

I Mina'trentai Siette Na Liheslaturan Guåhan
APPOINTMENTS

DOCUMENT NO.	APPOINTEE	POSITION	AGENCY	APPT. DATE	TERM LENGTH	DATE REFERRED	COMMITTEE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	SESSION DATE	DATE CONFIRMED	NOTES
37GL-23-0354	Francisco G. Santos	Member	Port Authority of Guam Board of Directors	4/5/23	Three (3); July 1, 2022 to June 30, 2025	4/10/23	Committee on Emergency Response, Military and Veteran Affairs, Border Safety and Mayors Council	5/3/23 2:00 p.m.	9/19/23 2:56 p.m.			
						4/19/23	Re-Referred: Maritime Transportation, Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth, and Senior Citizens					



Office of Senator

AMANDA L. SHELTON

Legislative Secretary & Chairwoman

Committee on Maritime and Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Siette Na Liheslaturan Guåhan • 37th Guam Legislature

September 15, 2023

The Honorable Therese M. Terlaje

Speaker

I Mina'trentai Siette na Liheslaturan Guåhan

163 Chalan Santo Papa

Hagåtña, Guam 96910

VIA: The Honorable Chris Barnett *DUB*
Chairperson, Committee on Rules

Subject: Committee Report on the Appointment of Francisco G. Santos

Dear Speaker Terlaje,

Buenas yan Håfa Adai! Transmitted herewith is the Committee Report on the appointment of **Francisco G. Santos** to serve as a Member of the Port Authority of Guam, Board of Directors and which was referred to the Committee on Maritime & Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth, and Senior Citizens.

Committee votes are as follows:

4 TO DO CONFIRM
____ TO NOT CONFIRM
1 TO REPORT OUT ONLY
____ TO ABSTAIN
____ TO PLACE IN INACTIVE FILE



COMMITTEE ON RULES

Received:

September 15, 2023 2:24 p.m.

Kamarin Nelson

Respectfully

Senator Amanda L. Shelton

Chairwoman, Committee on Maritime & Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth, and Senior Citizens





Office of Senator

AMANDA L. SHELTON

Legislative Secretary & Chairwoman

Committee on Maritime and Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Siette Na Liheslaturan Guåhan • 37th Guam Legislature

COMMITTEE REPORT

Nomination of Francisco G. Santos

**As a Member of the Port Authority of Guam, Board of
Directors to serve for a term of Three (3) years; from July
1, 2022, to June 30, 2025**





Office of Senator

AMANDA L. SHELTON

Legislative Secretary & Chairwoman

Committee on Maritime and Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Siette Na Liheslaturan Guåhan • 37th Guam Legislature

September 15, 2023

MEMORANDUM

To: **All Members**
Committee on Maritime & Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth, and Senior Citizens

From: **Senator Amanda L. Shelton**
Chairwoman

Subject: **Committee Report on the Appointment of Francisco G. Santos**

Buenas yan Håfa Adai! Transmitted herewith for your consideration is the Committee Report of **Francisco G. Santos** to serve as a **Member** to the **Board of Directors** of the **Port Authority of Guam**.

This report includes the following:

- Copy of COR Referral of the Appointment
- Copy of the Appointment Letter to the Speaker
- Copy of the Appointment Packet & Support Documents
- Notices of Public Hearing & Other Correspondence
- Copy of the Public Hearing Agenda
- Public Hearing Sign-in Sheet
- Submitted Written Testimonies and Supporting Documents
- Committee Vote Sheet
- Committee Report Digest

Please take the appropriate action on the attached voting sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact my office.

Respectfully

Senator Amanda L. Shelton
Chairwoman





COMMITTEE ON RULES

Senator Chris Barnett, Chairperson

I Mina'trentai Siette Na Liheslaturan Guahan

37th Guam Legislature

April 19, 2023

To: **Joaquin P. Taitague**
Substitute Clerk of the Legislature

Attorney Darleen Hiton
Legislative Legal Counsel

From: **Senator Chris Barnett** 
Chairperson, Committee on Rules

Subject: **Re-Referral of Appointment**

Håfa Adai yan Biba Guahan!

As per my authority as Chairperson of the Committee on Rules and subject to §9.01, Rule IX of our Standing Rules, I am forwarding the re-referral of the following appointment:

Appointee: **Francisco G. Santos**

Position: **Member**

Term Length: **Three (3) Years; July 1, 2022 to June 30, 2025**

Please re-refer the following document:

"Doc. No. 37GL-23-0354 – Office of the Governor – Appointment and Supporting Documents for Francisco G. Santos, Member, Port Authority of Guam Board of Directors."

Ensure the appointment is re-referred to the Committee on Maritime Transportation, Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth, and Senior Citizens chaired by Senator Amanda L. Shelton. I also request that the same be forwarded to Management Information Services (MIS) for posting on our website.

Should you have any questions or concerns, please feel free to contact Kamarin J.A. Nelson, Acting Committee on Rules Director at 671-472-2461.





COMMITTEE ON RULES

Senator Chris Barnett, Chairperson

I Mina'trentai Siette Na Liheslaturan Guahan

37th Guam Legislature

April 10, 2023

To: **Joaquin P. Taitague**
Substitute Clerk of the Legislature

Attorney Darleen Hiton
Legislative Legal Counsel

From: **Senator Chris Barnett** 
Chairperson, Committee on Rules

Subject: **Referral of Appointment**

Håfa Adai yan Biba Guahan!

As per my authority as Chairperson of the Committee on Rules and subject to §9.01, Rule IX of our Standing Rules, I am forwarding the referral of the following appointment:

Appointee: **Francisco G. Santos**

Position: **Member**

Term Length: **Three (3) Years; July 1, 2022 to June 30, 2025**

Please refer the following document:

"Doc. No. 37GL-23-0354 – Office of the Governor – Appointment and Supporting Documents for Luis R. Baza, Member, Port Authority of Guam Board of Directors."

Ensure the appointment is referred to the Committee on Emergency Response, Military and Veteran Affairs, Border Safety and Mayors Council chaired by Senator Dwayne T.D. San Nicolas. I also request that the same be forwarded to Management Information Services (MIS) for posting on our website.

Should you have any questions or concerns, please feel free to contact Kamarin J.A. Nelson, Acting Committee on Rules Director at 671-472-2461.



LOURDES A. LEON GUERRERO
GOVERNOR



JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HĀGAN GUĀHAN
OFFICE OF THE GOVERNOR OF GUAM

April 5, 2023

Honorable Therese M. Terlaje
Speaker

I Mina'trentai Siette Na Liheslaturan Guåhan

37th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96932

37GL-23-0354
OFFICE OF THE SPEAKER
THERESE M. TERLAJE

04 06 2023

Time: 4:28pm
Received: [Signature]

RE: Board Reappointment

Hafa Adai Madame Speaker:

By virtue of the authority vested in me pursuant to the Organic Act of Guam and the applicable local laws, 12 GCA § 10103, I am pleased to transmit the following reappointment and supporting documents for:

APPOINTEE: Francisco G. Santos
POSITION: Member, Board of Director, Port Authority of Guam
TERM LENGTH: Three (3) Years; July 1, 2022, to June 30, 2025

The reappointment is subject to the advice and consent of *I Liheslaturan Guåhan*. Please schedule a hearing at your earliest convenience.

Senseramente,

LOURDES A. LEON GUERRERO
Maga'hāgan Guåhan
Governor of Guam

cc: Honorable Joshua F. Tenorio, Lt. Governor of Guam



37GL-23-0354

Messages and Communications

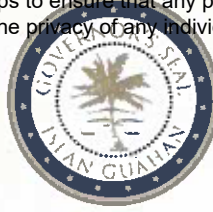
RECEIVED

Committee on Rules

April 6, 2023

5:12 p.m.

Beatrice Cruz



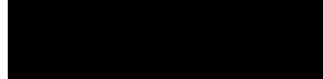
LOURDES A. LEON GUERRERO
GOVERNOR

JOSHUA F. TENORIO
LT. GOVERNOR

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

April 5, 2023

FRANCISCO G. SANTOS



Hafa Adai Mr. Santos:

Pursuant to my authority under the Organic Act of Guam and local law, 12 GCA § 10103, I am reappointing you to serve as a:

MEMBER, BOARD OF DIRECTOR, PORT AUTHORITY OF GUAM
Term Length: Three (3) Years; July 1 2022, to June 30, 2025

Your reappointment is a testament to your commitment to public service and your faithful execution of the great responsibilities that this position requires. I am confident that you will continue to fulfill your duties in a professional manner for others to follow. On behalf of the people of Guam, I extend my gratitude for your continued service in this important role.

As you are aware, this reappointment is subject to the advice and consent of *I Liheslaturan Guåhan*.

Should you have any questions or concerns, please contact Jean Taitano of the Office of the Governor at (671) 473-1121.

Senseramente,

A handwritten signature in blue ink, appearing to read "Lourdes A. Leon Guerrero".

LOURDES A. LEON GUERRERO
Maga'hågan Guåhan
Governor of Guam

cc: *Honorable* Joshua F. Tenorio, Lt. Governor of Guam
Board of Directors, Port Authority of Guam

LOURDES A. LEON GUERRERO
Governor



JOSHUA F. TENORIO
Lieutenant Governor

OFFICE OF THE GOVERNOR OF GUAM Nomination and Appointment Information Sheet

The following information is required for submission to the
Speaker of / Liheslaturan Guåhan in accordance with Title 4, Guam Code Annotated Section 2103

NOMINEE INFORMATION

Last Name Santos	First Name Francisco	Middle Initial G.
Mailing Address [REDACTED]		Apartment/Unit #
City [REDACTED]	State [REDACTED]	Zip Code [REDACTED]
Phone [REDACTED]	E-mail Address [REDACTED]	
Position to which Appointment is Made Member, Board of Directors, Port Authority of Guam		
Are you a citizen of the United States? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
If no, are you authorized to work in the United States? Yes <input type="checkbox"/> No <input type="checkbox"/>		

EDUCATION

SCHOOL (Name, City and State)	DATES OF ATTENDANCE	TYPE OF DEGREE	YEAR EARNED
High School George Washington High School	1951 - 1955		
College			
Graduate School			
Other Degree			2022 - 18166

EMPLOYMENT HISTORY

Name of Present/Last Employer and Mailing Address	Position Title
	Dates Held

Previous Employer and Mailing Address	Position Title
	Dates Held

Previous Employer and Mailing Address	Position Title
	Dates Held

Previous Employer and Mailing Address	Position Title
	Dates Held

Previous Employer and Mailing Address	Position Title
	Dates Held

PRIOR GOVERNMENT OF GUAM SERVICE

Agency or Department Name Port Authority of Guam		Position Title Harbor Master
Address 1026 Cabras Highway, Piti, Guam 96915	Phone No. 671-477-5931	Dates Held 1974-2010

Agency or Department Name		Position Title
Address	Phone No.	Dates Held

PRIOR GOVERNMENT SERVICE (EXCLUDING GOVERNMENT OF GUAM)

Agency or Department Name		Position Title
Address	Phone No.	Dates Held

Agency or Department Name		Position Title
Address	Phone No.	Dates Held

TRAINING

INSTITUTE/SEMINARS/ON-THE-JOB TRAINING	DATE
Ethics in Public Service	1986, 2011, 2014
Hazardous Waste Operation	1990
Quality Circle Management Course	1986
Emergency Planning Course	1985

AWARDS

List all educational, professional, civic awards, and recognition for public service:
Board Resolution for Public Service, Port Authority of Guam Legislative Resolution for Outstanding Service in Government of Guam

PROFESSIONAL INVOLVEMENT

List involvement on a local/national/international level. List organizations, activities participated in, and offices held:
Head Deacon, Iglesia Ni Cristo Chairman, Pilot Advisory Vice Chairman, Maritime Security Member, VFW

COMMUNITY / CIVIC INVOLVEMENT

List organizations, activities participated in, and offices held:

Member, Board of Directors, Guam International Airport Authority, 2012-2013
Member, Board of Directors, Port Authority of Guam, 7/2013-2022

PUBLICATIONS AND PRESENTATIONS

List any published articles, papers delivered at professional meetings, etc.:

MILITARY SERVICE (Please attach Form DD-214)

BRANCH	DATES OF SERVICE	RANK AT DISCHARGE	TYPE OF DISCHARGE
US Navy	1953-1973	E-7	Honorable

OTHER INFORMATION

(1) Have you ever been found guilty of a felony in any court, whether within or without the United States?

Yes ☐

No ☒

If so, please specify in detail: _____

Address of the Court: _____

Date(s) of Conviction: _____

Specific Infraction Committed: _____

(2) Have you ever been declared mentally incompetent by any court, whether within or without the United States?

Yes ☐

No ☒

If so, please specify in detail the reasons and facts related to such declaration:

(3) Have you ever been found not guilty or not punishable in any criminal proceedings by reason of insanity?

Yes ☐

No ☒

(4) Have you ever been confined to a mental institution for any reason?

Yes ☐

No ☒

If so, please specify in why the appointing authority believes you that you are not suffering from any mental illness or affliction:

LOURDES A. LEON GUERRERO
Governor



JOSHUA F. TENORIO
Lieutenant Governor

OFFICE OF THE GOVERNOR OF GUAM

Statement of Financial Interests

(Required by 4 G.C.A. §13104.1)

TO: The Honorable Lourdes A. Leon Guerrero
Governor of Guam
Ricardo J. Bordallo Governor's Complex
Adelup, Guam 96910

FROM: Francisco G. Santos

- ☒ I have no financial interest in any business
- ☐ I do have interest(s) in the following business(es):

NAME AND ADDRESS OF BUSINESS INTEREST	TYPE AND AMOUNT OF INTEREST

Signature

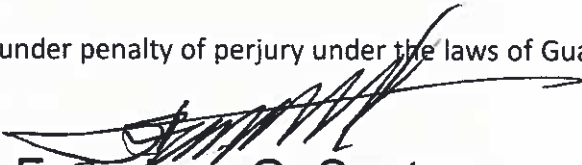
12-20-22

Date

AFFIDAVIT / DECLARATION UNDER PENALTY OF PERJURY

I, the undersigned, do hereby depose and say that: (1) I have read and reviewed the information contained in the attached Appointment/Nomination letter from the Governor of Guam; (2) that the matters contained in the Appointment/Nomination letter, together with all attachments thereto, are true and correct and that I am competent to testify to said matters; and (3) that this Declaration is made for the purpose of complying with the requirements of 4 G.C.A. Section 2103.5.

I declare under penalty of perjury under the laws of Guam (4 G.C.A. Section 4308) that the foregoing is true and correct.


Francisco G. Santos

Print Name and Signature

12-20-22
Date



Note that the Legislature has taken steps to ensure that any protected personal identifying information has been redacted or excluded in whole or in part in order to protect the privacy of any individual(s) whose information has been included as part of this transmittal.

Government of Guam



**GUAM POLICE DEPARTMENT
RECORDS & IDENTIFICATION SECTION**

P.O. Box 23909
Guam Main Facility, Guam 96921



December 20, 2022

SUBJECT: CRIMINAL HISTORY RECORD

NAME:	Francisco Guzman SANTOS		
DATE OF BIRTH:		FINGERPRINT#:	NONE
	The individual has no record of criminal conviction(s) in the Guam Police Department files that are subject to Guam law.		

*****NOTHING FOLLOWS*****

THIS INFORMATION MAY BE LIMITED TO A LOCAL CRIMINAL OFFENSE ONLY AND IS NOT INTENDED FOR USE FOR ANY LOCAL, STATE, OR FEDERAL LAW ENFORCEMENT AGENCY.

km

By Direction: km

km
For: **STEPHEN C. IGNACIO**
Chief of Police

The absence of an original GUAM POLICE
seal invalidates this police clearance.
REVISED 04/26/19



SUPERIOR COURT OF GUAM

Guam Judicial Center | 120 West O'Brien Drive | Hagåtña, Guam 96910 | (671) 475-3370 | Fax: (671) 475-0078

Name: FRANCISCO G SANTOS

Driver's License ID #



DOB:



CERTIFICATE OF SEARCH

The undersigned Clerk hereby certifies the following results of a diligent search of the records of this Court:

Criminal Cases:
No Cases Found

Civil Cases:

Request for further information may be addressed at the Records Division of the Superior Court of Guam, Guam Judicial Center, 120 West O'Brien Drive, Hagåtña, Guam. Hours of operation are Monday - Friday, 9:00 a.m. to 4:00 p.m. Closed Saturdays, Sundays and local/federal holidays. **Court Clearances are Non-Refundable.**

Dated: 12/20/2022

Danielle T. Rosete
Clerk of Court

By: _____

Deputy Clerk II

Prepared by: John Diego



The absence of an
Original Court Seal
Invalidates this
document. 2942



Office of Senator Shelton Guam Legislature <officeofsenatorshelton@guamlegislature.org>

First Notice of Public Hearing – Wednesday, May 3, 2023, beginning at 2:00 p.m.

