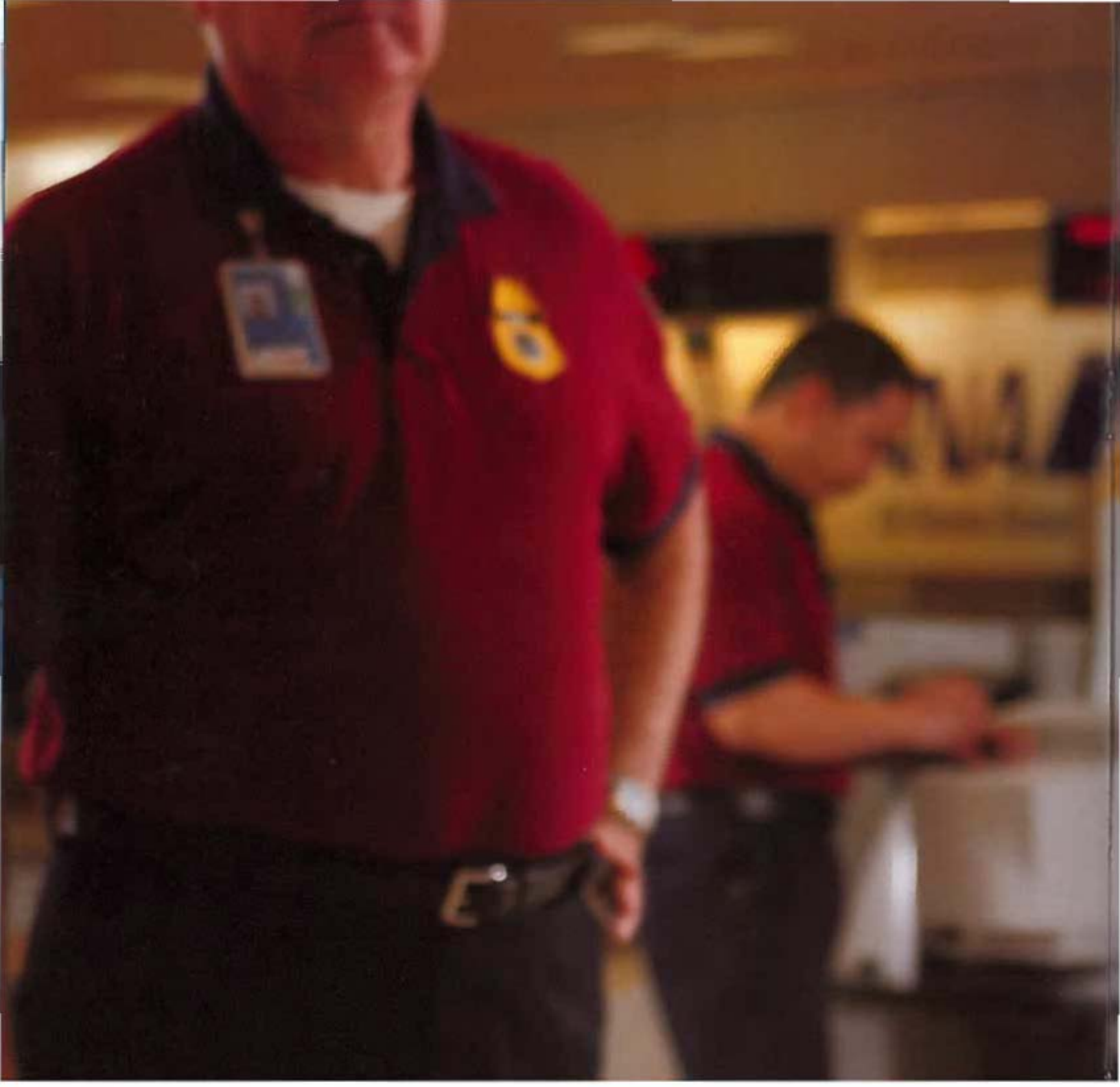
Northwest Airlines introduced daily flights between Guam and the Japanese cities of Osaka and Nagoya. The Osaka/Guam route began on October 1, 2005, and the Nagoya route was introduced on November 1, 2005. Northwest utilizes a B757 aircraft, adding a seat capacity of 1,260 from these markets.

Continental initiated weekly service between Guam and the Republic of the Marshall Islands with continuing service to Hawaii on December 6, 2005. Continental utilizes a B737 with 14 business class and 141 economy class seats, and has conveniently scheduled the flight to allow connections to L.A., Houston, and Newark. A second flight is planned to serve this route during the peak summer season.

PETITION FOR EXPANDED AIR SERVICE

In November 2005, the Government of Guam executed a Petition to File for Expanded Air Services with the Department of Transportation. In its Petition, Guam seeks more liberalized cargo and passenger activity at Guam's only airport for all foreign carriers which currently hold or subsequently receive effective DOT authority. This will enable those carriers to engage in expanded cargo and passenger transfer activities at Guam with regard to cargo and passenger transfer traffic moving between points in the Asia/Pacific region and points in the US or third countries via an enroute transit stop in Guam, except in cases in which the Department determines that grant of such blanket authority is inconsistent with other US international aviation policy requirement or objectives.

With Expanded Air Services, Guam seeks for the same opportunities as granted to Alaska and Hawaii, and looks forward to competitive services from airlines. This effort also keeps up with industry standards and air service in Asia Pacific, diversifies business opportunities and maximizing business and infrastructure potential of the Guam Airport. Documents surrounding the issue may be found on the Department of Transportation website on the Docket Management System at www.dot.gov.