2 messages

Office of Senator Amanda L. Shelton <officeofsenatorshelton@guamlegislature.org>

Wed, Apr 26, 2023 at 8:00 AM

To: "Speaker Therese M. Terlaje" <senatorterlajegum@gmail.com>, Vice Speaker Tina Rose Muña Barnes <senatormunabarnes@guamlegislature.org>, Senator Darrel Christopher Barnett <malafunkshun@guamlegislature.org>, "Senator Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, Senator Sabina Flores Perez <office@senatorperez.org>, Senator Roy Quinata <officeofsenatorquinata@guamlegislature.org>, Senator Will Parkinson <senatorparkinson@guamlegislature.org>, Senator Dwayne San Nicolas <senatorsannicolas@guamlegislature.org>, "Senator Telo T. Taitague" <senatortelot@gmail.com>, "Senator Christopher M. Dueñas" <senatorchrisduenas@gmail.com>, Senator Thomas Fisher <senatorfisher@guamlegislature.org>, "Senator Joanne M. Brown" <office@senatorjoannebrown.com>

Cc: phnotice@guamlegislature.org, sgtarms <sgtarms@guamlegislature.org>, Audio / Video <av@guamlegislature.org>, Valerie Sablan <valerie.sablan@visitguam.org>, rjrespicio@portofguam.com, dgmuna@portofguam.com, Esther Muna <esther.muna@guamcc.edu>, Amanda O'Brien <amanda.obrien@guamairport.net>

April 26, 2023

MEMORANDUM**To: All Senators, Stakeholders, Media****From: Senator Amanda L. Shelton**

Chairwoman, Committee on Maritime & Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens

Subject: First Notice of Public Hearing – Wednesday, May 3, 2023, beginning at 2:00 p.m.

Buenas yan Håfa adai! Please be advised that the Committee on Maritime & Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens ("Committee") will convene a Public Hearing on **Wednesday, May 3, 2023, beginning at 2:00 p.m. in the Public Hearing Room, Guam Congress Building** on the following:

Confirmation Hearing

- Appointment of Luis R. Baza to serve as a Member of the Port Authority of Guam, Board of Directors
- Appointment of Francisco G. Santos to serve as a Member of the Port Authority of Guam, Board of Directors
- Appointment of Yolanda M. Padrones to serve as a Member of the Guam Community College, Board of Trustees
- Appointment of Donald I. Weakley, Sr. to serve as a Member of the A.B. Won Pat Guam International Airport Authority, Board of Directors

Roundtable Hearing - Guam Visitors Bureau

- Reconciliation of GVB enabling act and by-laws
 - Agency findings & recommendations for amendments

◦ Stakeholder review & recommendations for amendments

Watch Live

The Public Hearing will broadcast on local television, GTA Channel 21, Docomo Channel 117 and stream online via *I Liheslaturan Guåhan*'s live feed. A recording of the hearings will be available online via Guam Legislature Media on YouTube after the hearing.

How to Participate

Individuals wishing to participate in the Public Hearing to provide testimony may contact the Office of Senator Amanda L. Shelton at (671) 969-2574/989-2572 or via email at officeofsenatorshelton@guamlegislature.org no later than May 2, 2023, for further guidance.

If written testimonies are to be presented at the Public Hearing, the Committee requests that copies be submitted prior to the hearing date and should be addressed to Senator Amanda L. Shelton, Chairwoman of the Committee. Testimonies may be submitted via drop-box or email to the Office of Senator Amanda L. Shelton at the aforementioned addresses.

Special Accommodations

Individuals requiring special accommodations, auxiliary aids, or services may contact and submit their request to Mr. Jay Milan at the Office of Senator Amanda L. Shelton at 163 Chalan Santo Papa, *Hagåtña*, Guam 96910, by phone at (671) 969-2574/989-2572 or via email at officeofsenatorshelton@guamlegislature.org.

We look forward to your attendance and participation.

Si Yu'os Ma'åse'.



Office of the People • Senator Amanda L. Shelton

Legislative Secretary & Chairwoman, Committee on Maritime Transportation, Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth, and Senior Citizens

37th Guam Legislature

163 Chalan Santo Papa, *Hagåtña*, Guam 96910

T +1 (671) 969-2574 • (671) 989-2572

E officeofsenatorshelton@guamlegislature.org



1st Notice of Public Hearing on 5.3.23.docx.pdf

361K

Ed Pocaigue <sgtarms@guamlegislature.org>

Wed, Apr 26, 2023 at 8:09 AM

To: "Office of Senator Amanda L. Shelton" <officeofsenatorshelton@guamlegislature.org>

Hafa Adai=)

Noted and Posted on Calendar.

[Quoted text hidden]

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Si Yu'os Ma'åse'

Edward S. Pocaigue, Jr.
Sergeant at Arms

37th Guam Legislature
I Mina'trentai Siette na Liheslaturan Guåhan

Tel: (671) 969-3514

Email: sgtarms@guamlegislature.org

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First Notice of Public Hearing – Wednesday, May 3, 2023, beginning at 2:00 p.m.

 PRINT

**First Notice of Public Hearing – Wednesday,
May 3, 2023, beginning at 2:00 p.m.**

PUBLIC HEARING



 **Posted on:** 04/26/2023 09:06 AM

 **Posted by:** Jay Milan

 **Department(s):**
GUAM LEGISLATURE (/notices?department_id=92)

 **Division(s):** (/notices?division_id=)

 **Notice Topic(s):** PUBLIC HEARING (/notices?topic_id=74)

 **Types of Notice:** PUBLIC HEARING (/notices?type_id=7)

 **For Audience(s):** PUBLIC (/notices?public=1)

 **Share this notice**

April 26, 2023

MEMORANDUM

To: All Senators, Stakeholders, Media

From: Senator Amanda L. Shelton

Chairwoman, Committee on Maritime & Air
Transportation, Parks, Tourism, Higher
Education, and the Advancement of Women,
Youth and Senior Citizens

**Subject: First Notice of Public Hearing – Wednesday, May 3, 2023,
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•

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Appointment of Yolanda M. Padrones to serve as
a Member of the Guam Community College, Board of Trustees

•

Appointment of Donald I. Weakley, Sr. to serve
as a Member of the A.B. Won Pat Guam International Airport
Authority, Board of Directors

Roundtable Hearing - Guam Visitors Bureau

-

Reconciliation of GVB enabling act and by-laws

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Agency findings &
recommendations for amendments

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Stakeholder review &
recommendations for amendments

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Chairman of the Committee. Testimonies may be submitted via drop-box or email to the Office of Senator Amanda L. Shelton at the aforementioned addresses.

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We look forward to your attendance and participation. *Si Yu'os Ma'åse'!*



962 Pale San Vitores Road #116
Tumon, Guam 96913
Tel: 671-477-5700 Fax: 671-477-3982
www.sorensenmediagroup.com

AGREEMENT

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> KZGZ-fm Power 98 | <input type="checkbox"/> KTGM - ABC 7 |
| <input checked="" type="checkbox"/> KGUM-am Newstalk K-57 | <input type="checkbox"/> KEQI - Fox 6 |
| <input type="checkbox"/> KGUM-fm The Kat 105.1 | <input type="checkbox"/> KPPI - ABC 7 |
| <input type="checkbox"/> KPXP-fm Power 99 | <input type="checkbox"/> Social Media |
| <input type="checkbox"/> KZGU-fm The Shark | <input type="checkbox"/> Other |

CLIENT Mike of Senator Amanda Stone

AGENCY _____

SPECIAL INSTRUCTIONS

VT CONTRACT#

START DATE 7/26/23

END DATE 4/20/23

ORDER NO./CART NO. _____

LIVE TAG ☐LIVE ☐[illegible]

JAN _____ FEB _____ MAR _____ APR _____ \$80.
MAY _____ JUN _____ JUL _____ AUG _____
SEP _____ OCT _____ NOV _____ DEC _____

GROSS

LESS AGENCY

NET

PRODUCTION CHARGE(S)

TALENT FEE(S)

TOTAL AMOUNT

OF CONTRACT

BOTH PARTIES AGREE TO THE TERMS STATED
ABOVE AND THE CONDITIONS ON THE BACK.

TO BE SUBMITTED FOR APPROVAL.

BY:

ACCOUNT EXECUTIVE

ADVERTISER/AGENCY _____ DATE _____

PRINTED:

BUSINESS LOCATION 62 Chatham Street, Puna

MAILING ADDRESS same as above

CITY Hawthorne Ala

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Office of Senator Shelton Guam Legislature <officeofsenatorshelton@guamlegislature.org>

Second Notice of Public Hearing – Wednesday, May 3, 2023, beginning at 2:00 p.m.

1 message

Office of Senator Amanda L. Shelton <officeofsenatorshelton@guamlegislature.org>

Mon, May 1, 2023 at
10:17 AM

To: "Speaker Therese M. Terlaje" <senatorterlajegum@gmail.com>, Vice Speaker Tina Rose Muña Barnes <senatormunabarnes@guamlegislature.org>, Senator Darrel Christopher Barnett <malafunkshun@guamlegislature.org>, "Senator Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, Senator Sabina Flores Perez <office@senatorperez.org>, Senator Roy Quinata <officeofsenatorquinata@guamlegislature.org>, Senator Will Parkinson <senatorparkinson@guamlegislature.org>, Senator Dwayne San Nicolas <sensorsannicolas@guamlegislature.org>, "Senator Telo T. Taitague" <senatortelot@gmail.com>, "Senator Christopher M. Dueñas" <senatorchrisduenas@gmail.com>, Senator Thomas Fisher <senatorfisher@guamlegislature.org>, "Senator Joanne M. Brown" <office@senatorjoannebrown.com>

Cc: phnotice@guamlegislature.org, sgtarms <sgtarms@guamlegislature.org>, Audio / Video <av@guamlegislature.org>, Valerie Sablan <valerie.sablan@visitguam.org>, rjrespicio@portofguam.com, dgmuna@portofguam.com, Esther Muna <esther.muna@guamcc.edu>, Amanda O'Brien <amanda.obrien@guamairport.net>

Bcc: george.chiu@visitguam.org, Carl Gutierrez <carl.gutierrez@visitguam.org>, David Tydingco

<david@valleyofthelatte.com>, Mary Rhodes <president@ghra.org>, [REDACTED]
<[REDACTED]>, [REDACTED] <[REDACTED]>, "ypadrones@triplejguam.com"
<ypadrones@triplejguam.com>, [REDACTED] <[REDACTED]>, [REDACTED]

May 1, 2023

MEMORANDUM

To: All Senators, Stakeholders, Media

From: **Senator Amanda L. Shelton**
Chairwoman, Committee on Maritime & Air Transportation, Parks, Tourism,
Higher Education, and the Advancement of Women, Youth and Senior
Citizens

Subject: Second Notice of Public Hearing – Wednesday, May 3, 2023, beginning at 2:00 p.m.

Buenas yan Håfa adai! Please be advised that the Committee on Maritime & Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens (“Committee”) will convene a Public Hearing on **Wednesday, May 3, 2023, beginning at 2:00 p.m in the Public Hearing Room, Guam Congress Building** on the following:

Confirmation Hearing

- Appointment of Luis R. Baza to serve as a Member of the Port Authority of Guam, Board of Directors
- Appointment of Francisco G. Santos to serve as a Member of the Port Authority of Guam, Board of Directors
- Appointment of Yolanda M. Padrones to serve as a Member of the Guam Community College, Board of Trustees
- Appointment of Donald I. Weakley, Sr. to serve as a Member of the A.B. Won Pat Guam International Airport Authority, Board of Directors

Roundtable Hearing - Guam Visitors Bureau

- Reconciliation of GVB enabling act and by-laws
 - Agency findings & recommendations for amendments
 - Stakeholder review & recommendations for amendments

Watch Live

The Public Hearing will broadcast on local television, GTA Channel 21, Docomo Channel 117 and stream online via *I Liheslaturan Guåhan*'s live feed. A recording of the hearings will be available online via Guam Legislature Media on YouTube after the hearing.

How to Participate

Individuals wishing to participate in the Public Hearing to provide testimony may contact the Office of Senator Amanda L. Shelton at (671) 969-2574/989-2572 or via email at officeofsenatorshelton@guamlegislature.org no later than May 2, 2023, for further guidance.

If written testimonies are to be presented at the Public Hearing, the Committee requests that copies be submitted prior to the hearing date and should be addressed to Senator Amanda L. Shelton, Chairwoman of the Committee. Testimonies may be submitted via drop-box or email to the Office of Senator Amanda L. Shelton at the aforementioned addresses.

Special Accommodations

Individuals requiring special accommodations, auxiliary aids, or services may contact and submit their request to Mr. Jay Milan at the Office of Senator Amanda L. Shelton at 163 Chalan Santo Papa, *Hagåtña*, Guam 96910, by phone at (671) 969-2574/989-2572 or via email at officeofsenatorshelton@guamlegislature.org.

We look forward to your attendance and participation

Si Yu'os Ma'åse'.



Office of the People • Senator Amanda L. Shelton

Legislative Secretary & Chairwoman, Committee on Maritime Transportation, Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth, and Senior Citizens

37th Guam Legislature

163 Chalan Santo Papa, *Hagåtña*, Guam 96910

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Second Notice of Public Hearing – Wednesday, May 3, 2023, beginning at 2:00 p.m.

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Second Notice of Public Hearing – Wednesday, May 3, 2023, beginning at 2:00 p.m.

PUBLIC HEARING



 **Posted on:** 05/01/2023 10:17 AM


 **Posted by:** Jay Milan

 **Public Hearing Date:** 05/03/2023 02:00 PM

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 **Division(s):**
OFFICE OF SENATOR AMANDA SHELTON (/notices?division_id=279)

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May 1, 2023

MEMORANDUM

To: All Senators, Stakeholders, Media

From: Senator Amanda L. Shelton

Chairwoman, Committee on Maritime & Air
Transportation, Parks, Tourism, Higher
Education, and the Advancement of Women,
Youth and Senior Citizens

**Subject: Second Notice of Public Hearing - Wednesday, May 3,
2023, beginning at 2:00 p.m.**

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Confirmation Hearing

•

Appointment of Luis R. Baza to serve as a
Member of the Port Authority of Guam, Board of Directors

•

Appointment of Francisco G. Santos to serve as a
Member of the Port Authority of Guam, Board of Directors

•

Appointment of Yolanda M. Padrones to serve as
a Member of the Guam Community College, Board of Trustees

•

Appointment of Donald I. Weakley, Sr. to serve
as a Member of the A.B. Won Pat Guam International Airport
Authority, Board of Directors

Roundtable Hearing - Guam Visitors Bureau

-

Reconciliation of GVB enabling act and by-laws

-

Agency findings &
recommendations for amendments

-

Stakeholder review &
recommendations for amendments

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We look forward to your attendance and participation. *Si Yu'os Ma'åse'!*



Office of Senator
AMANDA L. SHELTON
Legislative Secretary & Chairwoman

Committee on Maritime and Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens
1 Minatrentai Sietre Na Liheslaturan Guåhan • 37th Guam Legislature

SECOND NOTICE OF PUBLIC HEARING

May 3, 2023, at 2:00 p.m. • Guam Legislature Public Hearing Room

Buenas yan Háfa adai! Please be advised that the Committee on Maritime & Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens ("Committee") will convene a Roundtable Hearing on **Wednesday, May 3, 2023, beginning at 2:00 p.m.** in the Public Hearing Room, Guam Congress Building on the following:

2:00 P.M. – Confirmation Hearing

- Appointment of the Luis R. Baza to serve as Member of the Port Authority of Guam, Board of Directors
- Appointment of the Francisco G. Santos to serve as Member of the Port Authority of Guam, Board of Directors
- Appointment of the Yolanda M. Padrones to serve as Member of the Guam Community College, Board of Trustees
- Appointment of the Donald I. Weakley, Sr. to serve as Member of the A.B. Won Pat Guam International Airport Authority, Board of Directors

Roundtable Hearing - Guam Visitors Bureau

- Reconciliation of GVB enabling act and by-laws
 - Agency findings & recommendations for amendments
 - Stakeholder review & recommendations for amendments

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We look forward to your attendance and participation. *Si Yu'os Ma'dse'!*

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Smooths and finishes surfaces of poured concrete floors, walls, sidewalks, or curbs to specified textures. Spreads concrete, levels, smooths and shapes surfaces of freshly poured concrete.
- 05 – ELECTRICIAN WITH 2 YEARS EXP. \$18.41/HR.
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- 05 – HEAVY EQUIPMENT MECHANIC WITH 1 YEAR EXP. \$19.60/HR.
Analyzes, repairs, rebuilds and maintains heavy equipment, such as cranes, power shovels, scrapers, bulldozers, dredges, pumps, compressors and pneumatic tools.
- 10 – HEAVY EQUIPMENT OPERATOR WITH 1 YEAR EXP. \$18.06/HR.
Operates several types of power construction equipment, such as compressors, truck crane, excavator, backhoe,

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Job Summary: Plans, des
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and fiber network infrastru
also includes installation,
removal of outside plant
network infrastructure



Office of Senator

AMANDA L. SHELTON

Legislative Secretary & Chairwoman

Committee on Maritime and Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Siette Na Liheslaturan Guåhan • 37th Guam Legislature

AGENDA

Public Hearing • May 3, 2023 at 2:00 p.m.

Public Hearing Room, Guam Congress Building

I. Call to Order

II. Opening Remarks/Housekeeping

III. Confirmation Hearing

- a. Appointment of Luis R. Baza to serve as a Member of the Port Authority of Guam, Board of Directors
- b. Appointment of Francisco G. Santos to serve as a Member of the Port Authority of Guam, Board of Directors
- c. Appointment of Yolanda M. Padrones to serve as a Member of the Guam Community College, Board of Trustees
- d. Appointment of Donald I. Weakley, Sr. to serve as a Member of the A.B. Won Pat Guam International Airport Authority, Board of Directors

IV. Roundtable Hearing - Guam Visitors Bureau

- a. Reconciliation of GVB enabling act and by-laws
 - i. Agency findings & recommendations for amendments
 - ii. Stakeholder review & recommendations for amendments

V. Closing Remarks/Announcements

VI. Adjournment





Office of Senator
AMANDA L. SHELTON
Legislative Secretary & Chairwoman

Committee on Maritime and Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens
I Mina'trenai Siete Na Liheslaturan Guåhan • 37th Guam Legislature

PUBLIC HEARING

Appointment of Mr. Francisco G. Santos to serve as a Member
of the Port Authority of Guam, Board of Directors
Wednesday, May 3, 2023 2:00 p.m.

SIGN-IN SHEET

NAME	POSITION	AGENCY OR ORGANIZATION (IF ANY)	Please indicate with ✓				Contact Number	Email Address
			Written	Oral	Support	Oppose		
FRANCISCO SANTOS	PAG Board	PAG	✓	✓				
Romy Espino	GM	PMT	X		X			
Dorothy Harris	PAG Board		X	X	X			



PORT OF GUAM

ATURIDAT I PUETTON GUAHAN

Jose D. Leon Guerrero Commercial Port

1026 Cabras Highway, Suite 201, Piti, Guam 96925

Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445

Website: www.portguam.com



Lourdes A. Leon Guerrero
Governor of Guam

Joshua F. Tenorio
Lieutenant Governor

May 1, 2023

The Honorable Amanda L. Shelton

Legislative Secretary

Chairperson for Committee on Maritime Transportation, Air Transportation,
Parks, Tourism, Higher Education & the Advancement of Women, Youth and
Senior Citizens

37th Guam Legislature

Guam Congress Building

163 Chalan Santo Papa

Hagatna, Guam 96910

Subject: Testimony in support of the confirmation of Messrs. Francisco G. Santos and
Luis R. Baza to serve as Port Authority of Guam Board of Directors

Buenas yan Hafa Adai!

Chairwoman Shelton, and members of the Legislative Committee on Maritime Transportation, Air Transportation, Parks, Tourism, Higher Education & the Advancement of Women, Youth and Senior Citizens.

My name is Dorothy Harris, and I serve as the Vice-Chair of the Port Authority of Guam Board of Directors. I am here to support the appointments of Mr. Francisco Santos, and Mr. Louis Baza to the PAG Board of Directors.

Mr. Santos has served both our country and island community for over 56 years, having retired from the United States Navy, and the Port as our former Harbor Master. Mr. Santos is the keystone of the Port, in that because of extensive experience, and his contributions in his prior capacity as Chairman of PAG's Board for 10 years, he has held us in place with his sound counsel and expertise.

And, if I speak candidly, we miss his presence, and look forward to having him join us soon.

I also lend my wholehearted support for the nomination of Mr. Baza. Throughout his 49 years serving as a Government of Guam and public sector employee, and most recently as the Port's former Deputy General Manager of Administration & Finance, he has served with excellence. Prior to his retirement from government service, he was most deservedly awarded the distinction of Honorary Doctor of Laws by the University of Guam.

Thank you, Madame Chair, and committee members, for the opportunity to provide my support for these two outstanding nominees to the PAG Board.

En Benidisi todos hamyu.

Dorothy Perez Harris
Vice Chairperson



PORT OF GUAM

ATURIDAT / PUETTON GUAHAN

Jose D. Leon Guerrero Commercial Port

1026 Cabras Highway, Suite 201, Piti, Guam 96925

Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445

Website: www.portguam.com



Lourdes A. Leon Guerrero
Governor of Guam

Joshua F. Tenorio
Lieutenant Governor

May 2, 2023

The Honorable Amanda L. Shelton
Legislative Secretary
Chairperson for Committee on Maritime Transportation,
Air Transportation, Parks, Tourism, Higher Education
and the Advancement of Women, Youth, and Senior Citizens
37th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagatna, Guam 96910

Subject: Testimony in support of the confirmation of Messrs. Francisco G. Santos and Dr. Luis R. Baza to serve as members of the Board of Directors for the Jose D. Leon Guerrero Commercial Port

Dear Madam Chairperson Shelton:

Hafa Adai! My name is Rory J. Respicio, and I am the General Manager for the Jose D. Leon Guerrero Commercial Port. Thank you for the opportunity to provide testimony today on the confirmation hearing for Mr. Francisco G. Santos and Dr. Luis R. Baza.

I am providing this testimony in favor of the confirmation of Mr. Santos and Dr. Baza to serve on the Jose D. Leon Guerrero Commercial Port's Board of Directors.

Please first allow us to thank Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio for this appointment, express our appreciation to them, and thank Mr. Santos and Dr. Baza for their willingness to serve on the Port Board.

Chairman Francisco G. Santos

Mr. Santos served as the Port's Chairman from 2013 until his term expired in June 2022. He is well known at the federal level, and their respect for Mr. Santos reveals the type of solid leadership he provides to the Port. He brings a tremendous amount of institutional knowledge of the Port and a keen understanding of the right Board policies necessary to take care of the Port's employees' work environment without compromising workplace safety and containing operational expenses.

During the last three years working closely with Mr. Santos, we can credit him through his guidance the following accomplishments we were able to achieve under his leadership:

1. a signed union contract for the Operations and Maintenance employees;
2. revising business strategies and implementing plans to contain operational costs and increase Port revenues;
3. improved relationships with Port stakeholders—both local and federal agencies, private companies, and Port employees;
4. resolving real estate issues that lingered for several years;
5. acquired full procurement delegation from the Chief Procurement Officer of the General Services Agency— this was a huge accomplishment that the Port lost in 2006;
6. approving a 2018 mid-year budget that addressed potential events or directives which influenced the Port's finances without increasing the original budget allocations the Board approved;
7. approved the establishment of an in-house staff attorney, which provided substantial savings to the Port;
8. resolving ongoing civil and employee appeal litigations, including court decisions;
9. averting the cancellation of the Port's insurance coverage;
10. submitting the environmental assessments required by MARAD on Hotel Wharf to ensure the TIGER grant is in place;
11. pursuing amendments to Public Law 34-70 to shift the Port modernization program projects to fund essential projects which would protect the Port's generating revenue facilities;
12. provided an updated master plan to reflect the new military build-up developments; and
13. approving several procurement packages for revenue bond projects, e.g., water line replacement, rehabilitation of EQMR building, fuel connectivity line, and implementation of the Port's financial system.

Our most important achievement under his leadership was establishing mutual trust and understanding with its customers, federal and local stakeholders, and employees. During the first six months of 2019, we were informed by our customers and employees that communication has improved, productivity has increased, and participative discussions on decisions affecting the Port and its users are being held regularly. The environment at the Port has been described as employees now smiling, and hallways in the buildings are brighter because there is hope.

Dr. Luis R. Baza

Dr. Baza, prior to his retirement with the Government of Guam in December 2022, was the Port's Deputy General Manager for Administration & Finance. He was responsible for the overall day-to-day activities of Port's Finance, Human Resources, Information Technology, Commercial, Procurement and General Administration divisions. He has over 39 years of experience in the public and private sectors, specializing in human resources management.

During Dr. Baza's employment with the Port, he fulfilled the goals and objectives that the Board and I had provided to him as follows:

1. Revenue bond projects: Worked closely with staff and the Port's oversight Legislative Chair to remove funding caps associated with the Port revenue bonds. As a result, the Port successfully awarded three procurement solicitations for the revenue bond projects.
2. Procurement: Through his close working relationship with the Chief Procurement Officer, the Port was granted the full delegation of procurement authority. He worked with the Procurement and Supply staff and Port staff attorney, issuing more procurement solicitations than in the prior five years.
3. Finances:
 - a. Oracle Enterprise 1 Migration Phase: Worked closely with the Port and Oracle Project Team to upgrade the Port's JDE World Management Financial Management System to a more robust and technological system. The system will improve reporting capabilities and streamline a process that reduces non-value activity.
 - b. Office of Public Auditor: Worked closely with the staff of OPA financial audits resulting in the Port achieving low-risk auditee status and clean opinion on its financial statements and compliance over major federal programs.
 - c. Port's Credit Rating: Moody's Investors Service's issuance of the Port's credit rating was based on its stable revenue profile; the port's financial profile remaining solid with stable operating revenue supporting and sound levels of debt service coverage and liquidity; and the debt service coverage was solid.

- d. Port's Fiscal Year Budgets: He worked closely with the Finance Division to prepare the annual budgets and used a bottom-up, zero-based budgeting approach focused on financial accountability and sensible spending targets and identified cost savings alternatives.

4. Human Resources:

- a. Litigation: Through his guidance and closely working with Legal Counsel, the Port resolved all pending employee appeals—which were before the Port for over eight years.
- b. Training: After years of non-compliance and through his guidance to Human Resources staff, the Port could reinstate the certification training for employees to comply with federal and local mandates and re-implemented the on-the-job training for crane operators. He also conducted in-house training for basic supervisory, procurement processes, and progressive disciplinary action, which received positive feedback from employees.
- c. Workers' Compensation Program & Light Duty Accommodations: When we first came on board, we inherited over 20 employees on the extended absence or light duty status accommodations, supposedly due to work-related injuries. Based on his extensive review of each case with HR staff, the Port could place employees in positions they qualify for and assist them through the medical retirement program.
- d. The employment Practical Test was reinstated, which allowed the Port to evaluate the practical competence of the applicants.

5. Real Estate: Dr. Baza worked closely with Port Legal Counsel and the Commercial staff to:

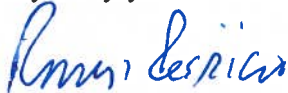
- a. Standardizing terms for lease agreements from month-to-month to annual.
- b. Renewing lease options for our major petroleum tenants after 11 years of operating under expired lease options.
- c. Successfully negotiated the management and operation of the F-1 fuel pier; and
- d. Established written procedures on the import/export of commercial cargo at the Gregorio D. Perez Marina.

The leadership these two gentlemen provided to management and employees are reflected in the results of the Port's Climate Survey issued in 2021 and 2022. The results showed high employee morale, job satisfaction, and management support. Moreover, this survey showed 98% of our employees have a positive work experience at the Port. The overwhelming numbers reflected the Port's organizational culture and our high productivity levels, matching our high morale.

Under the leadership of Mr. Santos and our Board of Directors and through Dr. Baza's guidance to all divisions, the Port has done so much in the last couple of years. We made strides in nearly all aspects of its operations—from facility improvements, upgraded financial management system, enhanced container yard operations, strengthened relationships with federal and local partners, employee training opportunities, and a surge of employee morale.

Your favorable consideration and vote of confidence for Messrs. Santos and Baza will be a valuable addition to the Port Strong Family. *Si Yu'os Ma'ase!*

Very truly yours,



Rory J. Respicio
General Manager

Testimony Submitted by Francisco G. Santos, Chairman
Jose D. Leon Guerrero Commercial Port's Board of Directors

Submitted to the Honorable Senator Amanda Shelton, Chairperson, Committee on
Maritime Transportation, Air Transportation, Parks, Tourism, Higher Education
and the Advancement of Women, Youth, and Senior Citizens
Thirty-Seventh Guam Legislature

May 3, 2023

Hafa Adai! I am Francisco G. Santos. I would first like to start off my testimony, extending my appreciation to Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio for placing this confidence in me to continue to serve on the PAG Board, and to express my sincerest appreciation to you Chairperson Shelton for this confirmation hearing.

Madam Chair and members of this legislative committee, I am hoping that you and all the other senators confirm my nomination to the PAG Board, which will allow me to continue to serve as a public servant for the people of Guam.

To give you a brief professional background of myself—I have served the United States armed forces honorably for 20 years and retired with the U.S. Navy as a Chief Boatswains Mate.

After my military retirement, I was employed with the Commercial Port in 1974 and retired as the Port's Harbor Master after 36 years in 2010. During my employment with the Port, I held positions in an acting capacity as Operations Manager, Assistant General Manager and General Manager. I also served as the Chairperson for the Pilot Review Board and Co-Chairperson for the Area Maritime Security Committee and worked closely with the federal and local law enforcement agencies.

I have spent nearly 40 years at the Port, and could tell you first hand that there have been many positive improvements throughout the years, and even more so there have been positive changes happening under this administration with our management. They hit the ground running and brought to the Board for their approval different ideas and approaches to doing things. They achieved almost 98 percent of the recommendations outlined in the Leon Guerrero-Tenorio transition report.

During my tenure serving on the Port Board, the trust and confidence in the management team, and, together with my fellow board members, are shown through the results of the Climate Survey for the past two years. This results reflect the Port is strong. The employee morale is high, very high. Our Port employees are happy, and they are very productive. I do talk to our Port employees, and they tell me that the management team is thoughtful, decisive and allows them to give input. Our Port employees feel like they are really part of the Port. I also talk to the shippers, tenants and Port users, and the feedback is all the same in that they are being serviced with good customer service.

There continues to be an atmosphere of cooperation, consensus building and problem solving. I truly believe that it also takes a Board to provide the necessary checks and balances, and that we continue to assert ourselves when it comes to policy. We, as a Board, sets the necessary policies to help our management meet those objectives.

I really want to continue to serve and lend my experiences, knowledge of the maritime industry, and expertise to move the Port forward. I believe that we now have the right elements in place – we have a very smart management team that works very hard, does not shy away from what needs to be done, and the accomplishments they have done over the past 4 years are all exceptional.

These achievements showed the dedication and commitment this team has in making sure the Port succeeds, and I'm very happy to drive these issues from the Board level. We told the management team that the Port is challenged with pressing issues that if left unhandled could have repercussion impact on the Port, yet they, through their leadership meticulously provided solutions which were beneficial not only for the Port, but the people of Guam and our brothers and sisters of the Micronesian Region.

More work needs to be done. The PAG Board has tasked the management team to keep their sleeves rolled up and were given performance objectives for them to achieve that is:

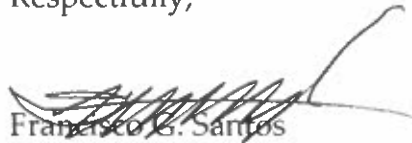
- Present for approval the update the port's master plan to reflect the new military build- up developments;
- Continue to prepare and issue procurement packages for revenue bond projects;
- Procure for gantry crane replacement;

- Address real estate issues, such as, fuel facility, recycling zone enterprise, and Micronesian ship development, and other leases which the recent Supreme court decision has an impact on; and
- Reviewing Port finances, staffing and equipment assessment to ensure the Port's mission statement in providing full service to ocean vessels in support of loading and unloading cargo for Guam and Micronesian are met.