SAFETY & SECURITY PROGRAMS

Highlights of the Airport's Safety and Security programs centered on a strong and united front with our federal regulatory partner, the Transportation Security Administration (TSA). In Fiscal Year '05, the Airport implemented new procedures to create a sterile environment and separation of TSA and non-TSA screened passengers, and the Airport's K-9 unit joined the National TSA Program.



PROCEDURES IMPLEMENTED TO CREATE STERILE ENVIRONMENT IN CONCOURSE

In December 2004, the A.B. Won Pat International Airport, implemented procedures to ensure sterility of concourse areas and separation of TSA screened (departing passengers) and non-TSA screened (arriving international passengers) utilizing human monitors and temporary barriers in the shared concourse.

A common concourse approved by federal authorities when the Airport was built and fully completed in 1998 has posed a challenge in meeting the new federal mandate handed down last year. The Airport continues to explore funding options to provide permanent physical barriers, with construction of a mezzanine or 3rd floor being one option, or elevated crossover walkways for arriving passengers a second option, and have been estimated at \$22-\$34M to construct.



GUAM AIRPORT K-9 UNIT JOINS NATIONAL TSA PROGRAM

Three Airport Police K-9 Teams graduated from a 10 week training course out of Lackland Air Force Base in San Antonio, Texas at the end of the fiscal year. The Guam Airport's K-9 Unit along with police units from canine Reno and Little Rock joined the prestigious TSA National Explosives Detection Canine Team nationwide program.

The program is a cooperative partnership among participating transportation systems with TSA providing the canines, along with in-depth handler training. Participating agencies were partially reimbursed for costs associated with the teams for salaries, overtime, canine food and veterinary care.

SIGNIFICANT EVENTS OF THE YEAR

The Airport's commitment to providing excellent customer service and inspiring children to pursue careers in aviation was a major focal point in our customer service and community programs throughout the Fiscal Year.

→ **BLAST OFF – A NASA EXHIBIT**

After months of coordination, and Hurricane Rita induced shipment delays, the Antonio B. Won Pat International Airport Authority, Guam (GIAA) proudly opened their much anticipated "Blast Off – A NASA Aerospace Exhibit" at 4:00 p.m. on October 19, 2005.

The exhibit items include:

From NASA Johnson Space Center (JSC)

- Shuttle Extravehicular Mobility Unit (EMU) / Manned Maneuvering Unit (MMU) Mock-up "space suit"
- Lunar sample "moon rock"

From Langley Research Center

- | | |
|--|--|
| ■ Aerospace Design Panel Pop-Up Exhibit | ■ Astronaut Photo Opportunity Stand with crate |
| ■ Space Shuttle Food Tray Replica with Samples | ■ Adventures of F.A. Plane pedestal |
| ■ Orange Launch Re-Entry Suit | ■ Space Shuttle Tile |
| ■ Coke Can in Space | ■ Space Shuttle Utensil set with carry bag |
| ■ Ruck Sack Survival Kit | ■ Makeup Kit in carrying container |
| ■ Astronaut boots (pair) | ■ Thermal Blanket |

The U.S. Naval Forces Marianas Guam Morale, Welfare & Recreation (MWR) Children, Youth & Teen Program had heard about GIAA's "Blast Off – A NASA Aerospace Exhibit" and wanted to donate images from the HUBBLE Space Telescope that they had acquired for their library to supplement the Airport's exhibit. Mr. Albert Vallejos, the father-in-law of Astronaut Willie McCool, who had attended high school on Guam generously offered prints from his private collection of his son-in-law to augment our exhibit. A local aviation buff and local businessman Mr. Matt Johnson who operates an F&B outlet within the Airport terminal also extended his private collection, three (3) lunar landing prints, autographed by Astronauts Gene Cernan and Buzz Aldrin.



Airport Information Center



Airport Ambassador Program



*NASA Exhibit Opening
October 19, 2005*



"Moon Rock" Lunar Sample



AIRPORT AMBASSADOR PROGRAM

(Ayudanten Puetton Batkon Airen Guahan)

The Airport Ambassador Program and Airport Information Center aims to humanize the Airport environment and localize the traveling experience by extending the infamous Chamorro hospitality and spirit of inafa'maolek through a mechanism whereby staffers provide vital community service in providing information and assistance to passengers, visitors, the general public and all who pass through the Guam International Airport.

During the fiscal year, foreign language speaking assistance and guidance in experiencing the "best of Guam" was available to over 1.4M passengers. The Airport Information Center alone serviced over 26,730 people and thousands more were assisted in Immigrations and Customs areas by Roving Ambassadors.



AIRPORT TOUR PROGRAM

The Airport Tour program allows for schools and organizations to explore airport facilities and services and experience the daily operations of the airport, its tenants and airlines. During the fiscal year, over 9,360 students toured the A.B. Won Pat International Airport facility and were exposed to the following activities:

- Check-in procedure at airline counter
- Baggage screening at Transportation Security Administration (TSA)
- Passenger departure screening
- K-9 Demonstration
- Ramp control/Airport tower
- Tour of airplane

Great partnership with regulatory agencies and airlines provide a wonderful and awe-inspiring experience for Guam's schoolchildren.

2005 PERFORMANCE