Some of these objectives would need the assistance of the Legislature and Governor to fulfill, so I hope to once again serve on this Board. I am proud to be part of the Port Strong Family and humbly asking for your favor in confirming me as a public servant to this Board.

Thank you for the opportunity to provide testimony and humbly ask for approval of my nomination to the Jose D. Leon Guerrero Commercial Port's Board of Directors. *Si Yu'os Ma'ase.*

Respectfully,



Francisco G. Santos



Office of Senator

AMANDA L. SHELTON


Legislative Secretary & Chairwoman

Committee on Maritime and Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Siette Na Liheslaturan Guåhan • 37th Guam Legislature

COMMITTEE VOTE SHEET

Nomination of Francisco G. Santos to serve as a Member of the Board of Directors of the Port Authority of Guam to serve for a term of Three (3) years; from July 1, 2022, to June 30, 2025

	SIGNATURE	TO DO CONFIRM	TO NOT CONFIRM	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
Senator Amanda L. Shelton Chairperson		✓				
Senator Jesse A. Lujan Vice Chairperson						
Speaker Therese M. Terlaje Member						
Senator Joe S. San Agustin Member	9/14/23 E-Vote	✓				
Senator Roy A.B. Quinata Member	9/13/23 E-Vote	✓				
Senator William A. Parkinson Member						
Senator Dwayne San Nicolas Member	9/13/23 E-Vote	✓				
Senator Christopher M. Dueñas Member	9/14/23 E-Vote			✓		
Senator Telo T. Taitague Member						



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officeofsenatorshelton@guamlegislature.org | (671) 969-2574 • (671) 989-2572



Office of Senator Shelton Guam Legislature <officeofsenatorshelton@guamlegislature.org>

REQUEST FOR E-VOTE: FRANCISCO G. SANTOS, PORT AUTHORITY OF GUAM

5 messages

Office of Senator Amanda L. Shelton <officeofsenatorshelton@guamlegislature.org>

Wed, Sep 13, 2023 at 4:05 PM

To: Senator Jesse Lujan <senatorlujan@guamlegislature.org>, "Speaker Therese M. Terlaje" <senatorterlajeguam@gmail.com>, "Senator Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, Senator Roy Quinata <officeofsenatorquinata@guamlegislature.org>, Senator Will Parkinson <senatorparkinson@guamlegislature.org>, Senator Dwayne San Nicolas <senatorsannicolas@guamlegislature.org>, "Senator Christopher M. Dueñas" <senatorchrisduenas@gmail.com>, "Senator Telo T. Taitague" <senatortelot@gmail.com>

Hafa Adai Committee Members:

Please see attached Committee Report for Francisco G. Santos to serve as a Member, Port Authority of Guam.

Please indicate your preferred action, based on the following options:

- To Do Confirm:
- To Not Confirm:
- To Report Out Only;
- To Abstain; or
- To Place in Inactive File.

Please submit your response as soon as possible. Your responses will be logged into the Committee Report Vote Sheet for Francisco G. Santos which will be filed with the Committee on Rules.

Si Yu'os Ma'åse'.**Office of the People • Senator Amanda L. Shelton**

Legislative Secretary & Chairwoman, Committee on Maritime Transportation, Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth, and Senior Citizens

37th Guam Legislature163 Chalan Santo Papa, *Hagåtña*, Guam 96910

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E officeofsenatorshelton@guamlegislature.org**Francisco G. Santos Committee Report.pdf**

7510K

Senator Roy Quinata <officeofsenatorquinata@guamlegislature.org>

Wed, Sep 13, 2023 at 4:11 PM

To: "Office of Senator Amanda L. Shelton" <officeofsenatorshelton@guamlegislature.org>
 Cc: Senator Jesse Lujan <senatorlujan@guamlegislature.org>, "Speaker Therese M. Terlaje" <senatorterlajeguam@gmail.com>, "Senator Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, Senator Will Parkinson <senatorparkinson@guamlegislature.org>, Senator Dwayne San Nicolas <senatorsannicolas@guamlegislature.org>, "Senator Christopher M. Dueñas" <senatorchrisduenas@gmail.com>, "Senator Telo T. Taitague" <senatortelot@gmail.com>

To Do Confirm


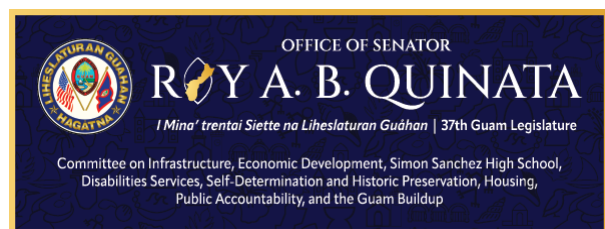
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Sinseru yan Magâhet,

Roy A. B. Quinata

Senator

 (671)472-4826 (GUAM)

Gumai pribilehu yan konfedensia este siha na mensâhi. Solo espesiâtmente para hâgu ma entensioña pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespâtcha. Yanggen lachi rinisibu-mu nu este na mensâhi, put fabot ago' guatu gi I numa'huyong gi as officeofsenatorquinata@guamlegislature.org yan despues destrosa todû siha I kopian mensâhi. Si Yu'os ma'âse'.

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Senator Dwayne San Nicolas <senatorsannicolas@guamlegislature.org>

Wed, Sep 13, 2023 at 4:13 PM

To: Senator Roy Quinata <officeofsenatorquinata@guamlegislature.org>

Cc: "Office of Senator Amanda L. Shelton" <officeofsenatorshelton@guamlegislature.org>, Senator Jesse Lujan <senatorlujan@guamlegislature.org>, "Speaker Therese M. Terlaje" <senatorterlajeg Guam@gmail.com>, "Senator Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, Senator Will Parkinson <senatorparkinson@guamlegislature.org>, "Senator Christopher M. Dueñas" <senatorchrisduenas@gmail.com>, "Senator Telo T. Taitague" <senatortelot@gmail.com>

To do confirm

**Office of Senator Dwayne T.D. San Nicolas**
Committee on Emergency Response, Military and Veteran Affairs, Border Safety and Mayors Council

I Liheslaturan Guåhan | 37th Guam Legislature

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Joe S. San Agustin <senatorjoessanagustin@gmail.com>

Thu, Sep 14, 2023 at 7:29 AM

To: Senator Dwayne San Nicolas <senatorsannicolas@guamlegislature.org>

Cc: Senator Roy Quinata <officeofsenatorquinata@guamlegislature.org>, "Office of Senator Amanda L. Shelton" <officeofsenatorshelton@guamlegislature.org>, Senator Jesse Lujan <senatorlujan@guamlegislature.org>, "Speaker Therese M. Terlaje" <senatorterlajegum@gmail.com>, Senator Will Parkinson <senatorparkinson@guamlegislature.org>, "Senator Christopher M. Dueñas" <senatorchrisduenas@gmail.com>, "Senator Telo T. Taitague" <senortelot@gmail.com>

To do confirm

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La'Kiesha Pereda <lakiesha@guamlegislature.org>

Thu, Sep 14, 2023 at 8:57 AM

To: "Joe S. San Agustin" <senatorjoessanagustin@gmail.com>

Cc: Senator Dwayne San Nicolas <senatorsannicolas@guamlegislature.org>, Senator Roy Quinata

<officeofsenatorquinata@guamlegislature.org>, "Office of Senator Amanda L. Shelton"

<officeofsenatorshelton@guamlegislature.org>, Senator Jesse Lujan <senatorlujan@guamlegislature.org>, "Speaker Therese M. Terlaje" <senatorterlajegum@gmail.com>, Senator Will Parkinson <senatorparkinson@guamlegislature.org>, "Senator Christopher M. Dueñas" <senatorchrisduenas@gmail.com>, "Senator Telo T. Taitague" <senortelot@gmail.com>

To report out only.



La'Kiesha D. Pereda

Office of Senator Dueñas

37th Guam Legislature

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Office of Senator

AMANDA L. SHELTON

Legislative Secretary & Chairwoman

Committee on Maritime and Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth and Senior Citizens

I Mina'trentai Siette Na Liheslaturan Guåhan • 37th Guam Legislature

I. OVERVIEW

The Committee on Maritime & Air Transportation, Tourism, Park, Higher Education, and the Advancement of Women, Youth, and Senior Citizens convened a public hearing for the appointment of Luis R. Baza on Wednesday, May 3, 2023, at 2:00 p.m. at the Public Hearing Room at the Guam Congress Building. The appointment history is as follows:

- Appointment by *I Maga'haga Guahan* on April 5, 2023, to serve for a period of Three (3) Years from July 1, 2022, to June 30, 2025.
- Appointment Packet forwarded to *I Liheslatura* on April 6, 2023; and
- Appointment Packet forwarded to this Committee for public consideration on April 19, 2023.

PUBLIC NOTICE REQUIREMENTS

Public Hearing notices were disseminated via email to all Senators and all main media broadcasting outlets on April 26, 2023, and again on May 1, 2023, fulfilling the 5-Day Notice and 48-Hour Notice of the Open Government Law requirements respectively.

SENATORS PRESENT

Senator Amanda L. Shelton, *Chairwoman*

Senator Jesse A. Lujan, *Vice Chairman*

Senator Roy A.B. Quinata, *Member*

Senator Telo T. Taitague, *Member*

Speaker Therese M. Terlaje

Senator Frank Blas Jr.

Senator Joanne M. Brown

Senator Chris Barnett

Senator Thomas J. Fisher

Senator Sabina F. Perez

ATTENDEES

Luis R. Baza, *Appointee*

Francisco G. Santos, *Appointee*

Dorothy Perez Harris, *Vice Chair, Port Authority of Guam Board of Directors*

Rory J. Respicio, *General Manager, Port Authority of Guam*

Written Testimony Submitted By

Luis R. Baza, Appointee
Francisco G. Santos, Appointee
Dorothy Perez Harris, Vice Chair, Port Authority of Guam Board of Directors
Rory J. Respicio, General Manager, Port Authority of Guam

II. SUMMARY OF TESTIMONY AND DISCUSSION

The public hearing was Called-to-Order at 8:31 a.m.

Chairwoman Amanda L. Shelton:

Buenas yan Hafa Adai everyone. Welcome to the Guam Congress building this public hearing by the committee on Maritime and Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth, and Senior Citizens is hereby called to order. Today is Wednesday, May 3rd, 2023 and the time now is 2:01 pm. For the record and in accordance with the open government law, notices for this hearing were sent on April 26 and again on May 1st. In addition, this hearing was noticed on the Guam legislature website and the Guam public notice website. Joining me here this afternoon, my Vice Chair Senator Jesse Lujan, committee members Senator Roy Quinata, Senator Telo Taitague, and Senator Tom Fisher. Si Yu'os Ma'ase colleagues for joining us.

Before you proceed with the discussion, I'd like to First provide some general rules of conduct for those in attendance. The conduct of this hearing shall be as follows. Written testimonies shall be submitted to the committee; please provide the legislative staff with your written testimony for photocopying. Testimony may be read and lengthy testimony should be summarized to about five minutes. Those testifying will be allowed to present written or oral testimony. Once you are done, please remain in the room for questions or additional testimony as may be desired by members of the committee. But questions and testimonies shall be confined to the nature of the agenda.

The current agenda is the appointment of Mr. Luis R. Baza to serve as a member of the Port Authority of Guam Board of Directors. That's the first item on our agenda, and the chair will invite individuals who have signed up to testify to join us at the table. Before speaking individuals testifying shall first be recognized by the chair and state your name for record purposes. The order of questioning will begin with the panel of senators and if there is a need we will have a second round of questioning. Personal inference about the character or motive of any Senator or any individual testifying is not permitted. Any violations of this general rule of conduct will result in removal from the public hearing room. Individuals who fail to

maintain proper form or decorum may be restricted from providing oral testimony and or may be asked to leave or escorted from the room. Proper form and decorum shall be practiced by all present in the public hearing room. The mission of the port authority of Guam is to provide full services to ocean vessels in support of loading and unloading cargo for Guam and Micronesia. The port authority of Guam is the main lifeline of consumer goods on the island and as such recognizes its responsibility to deliver these goods in a timely and efficient manner. In support of this mission, the port authority also provides land and infrastructure to private interests to further develop the maritime industries in Guam. As a public corporation, the port authority dedicates all of its profit to the upgrading of equipment and facilities and the continued growth of the island seaport.

The Board of Directors is responsible for the planning, promotion development, construction, operation, and maintenance of port facilities. The port authority plays a vital role in the lives of all citizens living on Guam. Because of our location, we are almost entirely dependent on our sea link to the United States and to foreign contacts. The recent passage of Public Law 29-125 has given the port authority conditional approval of its updated master plan. At this time I'd like to call upon individuals who sign up to testify. If you're here to testify for the appointment of Luis Baza, please join us at the table now. Port general manager Mr. Roy Respicio, former senator you submitted written testimony, thank you. Board member Dorothy Harris, thank you. Mr. Ron Aguon, would you like to provide a written testimony? Thank you.

If you are here to provide your written testimony, please submit it to the staff to my left. They'll make photocopies for the panel. We will begin with Miss Dorothy Harris board member.

Dorothy Harris:

[Written testimony presented orally] Madam Chair just for clarification, since this is for both nominations, I'm testifying on behalf of both. Thank you, ma'am.

Chairwoman Amanda L. Shelton:

Understood, thank you, Ms. Harris.

Ms. Dorothy Harris:

[Written testimony presented orally, continued]

Chairwoman Amanda L. Shelton:

Thank you very much, Ms. Harris. At this time, I will invite Mr. Francisco Sanchez to join us since we are receiving testimony from both of you. This is a confirmation hearing for both the appointment of Luis R. Baza and Francisco G Santos to serve as a member of the port authority of the Guam Board of Directors.

I'd also like to recognize my colleagues who've joined us Speaker Therese Terlaje, Minority Leader Frank Blas, and Senator Joanne Brown. thank you very much, colleagues. We'll begin with Mr. Baza, followed by Mr. Santos.

Luis R. Baza, Appointee:

Good afternoon, Madam Chairman, Senator Blas, Senator Terlaje, Senator Lujan, Senator Quinata, Senator Fisher, Senator Joanne Brown. and Senator Telo Taitague. Thank you for giving me the opportunity to provide testimony to serve as a board member for the port authority of Guam. [Written testimony presented orally]

Chairwoman Amanda L. Shelton:

Thank you very much, Mr. Baza. Now we'll move on to the testimony from Mr. Francisco G. Santos.

Francisco G. Santos, Appointee:

Hafa Adai and Buenas, Madam Chair and members of your committee. I consider it a great honor to come before you leave this afternoon and ask for your fine favor in me and continue to nominate me to serve as one of the board members for the port authority of Guam. [Written testimony presented orally]

Chairwoman Amanda L. Shelton:

Thank you very much, Mr. Santos. Now we'll start with questions from the panel of senators. We'll begin with Vice Chair Jesse Lujan.

Vice Chairman Jesse Lujan:

Madam chair, I will yield and we can close to the members of the committee first.

Chairwoman Amanda L. Shelton:

Thank you very much, Senator Quinata.

Senator Roy A. B. Quinata:

I believe both of you have already been in serving the island and the people of Guam for some time; so I have no questions. I wish you guys all the best and

continue all your service to the people and let us know what we can do to help you guys. Again, keep up the good work and God bless thank you for your service.

Chairwoman Amanda L. Shelton:

Thank you, Senator Quinata — Senator Fisher.

Senator Thomas Fisher:

Thank you. Madam chair are we addressing questions just one at a time or the entire panel?

Chairwoman Amanda L. Shelton:

You may ask them both questions at this time.

Senator Thomas Fisher:

Thank you very much. Good Afternoon, gentlemen. I have some questions for you Mr. Baza and thank you for standing up to perform this duty. I know that it is public service and we appreciate it. What do you, on the board at the Port, what do you believe your responsibility to be?

Luis R. Baza, Appointee:

Our responsibilities as policy people are more policy perspective. The management is going to present some things to us, we're not going to micromanage the managers, we're going to go in there and we're going to look at it from a policy perspective. That's basically our role.

Senator Thomas Fisher:

Do you feel that you have a responsibility to exercise your best professional judgment?

Luis R. Baza, Appointee:

I came from there and when I was working there I continued to provide the same thing I'm gonna do. If I see that there's a violation of law, if things need to be corrected because it's not in line with our mission then I will say something about it. I've been consistent since I started working down there in 2019 and continued until I just recently in December of 2022.

Senator Thomas Fisher:

How would you describe your management style? I suppose are you proactive or do you just rely on other people's representations?

Luis R. Baza, Appointee:

Thank you for that question. I am proactive, I will really analyze things on my own. Even when I was the deputy general manager, I have my own

sites of things that I want to do and you know I've discussed issues with my management team. So far since I left, we've been very consistent with what we want to do and that is to provide the vision and the mission that we put together to ensure that the company is going to be servicing the people of Guam. At least 90 percent of the supply chain goes out to the people of Guam. We want to make sure that that's done even during COVID. We want to make sure it's done and done efficiently and effectively.

Senator Thomas Fisher:

I'm encouraged to learn that you consider yourself to be proactive as I understand it you don't rely on people's representations but you'll look into the issues yourself. Is that correct?

Luis R. Baza, Appointee:

Yes, Senator.

Senator Thomas Fisher

Okay, thank you for that answer. I was looking at your work history, you were at the Civil Service Commission before you went to the port?

Luis R. Baza, Appointee:

Yes, sir. I grew up there, actually. I started as a Personal Management Analyst, once in 1985, and then all the way up to Personnel Administrator. Then I was appointed as Executive Director by Dan Carl Gutierrez, stayed there for about three years, and then I retired from the government and then I work as an HR Manager for LLC Lewis Stanton Service Guam Inc for about thirteen (13) and a half years. Then I transferred over to Cabras Marine SRF, so in terms of the private sector, I have a lot of experience with the private sector. I understand the the difference between government and private sector, so being a commissioner at Civil Service, I actually have that mindset of time is money, knowledge is power and we make sure that we're efficient and we're effective even in the government because in the private sector we have to rock and roll we're going to make sure that you know, people do their jobs and do the job sufficiently effectively and they have a provision you can fire people anytime with the reform cause. However, I apply some merit system principles when I was in this private sector so that we have at least some kind of a due process for employees that are working for us

Senator Thomas Fisher:

Okay, all right. Do you feel any sort of responsibility to the stakeholders in the Port as well as the taxpayers as far as you know, a fiduciary responsibility or financial responsibility?

Luis R. Baza, Appointee:

Absolutely Senator. We have a fiduciary responsibility for the people of Guam. I mean that company down there is about 45 million dollar business. We have to make sure that whatever we do is to benefit the people of Guam and our stakeholders and our customers on our Port User Group.

Senator Thomas Fisher:

I think, as a matter of fact, the Port is the largest economic driver for our economy is it not? Maybe the airport too.

Luis R. Baza, Appointee:

Yes, thank you for asking that question. You know, during COVID, we never close shop. I mean we open. If we close shop then the people of Guam are gonna suffer. The private companies are going to suffer. So you know, we work tirelessly with the General Manager and the Deputy General Managers to ensure that we convince our people that you need to come to work because if you don't come to work, it's going to hurt the people of Guam. So with the direction of our General Manager, we opened a clinic down there. I mean we did everything we can to make sure that our employees are happy, that employers are comfortable to come to work. A lot of town hall meetings that we've been doing this to try to encourage our employees that they need to be at work.

Senator Thomas Fisher:

Okay. This isn't specifically to you, but board members at the Port Authority. Well let me ask you, what qualities should we Senators look for in board members?

Luis R. Baza, Appointee:

Well, for one thing, when you look at a board member you got to make sure that they have integrity, they're honest, they're transparent and ensure that they're able to think independently, to think independently and make decisions on their own, but I also collaborate amongst each other. I'm kind of used to being a Civil Service Commissioner where we can't collaborate with each other because of cases. When you have a case you can't discuss anything because of the secret deliberation, you can't do that. But at least with the Port Authority, we can discuss it during meetings what we want to do where we want to go. So yeah, I think those traits are very important so

Senator Thomas Fisher:

I'm sorry, go ahead. I was just gonna say, so integrity, honesty...

Luis R. Baza, Appointee:

And transparency.

Senator Thomas Fisher

And transparency. What about just generally good judgment?

Luis R. Baza, Appointee:

And of course, you have to have good judgment when you're making those decisions.

Senator Thomas Fisher:

Okay right and you also say transparency

Luis R. Baza, Appointee:

You have to be transparent.

Senator Thomas Fisher:

Sir, I'd like to just reflect a little bit. I know that you were at the Civil Service Commission before you went to the Port, correct?

Luis R. Baza, Appointee:

Yes sir.

Senator Thomas Fisher

Why did you go to the Port? How did that happen?

Luis R. Baza, Appointee:

Well, when the administration took over actually, I was Chairman there and then...

Senator Thomas Fisher:

Chairman at CSC?

Luis R. Baza, Appointee:

Civil Service Commission yes. And then the governor asked me if I wanted to unretire myself because I was already retired. She even was wondering how come. I said I have to really talk to my wife and my children because getting out of retirement again is going to be a change of my life you know.

And I had to think about it. I didn't just make the decision right away. I think it took me about a month you know. And I you know I thought the governor changed her mind. So she called me up again and asked oh the secretary called me up to meet with her to ask me if I was still interested in going back to the to the port authority. And I said well okay maybe I'll give it a whirl okay you know. And that's what happened.

Senator Thomas Fisher:

In response to the governor's call you became Deputy general manager?

Luis R. Baza, Appointee:

Deputy general manager, yes.

Senator Thomas Fisher:

Deputy general manager. And then prior to that were you just a member of the Civil Service Commission?

Luis R. Baza, Appointee:

Yes, I was a member at Civil Service Commission. But at the same time when I was a member of Civil Service Commission I was doing two jobs. I was actually the HR Manager for LSG Sky Chef. So, I was kind of doing dual function you know. And I'm surprised I'm still married. I'm doing both jobs.

Senator Thomas Fisher:

Okay, well I'm glad you know this concept of you know you're transitioning it leads me to my next series of questions. When you were at the Civil Service Commission did you have any involvement in the case involving an employee by the name of Francis Cepeda?

Luis R. Baza, Appointee:

I'm sorry, Senator. There's so many cases that we deal with. I'm not certain.

Senator Thomas Fisher:

Well she was one of people colloquially known as the port seven. Do you recall that case?

Luis R. Baza, Appointee:

Oh well I didn't sit on the port seven cases. I recused myself and the reason why I recuse myself because when I was Chairman there, I had a working relationship with Mike Phillips. Attorney Mike Phillips and I had to disclose that during the hearing. And although my Commissioners wanted me to this

say two of the legal consuls for the parties they insisted that I recuse myself. So in the spirit of wanting to not compromise the case, I recuse myself.

Senator Thomas Fisher:

So is it your testimony you had no involvement with any of the port. I'll read the names because I don't want to leave an ambiguity. We had a Francis Cepeda, Vivian Leon

Luis R. Baza, Appointee:

Yes.

Senator Thomas Fisher:

Bernadette Stern.

Luis R. Baza, Appointee:

Yes

Senator Thomas Fisher:

Leonara Leon Guerrero.

Luis R. Baza, Appointee:

Yes.

Senator Thomas Fisher:

Josette Jovelosa.

Luis R. Baza, Appointee:

Yes.

Senator Thomas Fisher:

I'm not sure of her first name. Last name is Rocio or perhaps

Luis R. Baza, Appointee:

Rocio. Francine Rocio.

Senator Thomas Fisher:

And then a gentleman by the name of Guevara. JoJo Guevara. Did you have any involvement with those gentlemen or any other those cases while you were at the Civil Service Commission?

Luis R. Baza, Appointee:

No. As a matter of fact I know one person. Her name is Vivian Leon. I know her because you know HR managers. HR people know each other there. But I've never really worked with Vivian.

Honestly in any of the cases you know Port Authority when they're supposed are they down there at the Port Authority we lose citizen who's the director now you know because he worked for the port so we sent him down there to do the audits.

Senator Thomas Fisher:

Tell me how you were able to recuse yourself from the commission. Was lawyers often call it a Chinese wall did you how can we be confident that you were in fact recused from these cases and had no involvement nor did you inform yourself of the substance of the cases? In fact was there a memo memo to file anything like that?

Luis R. Baza, Appointee:

I don't believe so Senator Fisher when all these parties came in, I had to disclose to the Commissioners, the people, and the public that I have relationship with Mike Phillips through LSG. He's running Mount Carmel and we were catering Mount Carmel and that's how I met with him. Even though I'm HR manager, I'm also marketing and many thing over there so because of that I have to disclose that information. But Commissioners didn't want me to recuse myself but because there's two legal council that said I should recuse myself. I just went on ahead and said Commissioners I have to do this. I don't want to compromise anything here.

Senator Thomas Fisher:

Okay, I understand that. Just a real quick question, if you conflicted yourself and you recused yourself from involvement in the port seven cases when you were at the central Civil Service Commission, how is it you were able to sign off on seven settlement agreements for the port seven when you were at the Port? I mean the very same issue your relationship with Mike Phillips that dogged you or followed you at the Civil Service Commission followed you right across the street to the port. So what was it that happened? Tell me about the change that made it possible for you now to re-enter to the case.

Luis R. Baza, Appointee:

Well for one thing, I'm no longer working for LSG Sky Chef.

Senator Thomas Fisher:

You no longer what?

Luis R. Baza, Appointee:

I'm no longer working with LG Sky Chef. I don't have any more relationship with Mike Phillips. In terms of business relationship, I've never really heard these cases. So I reviewed it, I looked at the case one by one and in looking at the case one by one I've identified to my readings that when management year should have known it was beyond the 60-day Mandate and consistently when I was looking through that.

Senator Thomas Fisher:

Just to repeat the question sir, what was it that changed that allowed you to participate in a series of cases? For which you had earlier recused yourself, something must have changed.

Luis R. Baza, Appointee:

I wanted to look at these cases because I never looked at it. Remember Senator Fisher we have a lawsuit here and the liability keeps getting higher and higher and higher and higher. So. I felt as Deputy general manager for administration on Finance, on being fiduciary making sure that we look at how much are we going to pay these people. I have to review these cases first.

Senator Thomas Fisher:

Okay, I think we're getting a little bit off track. The question was.

Luis R. Baza, Appointee:

I think we're about Civil Service.

Senator Thomas Fisher:

Mr. Baza, the question is.

Luis R. Baza, Appointee:

I think I've answered your question.

Senator Thomas Fisher:

The question is simply this, what changed?

Luis R. Baza, Appointee:

What changed? Well because I recused myself

Senator Thomas Fisher:

If I could please finish the question, sir.

Luis R. Baza, Appointee:

Well you know you're repeating yourself with Civil Service Commission sir. I'm here for not to be a commissioner I'm here to work for the port authority. You're asking me questions about Civil Service Commission and my situation with respect to why I looked at these cases; because it's important to look at some of these pending cases. It's important that I see it.

Senator Thomas Fisher:

I see it, yes, but that is is that not the concept behind recusing yourself? Because you ought not to look at the case. Which leads me back to the same question, sir. What set of facts changed that allowed you now to intervene in the cases when prior to that you felt you couldn't.

Luis R. Baza, Appointee:

I think I answered your question.

Senator Thomas Fisher:

Okay so you have nothing further to say on that?

Luis R. Baza, Appointee:

Nothing further.

Senator Thomas Fisher:

All right earlier sir, I asked you what are the qualities we should look at when we are choosing who should be a member of the board and you said Integrity, nobody would disagree with that, honesty and transparency. When you came over to the Port Authority, did you tell the other board members that you had been at the Civil Service Commission and to accept what you said that while at the Civil Service Commission, cases involving the court were under consideration. Did you inform the board members?

Luis R. Baza, Appointee:

No, I didn't.

Senator Thomas Fisher:

Why not?

Luis R. Baza, Appointee:

Because, I was appointed to go down there and be the deputy general manager for administration and finance. When I'm sitting in there and I'm looking at some of the pending cases that we have down there and this is not it's not only the port seven, sir. There's more than the port seven that that I've

looked at. I mean it's not just the port seven and why are we focusing on the four seven? That's already a done deal. But there's other cases in there as well that happened in the past and I've argued it at Civil Service Commission and won it.

Senator Thomas Fisher:

Do you think you were being transparent when you kept that information from the other members of the board?

Luis R. Baza, Appointee:

Well when when I presented it to the board about what I found that's being transparent.

Senator Thomas Fisher:

Well that may have been transparent but my question is did you.

Luis R. Baza, Appointee:

I answered your question, Senator Fisher.

Senator Thomas Fisher:

Are you refusing to answer questions?

Luis R. Baza, Appointee:

I've already answered your question.

Senator Thomas Fisher:

Are you refusing to answer questions?

Luis R. Baza, Appointee:

I'm not refusing answered your question, sir.

Senator Thomas Fisher:

Do you think you were being transparent when you didn't inform the board members that you had been at the Civil Service Commission?

Luis R. Baza, Appointee:

I believe I answered your question there.

Senator Telo Taitague:

I'm sorry he's very hostile.

Senator Thomas Fisher:

I know, I've noticed that. I'm a little concerned about his temperament.

Senator Telo Taitague:

For the record, Madam chair, you know it it sounds like the person who's being heard for confirmation is being very hostile. It's a very simple question and whether you want to answer it three times I think you should. Thank you, madam chair.

Luis R. Baza, Appointee:

I thought this was a confirmation.

Chairwoman Amanda L. Shelton:

Senator Fisher please wrap up your questions.

[Inaudible Dialogue]

Chairwoman Amanda L. Shelton:

Okay, we'll move on Senator Taitague you may ask your questions.

Senator Telo Taitague:

Okay, so are we changing the rules Madam chair?

Chairwoman Amanda L. Shelton:

The rules have not changed Senator Taitague. I mentioned in the beginning of this hearing okay that we will have two rounds of questioning, if necessary. So there are a lot of senators here today to ask questions.

Senator Telo Taitague:

Okay, my mistake. I didn't hear the two rounds. Thank you so much for being here and those who came to testify you know. In all my years sitting here, I've never seen any person who's here to be confirmed be so hostile, that you're doing right not. I mean it's simple just to answer the question and and you know keep cool about it. Just answer it.

Luis R. Baza, Appointee:

I answered the question already.

Senator Telo Taitague:

You're not answering it. You're skating through it, not really answering it because we can all can hear it and when you review the tape you'll see it as well.

Luis R. Baza, Appointee:

That's your opinion.

Senator Telo Taitague:

You know Mr Baza, I know you have a lot of experience. My concerns had to do with civil service and now you're coming here and I've watched the board meetings, I've seen what was going on over there and then I've also you know sent letters to the attorney general asking for them to review the opa's report specifically 2201-202103 and 2109. By the opa's report and I'm pretty sure you read them too, considering your position at the port. So, I have a question, you want to sit on the board and these reports came through. If you were on the board when these reports came through what would you have done?

Luis R. Baza, Appointee:

I need to be certain about what law you're talking about.

Senator Telo Taitague:

You haven't read the opa's report on the findings?

Luis R. Baza, Appointee:

I did.

Senator Telo Taitague:

Okay so my question is, you're sitting here today wanting to sit on the board so my question is if you had read those reports, which I'm sure you have, how would you respond to those reports? As a board member, would you have continued to give those raises or those questions that were brought up, as a board member?

Luis R. Baza, Appointee:

Well, okay so those questions that the OPA is inquiring, you know we entered the OPA I think five times. We told the OPA that and if I can remember back the OPA staff they're really going back to the Department of Administration rules and regulations. You know they're saying that we violated the department of administration rules and regulations. The thing is is we have our own rules and regulations at the port and the rules and regulations report is different from DOA rules. You know when they talk increments, from steps one to seven is one year, seven to ten eighteen months and 10 to 20 is two years. They're focusing there and we constantly tell them, listen, the rules and regulations of the boards were ratified by the legislature. So why are we keep focusing on the Rules and Regs that is with the DOA? You know I'm a proponent of uniform and unified rules and regulations but

they took away the arms and legs of Civil Service Commission and gave the autonomy to different autonomous agencies. And that's why they have their own rules. So, if I can remember back with the artists that was the OPA was saying we keep telling the OPA that their findings is inconsistent with the Department of Administration rules and regulations. But you know we they reported it. They reported it that way. Although, my general manager and us we argued otherwise. They reported it that way.

Senator Telo Taitague:

Okay Mr. Baza what about 2103?

Luis R. Baza, Appointee:

What's 2103?

Senator Telo Taitague:

Yeah that was also a report stating. I'm sorry 2103 and 2109 was talking about the overpayment of individuals and the OPA also made a comment on that. How do you explain that?

Luis R. Baza, Appointee:

Overpayment?

Senator Telo Taitague:

Well it's obvious you haven't read then you're not familiar with 2103. I thought you would be considering you were the Port's Financial.

Luis R. Baza, Appointee:

I'm sorry ma'am. I'm sorry Senator. I'm trying to...

Senator Telo Taitague:

To remember, yeah.

Luis R. Baza, Appointee:

Please forgive me.

Senator Telo Taitague:

Well it seems your memory today has been you know several times you can't remember. But you know this position is very important like you said earlier is a very important position. And this you know what this whole asking you questions is to find out if you're capable of sitting in such an important position. I mean it's obvious you do have the experience working at the Port

Authority of Guam. But, it's you know if you've just been really difficult to talk to. Have you had taken an Ethics Course by the way?

Luis R. Baza, Appointee:

I teach it.

Senator Telo Taitague:

You teach an Ethics course when's the last time you took one for yourself?

Luis R. Baza, Appointee:

I even have Professor Aguon behind me.

Senator Telo Taitague:

Right too teaching one is different. You know sitting in the course and taking it. Because I think it's by law.

Luis R. Baza, Appointee:

I took it as well. I took it as well. The ethics is required to take the ethics rules and regulations is mandated actually so I took it. I took it twice and I teach it.

Senator Telo Taitague:

Okay.

Luis R. Baza, Appointee:

I know. I know what it means.

Senator Telo Taitague:

To be ethical? Yeah, okay.

Luis R. Baza, Appointee:

Madam chairman.

Senator Telo Taitague:

Well you're going to run to the Chair?

[inaudible dialogue]

Chairwoman Amanda L. Shelton:

I just set a reminder for everyone in the room. I read the rules of conduct to begin with and we will not make any personal inference as to the character of any individual whether it's the person testifying.

Senator Telo Taitague:

I did not make any inferences out to any character

[inaudible dialogue]

Chairwoman Amanda L. Shelton:

You may continue your question, Senator Taitague.

Senator Telo Taitague:

Okay, thank you. Mr. Baza it's you know let's move on now to procurement. What does the board's responsibility when it comes to procurement?

Luis R. Baza, Appointee:

Well, we want to make sure that we follow the procurement that management follows the procurement laws and rules and regulations.

Senator Telo Taitague:

Okay on procurement. And do you also oversee those who are sitting there at the Port? I think recently you had Claudia from GSA come down to the Port to do some procurement for the Port. Is that correct?

Luis R. Baza, Appointee:

That's correct.

Senator Telo Taitague:

Have you moved anybody from the Port that was in procurement to another agency?

Luis R. Baza, Appointee:

We have.

Senator Telo Taitague:

So why would you agree.

Luis R. Baza, Appointee:

For training and development.

Senator Telo Taitague:

Okay and I'm sorry but could you answer that why would you require somebody from GSA to come down and do procurement when you've had people in procurement and move them out of the Port? Is that something that the Board gets involved with?

Luis R. Baza, Appointee:

No ma'am.

Senator Telo Taitague:

You don't get involved but if you see something like that happen would you say something?

Luis R. Baza, Appointee:

Definitely. We will question management if that's going on. But again remember we're policy. We if I'm going to sit as a commission as a Board of Directors or policy, we're not going to micromanage, a manager.

Senator Telo Taitague:

Mr Baza, it's obvious that you know we had Mr. Birn in here and we had asked him about the procurement and individual who's at the Port who's moved and been gone from the Port for two years. And yet you're not bringing that individual back and that's under your jurisdiction. Well still at the Port you were still employed out there and then you're telling me one thing that you can't remember. There's a lot of memory loss here today. So you know with that Mr. Baza. I appreciate all the work that you've done to to Guam for our community you know but at this point I will stop right now and allow another Senator to ask questions. Thank you Madam Chair.

Chairwoman Amanda L. Shelton:

Speaker Terlaje?

Speaker Therese Terlaje:

Thank you, Madam Chair. So Mr. Baza thank you for your testimony today. Could you just talk to us about you're transitioning from a role. When did you retire?

Luis R. Baza, Appointee:

December 31st 2022.

Speaker Therese Terlaje:

So it's been a couple months. Maybe three months now. So can you just talk to us about how you feel it's going to be? You were pretty much the deputy general manager. Number two in the agency. You're also it looks like in charge of finances and HR.

Luis R. Baza, Appointee:

I had seven departments under me.

Speaker Therese Terlaje:

And when you come back as a board member how do you will your role be different?

Luis R. Baza, Appointee:

My role is policy as a board. You miles understanding even as a board member at civil services, we're policy people. We don't get involved in the administration of the process but if we see that there's something going on that could be a violation of Laura rule then we get involved. But again we don't micromanage, management.

Speaker Therese Terlaje:

What are your goals as a board member? Do you think the Board needs to change policy? Or what are you thinking?

Luis R. Baza, Appointee:

If need be and that policy needs to be changed we will talk about it and get a change. And if we're going to change the policy we change it to make it better. If it's the status quo then I think we can tweak it a little bit if it's still okay. But if it's a bad policy we should make changes and we will recommend that to the management team.

Speaker Therese Terlaje:

What would you recommend?

Luis R. Baza, Appointee:

Right now because I just left a few months ago I don't see any changes so far in my eyes. You know of course we have to collaborate with other board directors and if they see that needs to happen then we can discuss it. But at the same time again we don't want to get involved in the administration of what management is doing. We will get involved from a policy perspective.

Speaker Therese Terlaje:

So, in your time in the administration of the port and working there you've found that the status quo is okay except for some tweaking that might need to happen?

Luis R. Baza, Appointee:

If it need be. Right now from what I'm seeing well I think that we need to look at our rules and regulations again and change it and update it. Because

it's already far back and not very far back. But I think we need to update the rules and regulations for the Port Authority of Guam that's for sure.

Speaker Therese Terlaje:

Why?

Luis R. Baza, Appointee:

Because there's probably new rules, new laws that are coming out that we need to change. And I think we were looking at that already. That we need to update whatever we have to make sure that we're current.

Speaker Therese Terlaje:

We've been having some hearings regarding the role of customs at the port and kind of coming down hard on Customs and the Guam Police Department. We want them to have an increased presence I guess at the port and make sure that we're dealing with a methamphetamine crisis on Guam. And we don't want that coming in through the ports. Do you have any ideas of pretty much, I think there's an understanding that this is a very real possibility that that's where the drugs are coming in. And do you have any suggestions for the board as to policy to change to prevent that?

Luis R. Baza, Appointee:

Well you know thank you for asking that Senator Terlaje. You know since we took over, we actually opened Customs and Quarantine. Actually they have access to the Port Authority with any time. You know they have access. In fact we keep hearing that drugs are coming in from the port. I mean I'm even doing something that I'm not even supposed to be doing. Sometimes like I'm at two in the morning. I take a golf cart and I go around checking. Because I used to be a safety security facilitator. I'm concerned too. So people don't know I'm coming in there. I'll just go in there and I get a cart and I'll go around. Sometimes my GM gets mad at me saying what are you doing Louie even when you know I go grab this one. I'm concerned you know. But we have the same vision. We want to make sure that we're protected too. Because we keep hearing that it's coming from the port. We've had meetings with customs and quarantine. We've opened the doors. We're assisting them to give them more access and we give them all the access actually. Not more access. We gave them access to go into the port anytime they want to. So you know we're doing our best. We're doing our due diligence. In fact, I think if they want to open a canine that's fine. They'll be good to identify if there's drugs going around. And we change the policy over there now at the Port from my understanding. If a container is leaking or it's not locked everything stops. The Gantry stops and then people are called in to make sure that

customs and quarantine are contacting airport police. I mean airport police are contacted in to check. That they check that container so. Because either it's not locked you know and there's a policy if it's not locked, it could be compromised.

Speaker Therese Terlaje:

All right. At a certain point during some of the hearings it was I think we thought we came to an understanding with the port that Customs was going not to have to pay rent down. Is that still the situation? Do they pay rent?

Luis R. Baza, Appointee:

No. No, they're not paying rent at all.

Speaker Therese Terlaje:

Just confirming that. That's supposed to be the arrangement. Did they have a office?

Luis R. Baza, Appointee:

Yeah. As a matter of fact, we upgraded them before I left.

Speaker Therese Terlaje:

Okay, good thank you. All right, so my understanding from the briefing we had this morning for the master plan is that the port is upgrading its information systems, it's technology, it's program and that they're going to allow Customs to have a portal to be able to access the information. And hopefully digitize its review as well. Are you familiar with that part of the operations?

Luis R. Baza, Appointee:

Well I remember that we were working with the WSP with respect to you know upgrading our MIS system or even cyber security system. So you know again we're doing everything we can to try to upgrade our system so that you know we can identify cats. And we're sharing it with custom and quarantine, yes. Yeah.

Speaker Therese Terlaje:

All right, well my understanding is customs has to come up with its own system and its own program and then try to make it compatible with the port's. And I'm just going to put it out there I'm hoping the port can find a way to just give Customs access like immediately instead of waiting for that.

Luis R. Baza, Appointee:

Well that information thank you you know from a policy perspective. We will talk to the management team and said hey you know we need to help each other out.

Speaker Therese Terlaje:

Yeah all right thank you. Thank you Madam Chair.

Chairwoman Amanda L. Shelton:

Thank you, Speaker. Senator Brown.

Senator Joanne Brown:

Thank you very much, Madam Chair. For purposes of clarification are we asking both the nominees on this first round questions? Are we asking one nominee and then the second nominee? What is the process?

Chairwoman Amanda L. Shelton:

You're able to ask them both at this time.

Senator Joanne Brown:

Okay, but I'm going to start with Chairman Santos. Good afternoon, Chairman Santos. It's been a while since we've seen each other and worked with each other.

Francisco G. Santos, Appointee:

I know. I miss you so much.

Senator Joanne Brown:

Thank you. You know, Mr. Chairman, we did work for five years together. Of the six years I worked at the Port Authority you were my chairman for five years. And you know we worked toward addressing the accountability the operations of the port and certainly worked towards obtaining the bond. The 72 million dollar bond which was quite an effort because the Port Authority in its history up until then never had executed a bond. You know with intending that the revenues of this would go to upgrading the fiscal much needed fiscal infrastructure of the port. So, a lot of time work and effort and you were there you were there every step of the way.

Francisco G. Santos, Appointee:

Yes, Senator I gave you credit you know to expedite the bond that we acquired. We work so hard for that. We went off-island. We sit with different type of

people. Finance people. We sit down. We put everything together. Then finally the bond is approved. And, I give you credit for that also
Senator Brown.

Senator Joanne Brown:

Well and certainly we had a lot of good people on the team that helped execute that. But I wanted to ask you Mr. Chair because you know I had the pleasure of working with you but you very much the position decisions that were made by you and the fellow board members was to ensure the accountability of the port. Ensure that the port funds were properly spent. And I've been troubled a bit I mean since I left the port authority. The position that you've taken has changed so drastically. And I'm not clear about as to why that has happened. I mean with regards to the finances even in the legal cases that the port had the decision was always to ensure the interest of the port was protected. And to pursue those issues even if we had to go to court. I mean nothing short of a court order would ever have us pay out any money by the port. Since then however sir your position has drastically changed. I mean it's almost as if the floodgates the financial floodgates of the port of wide open. With monies being paid out even without court order. And those cases that we had that while some controversial invisible there were others that involved adverse actions that almost every single one the agenda of your management team was to pay out without court orders. Without ensuring that these cases went through the full judicial process. So that if a decision was made by a judge then we knew indeed that that was the decision of the land and that we would adhere to it. But without that within a matter of months the port paid out millions of dollars. Why is that?

Francisco G. Santos, Appointee:

Of course Senator Brown. On that case you know the get our advice from our legal council and he wants our.

Senator Joanne Brown:

Mr. Chair, if you don't mind who is your legal counsel? Because I understand one of the first things that happened is you suspended you know your very seasoned council that was representing the report Mr. Phillips in these cases? Who was your Council?

Francisco G. Santos, Appointee:

They changed the legal council and somebody replaced McDonald.

Senator Joanne Brown:

Well he was there for a very short time and quickly left.

Francisco G. Santos, Appointee:

He was there and we get recommendation from me. And before the board make any decision we asked our legal counsel for his advice because none of the board members are really expert in legal matter. So we rely on our legal council to give us all the input all the information. Once they give us the information then I mean just one of the board members and all the other board members will make a they agreed to make it to approve it or disapprove.

Senator Joanne Brown:

Mr. Chairman the YTK case you know that case existed for many many years prior to our time together. We had gone to the Supreme Court of Guam. That case went all the way up to the Supreme Court of Guam. In the summer of 2018 and we had argued that case. That the challenge of YTK with regards to them believing that the Port Authority of Guam owed between 14 to 18 million dollars on a contract that we in your management team and the board determined was not a legal contract.

Francisco G. Santos, Appointee:

I understand let me refer back on the YTK case Senator Brown. Even from the humble beginning when YTK to meet their lease agreement. They want to release Hotel War for fish operation and management. And YTK they work together. They have meeting. Then when they have that meeting and they want to make any recommendation from the management. They come to the board. But whenever then we approve the lease for five years then they extend it for another five years they have to go through the Legislature for that case.

Senator Joanne Brown:

I know. I'm familiar with the issues including the fact that company for many years never paid on their lease agreement. But the reason I'm asking that question Mr. Chairman is because certainly the time Senator Tom Ada was the oversight chair here at the Legislature. And he was very concerned somehow that because we were members of the Calvo-Tenorio administration that we were going to settle YTK in favor of his first cousin that was the principal owner of YTK. That never happened Mr. Chair. And we fought every single step of the way. All the way up to the Supreme Court of Guam. Because we really believe the Port Authority had no obligation to pay this company on this lease. That it was not a valid and legal lease. And that ultimately the Port Authority of Guam owed nothing to this company.

The reason I'm stating this sir is within a very short period of time one of the top agendas of your General Manager was to do a mediation while we were waiting for Supreme Court of Guam decision that was decided by the Port Authority of Guam Board. I believe it was referenced that he may have asked you for funds to authorize to pay the mediator. There was a specific date and time that this meeting was supposed to occur but of course that became very public. With the intent of trying to settle with the casual comment oh we just happen to meet each other and all of a sudden your new general manager who had no authorization from the board no experience with these issues was going to sit down with a principal member of YTK. While we were waiting for a legal decision of the Supreme Court of Guam all the resources of the Port the money that had been invested to get to that I'm not here to ask you questions nor do I want any comment from your general manager.

General Manager Rory Respicio:

Madam Chair, is this really fair? Madam Chair, I think these questions better be directed at me and not to the nominees. Madam Chair.

Senator Joanne Brown:

Madam, Madam chair I am speaking to the nominee.

Chairwoman Amanda L. Shelton:

Thank you everyone. Okay, thank you. Yes, I understand. Senator Brown, please ask your questions to the nominee. I understand, Thank you, I think it is relevant. It does have to do with the work that Mr. Santos has done on the board.

Senator Joanne Brown:

Mr. Chairman, did you authorize funding for the mediator? Did you authorize your General Manager to meet with YTK?

Francisco G. Santos, Appointee:

I never authorized anybody to meet with the General Manager. That is micromanagement. I let the manager meet with those people that are concerned regarding the port.

Senator Joanne Brown:

Do you understand the seriousness of the fact that we were pending a decision of the Supreme Court of Guam on a legal case that your board authorized. And your general manager was attempting to engage with the principles of YTK. Were you aware of that?

Francisco G. Santos, Appointee:

I cannot recall that.

Senator Joanne Brown:

And you're not aware that he ever approached you for any funding to pay for a mediator? That he had a specific time and date to meet at this office?

Francisco G. Santos, Appointee:

I can remember Senator Brown. Nobody ever come approached me to make a payment through YTK.

Senator Joanne Brown:

And did you ever do anything when that informatioun was made aware? Were you ever aware of this sir?

Francisco G. Santos, Appointee:

I was not unaware of that. Nobody will come directly to me say Mr. Santos who want to pay this. Manager will come to me said we have to pay this agency or YTK. I will confronted my other board member for approval.

Senator Joanne Brown:

Did your General Manager ever relay to you and disclose that he may have had any business dealings or consultancy with the principal of YTK prior to him becoming General Manager of the board?

Francisco G. Santos, Appointee:

Will all do respect Senator Brown sometime when management make a discussion with YTK, other agency they usually at a meeting with our legal council. And when they find any solution from their meeting then they make a recommendation to the board. The board never involved with sitting down with other agencies to make any decision. That is not our job.

Senator Joanne Brown:

Mr. Chairman, do you think it's appropriate that that occurred without your authorization or the board's authorization?

Francisco G. Santos, Appointee:

I never authorized anything without my other board member approval.

Senator Joanne Brown:

Do you know that, that happened?

Francisco G. Santos, Appointee:

I cannot recall it, Senator.

Senator Joanne Brown:

Mr. Chairman, what was the ultimate decision of the Supreme Court of Guam? Because that's the first time you had a conversation since I left the port.

Francisco G. Santos, Appointee:

I know we always sometimes Senator Brown we sit down, we would sit down we discuss why is this YTK taking so long. You know sometimes we sit down we discuss that. How come all these legal matter taking so long to solve and that's why the Port pours in so much money because of the many delays. And we are paying the legal council for that.

Senator Joanne Brown:

Mr. Chairman, what was the ultimate decision of the Supreme Court of Guam?

Francisco G. Santos, Appointee:

The decision of Guam? I cannot recall now I'm sorry, I'm sorry Joanne.

Senator Joanne Brown:

The Supreme Court of Guam, on that case Mr. Chairman, that's probably the first conversation we have since we... I left the Port Authority.

Francisco G. Santos, Appointee:

I know it's been a long time already.

Senator Joanne Brown:

You don't recall the decision?

Francisco G. Santos, Appointee:

No, I cannot recall right now.

[inaudible dialogue]

Senator Joanne Brown:

You don't recall the decision that the Supreme Court of Guam determined that that contract was null and void and -

Francisco G. Santos, Appointee:

Of course I remember. I remember that that contract within the Port and the YTK's void. I remember that.

Senator Joanne Brown:

And you didn't realize your General Manager could have jeopardized that by sitting down in mediation with the representatives of YTK prior to that decision coming down?

Francisco G. Santos, Appointee:

They can have a meeting. But we'll follow any approval they have to go through the board.

Senator Joanne Brown:

You mentioned of course on when we did go for the bond because we did. And we certainly were there every step of the way Mr. Chair in representing as we did to the bond investors. What we were going to do and what our commitments were with regards to executing the funds should they buy our bonds. And actually give us the \$72 million dollars. I wanted to ask you because it's recently surfaced here to your board that you literally have fallen beyond your debt service ratio of 1.25. Which is a requirement of the bond investors to ensure the viability of the Port. To ensure that their bonds are repaid. That is pretty serious. It means you're spending more than your supposed to put in reserve so that the bond investors have comfort level that their debt service is going to be paid. Are you aware of that?

Francisco G. Santos, Appointee:

I can't remember that.

[inaduble dialogue]

Senator Joanne Brown:

This was remember your February meeting just earlier this year. Are you aware of this?

Francisco G. Santos, Appointee:

Yes. Also a Senator Brown remember when we get the 70 million Bond 44. We break down the usage of that money to be used at the board. They give us so much money to use for the administration building. How much million dollars. Then when the management approached the board regarding F1 need to be repaired before the course got closed. Then we have to use that bond money, some of that bond money to expedite the repairment, of the F1. Because the F1 is very crucial to the island of Guam.

Senator Joanne Brown:

But are you aware that you've fallen below your required reserves.

Francisco G. Santos, Appointee:

Of course.

Senator Joanne Brown:

And what have you done about? I mean this happened. This has happened during your tenure as the board chairman. I mean we made commitments that we would properly execute not just the expenditures of these funds that we would properly manage the Port of Guam.

Francisco G. Santos, Appointee:

Yes I understand that. Senator Brown, if we have to break the law, I don't think I'll be sitting in this place before you.

Senator Joanne Brown:

I'm going to ask you, Mr. Chair I mean...I hope you reflect on this because again, we we met with Bond investors in San Francisco... In Chicago... In Boston, in New York... We made these pledges and these obligations at the time the Staffing pattern Mr. Chair of the Port Authority of Guam in 2018 and that was the last year that we worked together. We represented to the board that there were at the time there were 351 employees at the Port.

Francisco G. Santos, Appointee:

Correct.

Senator Joanne Brown:

And the assessments that were made to determine our viability, the assessment determined that we were right sized in terms of staffing capacity for the work. As you know and you're very experienced. Mr. Chairman, you're almost within 50 years of your relationship with the Port of Guam. So you're very familiar with the operations out in the yard. There's only so many members of a gang that actually can load and unload. You only have three cranes.

Francisco G. Santos, Appointee:

Correct.

Senator Joanne Brown:

Since then and again I'm only going on 2021 figures, those are the most recent audit numbers we have. But since then in in management we had 116 employees in 2018. In 2021, we had an increase of 30 additional employees for a number of 146. In that same period of time you've had less than 12 additional employees added to equipment, maintenance, transportation services, services and facility maintenance. Why are we heavy on admin when they are non-generating revenue to the Port? How did we increase by an additional 30 positions and then adding the board to approve additional positions? That's certainly in my assessment is unnecessary.

Francisco G. Santos, Appointee:

Yes I understand that. I encross Senator Brown. I encross the manager to situate that the Port must move forward. When they hire people it's got to be on the staffing pattern. We do not create a new position because if you have to create a new position you have to go through the process. So if there's our vacant position then if funds available then we hire those position. But we do not just hire any kind of people Senator Brown. Especially the operation. let us be frank and let us be fair since I've been down in the for almost 50 years. I've been in different administration from Ricky Bordallo's time I was down at the Port. In every administration there are changes. Before the Port when I went down there we got 900 employees. We have security in every hall. But when the vessel are start changing to containerize then security went from 50 down to 20. So it is up to the managers just to see to it. The manpower that we need to make sure that the cargo is been moved out in the Port. Especially to expedite how fast we have to move cargo. The very vital very important cargo that must go out first for our people needs. That is the mission of the Port Senator Brown. You know that. Is to move cargo. To discharge and to load and to make sure that we have the equipment to be used for different type of operation. We need cob lifter. How much is that? It's not a penny. Not a thousand guarantee we're looking forward to hire another new gantry because our old gantry are are getting already old. And I asked also the managers to start looking at the new gantry because we're going to have a large special coming into Guam during the build-up. Instead of five-year-old we need to go up to six row but our gantry now right now they cannot be used for six row only five.

Senator Joanne Brown:

I know Mr. Chairman we represented to the bond investors that by 2027 we would acquire in Ukraine so I hope that's been facilitated. I have one more question to ask before I go to Mr Baza, and this is the most recent issue concerning storage of the Port Authority of Guam. It was reported in October of last year by your General Manager to the Port that the Port would

allow the storage of GPA. I assume these are all the parts for the new Power Plant, and it was relayed to the board that this was for the greater good of the community. That the Port would not assess charges storage charges on the Guam Power Authority.

Francisco G. Santos, Appointee:

I cannot answer that Senator Brown because I was off-island for medical.

Senator Joanne Brown:

Okay, are you aware whether or not the Port Authority board ever authorized the waiving of these fees?

Francisco Santos:

I don't know, I was not here.

Senator Joanne Brown:

Do you know if the Port Authority board has the authority to even waive fees?

Francisco G. Santos, Appointee:

Of course. If the management report that issue to the board then the board will have to sit down and also ask our legal counsel for the opinion. Then if all the board agree then we have to approve or disapprove.

Senator Joanne Brown:

There are several reasons the Port can waive fees. One if we don't have the equipment to move the cargo or an act of God in the event we have a typhoon or something of that nature that prohibits support from being able to move cargo for a customer. But are you aware that the Port Authority or the general manager even the board has the authority to waive fees of these storage fees of this nature when none of those issues are factors?

Francisco G. Santos, Appointee:

I believe we have the equipment now to move any cargo at this time. Before when our top lifter are down then we have to acquire one. Then of course the expedite of cargo are slow. Not as fast as now.

Senator Joanne Brown:

Mr. Chairman, are you aware according to this report here, that \$3.5 to \$4 million dollars supposedly may have been waived.

Francisco G. Santos, Appointee:

I don't know. I never see that you know Joanne Brown. It never come to me. Of course, of course the manager will make that request through the board. As a chairman of the board I just make a recommendation for other fellow board members to approve.

Senator Joanne Brown:

And your general manager has never discussed this matter with you even upon your return?

Francisco G. Santos, Appointee:

No, because I'm out already. Because my term is expired already. I believe it's over.

Senator Joanne Brown:

Do you think that the PUC may have an issue since they set your rates? Because I'm not aware of any legal authority that will allow any general manager or board to waive these fees.

Francisco G. Santos, Appointee:

Of course before we waive any kind of fee they have to go to CCU for approval.

Senator Joanne Brown:

I understand but are you aware that they may or have a way that your general manager may have waived these fees?

Francisco G. Santos, Appointee:

I was unaware of that senator.

Senator Joanne Brown:

I appreciate you responding and I know I have other colleagues here that have questions. Mr. Chairman, thank you for responding.

Francisco G. Santos, Appointee:

Thank you so much, Senator.

Senator Joanne Brown:

Mr. Baza you you just relayed you had been on the the Civil Service Commission until December prior to you taking over as a Deputy General Manager Finance and Administration. So within a month or so?

Luis R. Baza, Appointee:

Yes I resign in December and then I took over as Deputy General Manager on December 13th.

Senator Joanne Brown:

And then when you ended you just dended in December 2022 you retired again?

Luis R. Baza, Appointee:

Yes, yes Senator.

Senator Joanne Brown:

Do you think there should be a cooling off period from the time you've served as Deputy General Manager to serving on the board?

Luis R. Baza, Appointee:

I don't think there's anything in the law that says I can't come back. I'm retired because I had some health problems, so that's why I went to the Philippines and and then you know LSU's guys have coming back to do consulting work and that's what I'm doing right now.

Senator Joanne Brown:

Well the reason I ask is those of us that are in positions of leadership including heads of agencies within a year within a 12-month period of coming back and assuming any position that we might have had jurisdiction over. You're kind of reversed because you've served as the Deputy of Finance and Administration. I mean even us oversight chairs for example if I was the oversight chair of the Port I couldn't take a job at the Port within 12 months of stepping down from the Legislature.

Luis R. Baza, Appointee:

I believe that's probably for the agency head not the deputy.

Senator Joanne Brown:

You don't think that applies to you?

Luis R. Baza, Appointee:

I didn't think so no. It's a deputy general manager position.

Senator Joanne Brown:

You don't think overseeing what you did a few months ago there's no issue there with you having policy oversight or even in the you know directing the general manager that was so recently your boss now you're subordinate?

Luis R. Baza, Appointee:

I have no problem directing my general manager if I was a policy person. I have no problems even even as Deputy general manager. I'll confront issues with him if I feel that it's not right. But for the most part we've been going in the direction that we want to go.

Senator Joanne Brown:

You also when you came on board facilitated these I don't know what other questions Senator Fisher, I'll divert to him but you were involved in the settlement agreements of the Port 7.

Luis R. Baza, Appointee:

Yes, I was.

Senator Joanne Brown:

I want to ask you because you mentioned you did not preside over Port cases because of your conflict with Mr. Phillips. Is that the case?

Luis R. Baza, Appointee:

That's correct.

Senator Joanne Brown:

You never presided the Civil Service Commission on any Port cases. Is that what you're telling this, the Legislature?

Luis R. Baza, Appointee:

Not on any Port cases. But on the Port 7 because it was two of the lawyers for these employees felt that I should recuse myself. And the Commissioners didn't want me to recuse myself. But in the spirit of making sure that you know there's no issues and no one's gonna complain that hey you know there's a conflict here or there's you know Mr. Baza also Mike Phillips you know it might come up.

Senator Joanne Brown:

You never, I am just wanting to clarify you never ever sat on any of these Port cases.

Luis R. Baza, Appointee:

I never.

Senator Joanne Brown:

Never even the Port Seven?

Luis R. Baza, Appointee:

In the Port 7, I recused myself ma'am.

Senator Joanne Brown:

From the very beginning?

Luis R. Baza, Appointee:

Yes ma'am. And you can check for the record.

Senator Joanne Brown:

Oh I was there so you know I just want to verify. But you did sit on a number of other cases.

Luis R. Baza, Appointee:

A number of other cases. But if...

Senator Joanne Brown:

Did you settle any of those cases that say the Civil Service Commission with?

Luis R. Baza, Appointee:

Man I know I heard some port cases but I'm just.

Senator Joanne Brown:

You don't recall?

Luis R. Baza, Appointee:

I don't recall all of the cases. I'm sorry Senator.

Senator Joanne Brown:

So you don't believe you may have been involved in any settlements? Kevin Susuico?

Luis R. Baza, Appointee:

I don't believe I was involved in the Kevin Susuico.

Senator Joanne Brown:

Mr. Castro, the police officer that we should demote Mr. Castro to be an unarmed security guard. Did you do any settlement agreements on Mr. Castro?

Luis R. Baza, Appointee:

We did.

Senator Joanne Brown:

Did you do any settlement agreements on Kevin Susuico who the Civil Service Commission unanimously determined to nullify their hiring because he and three other employees the Civil Service Commission did an assessment and determined these individuals were unqualified to have even been hired for the positions that they were serving in?

Luis R. Baza, Appointee:

I heard about Kevin Susuico but I don't believe I was.

Senator Joanne Brown:

Did you sit in a settlement of his case?

Luis R. Baza, Appointee:

No I don't believe I got involved in..

Senator Joanne Brown:

You don't believe you sat there and voted on the to nullify his hiring?

Luis R. Baza, Appointee:

Again, I'm sorry. There's so many cases. I don't recall. There's so many cases I've heard. I'm sorry.

Senator Joanne Brown:

Have you Mr. Baza ever in your capacity ever called in a rank and file employee that's classified at the Port Authority of Guam and ever asked them or told them who to vote for and who to not vote for in the election?

Luis R. Baza, Appointee:

Oh no. Absolutely not. Absolutely not.

Senator Joanne Brown:

Never?

Luis R. Baza, Appointee:

I'll never compromise something like that.

Senator Joanne Brown:

Because certainly having served on a Civil Service Commission violations of the mini Hatch Act would not be acceptable would it?

Luis R. Baza, Appointee:

I have not.

Senator Joanne Brown:

Never?

Luis R. Baza, Appointee:

I have never.

Senator Joanne Brown:

Never an employee of the Port?

Luis R. Baza, Appointee:

Never. You can check my record.

Senator Joanne Brown:

Well I don't know about your record but you know I'm not the only Senator that these employees have approached with this information. So on the record officially you are saying you have never once called a rank and file employee at the Port Authority of Guam and ever told them who to vote for and not to vote for in an election?

Luis R. Baza, Appointee:

You've asked and I've answered the question.

Senator Joanne Brown:

Well I just want to make sure we're clear. Because I want to make sure they and the people of Guam are also clear on that Mr. Baza.

Luis Baza:

I'm already saying it.

Senator Joanne Brown:

It would be very disappointing to even imagine that someone in your capacity, with your history the Civil Service Commission that is sat in judgment of so many people that determine their their work and some cases

their ability to continue to work. That it would be hard to imagine that someone in your capacity would ever do that.

Luis R. Baza, Appointee:

Absolutely.

Senator Joanne Brown:

I just want to make sure for the record we're clear.

Luis R. Baza, Appointee:

I'm very clear. Thank you very much I'm very clear.

Senator Joanne Brown:

And if you're put under oath you're willing to say the same thing.

Luis R. Baza, Appointee:

Of course. I will and I'm sorry if I sound a little harsh. Senator Telo Taitague said I'm a little bit harsh. Maybe it's the microphone.

Senator Joanne Brown:

One other question, you think you had no conflict in settling these Port Seven cases? I mean if you had a conflict sitting on the Civil Service Commission presiding over them what would make you think automatically if you had a conflict that you would be directly involved in settling them.

Luis R. Baza, Appointee:

I think Senator... I think I've already answered that question.

Senator Joanne Brown:

Well I'm asking because that's a pretty big thing when you're paying out millions and millions of dollars of Port money. And my understanding is your predecessor Ms. Connie Shinohara. I understand public statements were made by your general manager when she came on board at the beginning of the term that it would be Mrs. Shinohara as a Deputy for Finance and Administration that would review these cases and determine the legitimacy of them. And my understanding at least I've never spoken to Ms. Shinohara personally in my life. Under oath I will state that. But I don't believe Ms. Shinohara ever settled any of these cases. I don't believe the case has ever moved. And I think there were people that were very dissatisfied with the fact she wasn't moving these cases. She started getting targeted. She started being the focus of gossip and social media. That she was shredding

documents. And then all of a sudden Ms. Shinohara suddenly steps down from the Port Authority and you never thought any reason in your capacities to why the governor would pick you out of everybody in all of Guam, would pick the seated Chairman of the Civil Service Commission to come down to the Port Authority? Maybe you think it was your lucky day or what?

Luis R. Baza, Appointee:

No no. Maybe I should state it for the record. It was her that recommended me.

Senator Joanne Brown:

And you didn't think? You didn't question? You didn't think there would be a conflict knowing the controversies of these issues at the Port Authority?

Luis R. Baza, Appointee:

I didn't think so.

Senator Joanne Brown:

You didn't think so?

Luis R. Baza, Appointee:

No.

Senator Joanne Brown:

And did you settle all these cases with legal counsel?

Luis R. Baza, Appointee:

I've gone to a legal consul.

Senator Joanne Brown:

Did you settle all these cases with legal counsel who wrote these settlements?

Luis R. Baza, Appointee:

Yes.

Senator Joanne Brown:

And who is the legal counsel?

Luis R. Baza, Appointee:

The counsels for the employees.

Senator Joanne Brown:

And who was the council for the Port?

Luis R. Baza, Appointee:

For civil service cases, I'm the one.

Senator Joanne Brown:

Are you telling the Guam Legislature that you settled several million dollars worth of cases that did not complete the legal process without legal counsel for protecting the interests of the Port?

Luis R. Baza, Appointee:

For civil service cases, I can settle.

Senator Joanne Brown:

What makes you think that without legal counsel?

Luis R. Baza, Appointee:

Because I see that there's a violation of law and because the 60-day rule being violated. I'm sorry Senator. Because the 60-day rule has been violated. When management news should have known was 63 days maam, you're fighting something you're dealing you're beating a dead horse in actuality. You know the law is if you knew or should have known and it's beyond 60 days you're barred. And I found that it was borrowed. And then Eric Miller whose legal counsel came out with a legal counsel for the commission came off an AOJ report that on the Bernadette's terminal case it went 63 days. And then on the Javalosa it went under 63 days. They're following the same pattern. So.

Senator Joanne Brown:

Excuse me but none of those individuals represent the Port. Who is your legal counsel for the Port?

Luis R. Baza, Appointee:

I was. I was the one that actually saw this. McDonald's started it.

Senator Joanne Brown:

Well Mr. McDonald was there for a very short period of time and even he suddenly left. Even I gotta wonder why Mr. McDonald all of a sudden because he met with me and Mr. Phillips less than two weeks prior to his request. Discussing these cases and all of a sudden again he suddenly

resigns. So you're telling the Guam Legislation the people at Guam that you unilaterally settled this without legal counsel on these cases.

Luis R. Baza, Appointee:

I had discussion with legal counsel on this.

Senator Joanne Brown:

Who drafted these settlements? Who wrote these settlement agreements?

Luis R. Baza, Appointee:

With the assistance of Mike McDonald before he left.

Senator Joanne Brown:

Did Mr McDonald write all these settlements?

Luis R. Baza, Appointee:

Some of them.

Senator Joanne Brown:

And then who wrote the rest of them.

Luis R. Baza, Appointee:

I did. And I presented before the board. I had a board meeting and I presented before the board.

Senator Joanne Brown:

You were not. You're telling us ethically you could not because of two attorneys did not wanted you to sit as Chairman of the Civil Service Commission over these cases and yet when you went to the Port you determined that you could settle these cases?

Luis R. Baza, Appointee:

Yes, yes Senator. Yes because I recused myself then.

Senator Joanne Brown:

I don't have any further questions at this moment. I'll wait for the next round Madam Chair.

Chairwoman Amanda L. Shelton:

Senator Blas, followed by Senator Barnett.

Senator Frank Blas Jr.:

Thank you Madam Chair and thank you for being here today. I really hate to apologize, but I need to go ahead and continue on with these line of questions. But first, Mr. Santos, I see in your packet that you have actually served and thank you very much your level of service to not just the Port Authority, but for the maritime industry for a long period of time and that you actually served as a member of the board in the previous administration.

Francisco G. Santos, Appointee:

Yes.

Senator Frank Blas Jr.:

And what was your capacity there?

Francisco G. Santos, Appointee:

Yes, I was appointed by former Governor Eddie Calvo.

Senator Frank Blas Jr.:

And your position and on the board? Did you hold a-

Francisco G. Santos, Appointee:

I was appointed by that time as Chairman for the Board. Chairman of the Port Authority.

Senator Frank Blas Jr.:

So you served the Chairman of the Board.

Francisco G. Santos, Appointee:

2012.

Senator Frank Blas Jr.:

Okay. And then you were then you were asked to. Are you currently with the board right now?

Francisco G. Santos, Appointee:

I'm healthy as you are Senator.

Senator Frank Blas Jr.:

Pardon me.

Francisco G. Santos, Appointee:

Thanks to God that I'm still alive and still healthy.

Senator Frank Blas Jr.:

But are you currently with the board right now?

Francisco G. Santos, Appointee:

Oh yes.

Senator Frank Blas Jr.:

You're still with the board?

Francisco G. Santos, Appointee:

Of course. I would say repeat it again Senator. Not at this time because my term expires so that's why we're here this afternoon for two hours for confirmation once again.

Senator Frank Blas Jr.:

Okay so you have not been with the board since June of last year is that what it is?

Francisco G. Santos, Appointee:

Correct.

Senator Frank Blas Jr.:

Okay and so you've been asked to come in. Let me ask you a simple question here. What is the difference what have you found is the difference between when you serve as the Chairman of the Board and the previous administration to being a member of the board in this administration? You said that administration is in the change of administrations there's change in in policy at some times. What have you seen in as far as the change?

Francisco G. Santos, Appointee:

There's a different, there's a change whenever the administration come in and the other one is going out. There's a new management. of course then you've seen new employees coming into the Port.

Senator Frank Blas Jr.:

Okay but what has changed?

Francisco G. Santos, Appointee:

The change? There's no change in the in the Port. You put people down there. You can put any manager down there in the Port just to manage the

Port and our people will take good care of the Port. So they are knowledgeable.

Senator Frank Blas Jr.:

So, am I led to then understand that as you as the chairman of the board as a member of the board that your responsibility is to the functioning of the in this case the Port Authority of Guam? And that a lot of these functions are absent and clear of any orders or mandates from in this case the Governor of Guam?

Francisco G. Santos, Appointee:

Of course. Any policy that have to be made up they have to go to the board. And management when they make that recommendation to us then five of us will sit down and discuss on that matter. We check with our legal council to make sure that everything is clear.

Senator Frank Blas Jr.:

And it's interesting because I think that if you can just very clearly see and hear over the last basically hour and as far as the line of questioning it was the I guess the board's decision in the previous administration to continue on with certain lawsuits. And then in a change of administration then there was there was desire and the need to be able to now settle these lawsuits. Or settle these concerns.

Francisco G. Santos, Appointee:

Okay when the new administration came in there's a change regarding that issue. That legal matter. Then we have our legal council always giving us advice and recommendation what the board can do regarding those cases. Once the legal counsel comes to make their recommendations for us to approve for disapprove then we must rely on our legal counsel.

Senator Frank Blas Jr.:

Okay, were you the Chairman of the Board at the end of the last administration?

Francisco G. Santos, Appointee:

Yes.

Senator Frank Blas Jr.:

Were you the Chairman of the Board at the beginning of this administration?

Francisco G. Santos, Appointee:

Yes.

Senator Frank Blas Jr.:

So you're telling me that in the last administration where was that it was basically the the sentiments of the Board at that point in time to continue fighting the number of different legal cases that it had before and before them? That then there was a change almost automatic by the Board well specifically the board that was run under you.

Francisco G. Santos, Appointee:

The only time the Board make any changes when our legal counsel give recommendation to the Board that this is the decision of the legal counsel in finding the different cases and submitted to the Board for approval disapproval.

Senator Frank Blas Jr.:

Didn't you question in as far as the change I recognize him no no offense to attorneys but you know depending

Francisco G. Santos, Appointee:

The only question that I asked our legal counsel do you check this thing out truly and he said yes. We found all the documents the papers and all those things. Then when they submitted to the board. Then all the other four board members agree then we have to approve.

Senator Frank Blas Jr.:

Was that was was that I guess the direction that you as the Chairman of the board gave to legal counsel to basically go back and find ways not to do this?

Francisco G. Santos, Appointee:

There's one that we told them to go back and recheck it again. Some of the case. But once the legal counsel comes back to the board and say we have to to make sure that this case we are not going to win we're going to lose this case. So in that case then the Board will make that decision.

Senator Frank Blas Jr.:

As the Chairman of the Board at that time did you question in the legal counsels to why his advice or why his opinion on the certain matters different from your previous legal council?

Francisco G. Santos, Appointee:

Questions Senator to the legal counsel. Why is this case taking so long? You know imagine how many years since that case regarding the Asian Port Authority of Guam. Then when the new administration should come in there's a new legal counsel and start making again report to the Board after they went to the court. And they come back and said well I think we're going to lose this case because these 60 days notice and all those things. And I say what is the recommendation? And recommendation said we have to pay. Again I asked the board members. And when the board members approved remember Senator I just make recommendation and the other board will make the approval.

Senator Frank Blas Jr.:

Okay, let's move let's look into the future. What were your future plans with regard to the board?

Francisco G. Santos, Appointee:

Repeat again, sir.

Senator Frank Blas Jr.:

What are your future plans?

Francisco G. Santos, Appointee:

I'm telling you right now it is a bright future for the Port.

Senator Frank Blas Jr.:

That's a bright future for everybody, but I want to know specifically, what are the future plans for the Port?

Francisco G. Santos, Appointee:

Bright future our employees are happy. Of course, there's a few that is not happy, you know? We have different projects that is going on in the Port, and I believe we have all the equipment that we can and do any vessel that can come in the Port. I will give the tools to our employees and I always talk to the employees when we ever had a meeting and I always mentioned to the employee, take good care of the Port and the Port will take care of you

Senator Frank Blas Jr.:

Okay, last question for you Mr. Santos. So who was your legal counsel in the last administration?

Francisco G. Santos, Appointee:

McDonald.

Senator Frank Blas Jr.:

McDonald?

Francisco G. Santos, Appointee:

Yes.

Senator Frank Blas Jr.:

In the Calvo administration?

Francisco G. Santos, Appointee:

No no no. That's Mike Phillips.

Senator Frank Blas Jr.:

Mike Phillips. And who was your legal counsel when you entered the board during the...

Francisco G. Santos, Appointee:

Angel McDonald was appointed for the legal council.

Senator Frank Blas Jr.:

And who's your legal counsel now?

Francisco G. Santos, Appointee:

Yes. Jennifer...what's his name...okay Jimmy Canto...Jennifer. Jennifer.

Senator Frank Blas Jr.:

You have two. you have Jimmie Canto and who's the other one?

Francisco G. Santos, Appointee:

Jennifer.

Senator Frank Blas Jr.:

Okay. Who does the legal counsel answer to? To you or to the management?

Francisco G. Santos, Appointee:

The legal counsel report directly to the General Manager.

Senator Frank Blas Jr.:

They report directly to the General Manager?

Francisco G. Santos, Appointee:

Yes.

Senator Frank Blas Jr.:

Okay thank you. That may be...Mr. Baza, thank you for...Mr. Baza, I apologize. I don't mean to...it's not a matter of fogging or beating a dead horse, but I need to ask a certain question here because I'm a little bit concerned here that when you left the Civil Service Commission, what was your title at the Civil Service Commission?

Luis R. Baza, Appointee:

I was the Chairman.

Senator Frank Blas Jr.:

He was the chairman... You were the Chairman of the board. And as the chairman of the board, was it your responsibility to be able to keep on top of all cases? How that that go before the Civil Service?

Luis R. Baza, Appointee:

I presided all of the cases.

Senator Frank Blas Jr.:

Okay, so.

Luis R. Baza, Appointee:

And also, when the case is active, I have to be on top of it.

Senator Frank Blas Jr.:

Okay.

Luis R. Baza, Appointee:

But when the case is closed I...you know, there's other cases that I have to be on top of.

Senator Frank Blas Jr.:

Understood. Understood. So in the case of what was before you with the Port, and you said that you had to recuse yourself, and you recuse yourself because of your relationships with the other other attorneys, is that correct?

Luis R. Baza, Appointee:

On the Port Seven.

Senator Frank Blas Jr.:

On the Port Seven, okay. What about other cases that were before the Civil Service, but we're involving other Port employees?

Luis R. Baza, Appointee:

I remember sitting a long time on the Castro case okay you know? I remember sitting a long time.

Senator Frank Blas Jr.:

Okay, what about...

Luis R. Baza, Appointee:

But the brass, I'm not...

Senator Frank Blas Jr.:

Okay and I understand. Okay. I'm not... okay with regards to it and... You know, sometimes the questions come before you and it has to jog our memories and I know that all our memories go away every time my hair gets gray. Okay, so I understand that. But along those lines, there's a little... I just found it a little... I'll be honest, disturbing with regard to while you had... you recused yourself from the Civil Service side in being able to participate in the decisions deliberations on the Port Seven, yet you found it necessary, if you will, to be able to to construct the settlements for several of them?

Luis R. Baza, Appointee:

Okay so how that started is that, you know, I reviewed these cases and then we were going to... we're moving at the same pace, but then here comes Civil Service legal council that came off an ALJ report and the ALJ report said that the Port Authority violated 60-day rule by three days. That's on one case and then same thing on another case on the Port Seven that said the same thing, so they're following the same pattern and the way I see it 60-day rule, that's the law. And when you go beyond 60 days, where management should have known you're barred.

Senator Frank Blas Jr.:

Okay. Again, I appreciate it. It's interesting because then, is it a fair assumption that the violation of the 60-day rule actually happened when you were the Chairman of the Civil Service Commission?

Luis R. Baza, Appointee:

I don't know because I recused myself.

Senator Frank Blas Jr.:

I thought you said earlier that you were on top of every case that went in front of Civil Service?

Luis R. Baza, Appointee:

I'm on top of the case when it's active. When it's done, I'm not going to be thinking about that case anymore.

Senator Frank Blas Jr.:

But I think it was active past the 63-day rule if that was the case wasn't it?

Luis R. Baza, Appointee:

Yeah, but see, the thing is I recused myself I wouldn't know.

Senator Frank Blas Jr.:

But again it goes against to what you had said earlier, and I purposely said I asked that that question initially. You keep...you said as a Chairman of the Civil Service Commission, you stayed on top of every case.

Luis R. Baza, Appointee:

So, you know again...let me just...

Senator Frank Blas Jr.:

I understand. You may not have participated in the case, but it was your responsibility as Chairman to stay on top of every case. And if that was the case, the 63-day rule...the 60-day rule, was in fact violated when you were the Chairman of the board weren't you?

Luis R. Baza, Appointee:

I guess I can talk to my Vice Chairman because he's the one that handled the case.

Senator Frank Blas Jr.:

Okay well you know... and so there is... I'm just trying to piece that together, and you know, I don't want to have...something for us to think about... but then along this...along those lines too, you said you had...you were the one who actually wrote up the settlement agreements, is that correct?

Luis R. Baza, Appointee:

Yes.

Senator Frank Blas Jr.:

Okay. Who normally would write up settlement agreements in this?

Luis R. Baza, Appointee:

The lawyers.

Senator Frank Blas Jr.:

The lawyers. Do you have a Juris Doctorate degree?

Luis R. Baza, Appointee:

No I don't.

Senator Frank Blas Jr.:

Okay, so something that should normally be written by an attorney, you took it upon yourself to write it up.

Luis R. Baza, Appointee:

But I followed the same format that attorney McDonald...

Senator Frank Blas Jr.:

But you see what i'm getting at, okay? It appears that...

[inaudible dialogue]

Senator Frank Blas Jr.:

...goose is not good for the gander here.

Luis R. Baza, Appointee:

Yeah, but in Civil Service Commission case you don't need to [inaudible] a lawyer.

Senator Frank Blas Jr.:

I understand as far as Civil Service case...*nangga* (wait), okay? That was something that you had...you were a part of before. Now I'm talking about the time that you wrote up the settlement agreement. When you wrote up the settlement agreement, what position were you...

Luis R. Baza, Appointee:

I was the General Manager.

Senator Frank Blas Jr.:

Okay but in your General Manager's position, is that normally a responsibility that you would to partake in or would you leave that to a the legal counsel?

Luis R. Baza, Appointee:

It would be a lawyer, but we didn't have a lawyer then.

Senator Frank Blas Jr.:

Why not? why did you not have a lawyer?

Luis R. Baza, Appointee:

Because he resigned.

Senator Frank Blas Jr.:

Okay but then it's something as important as this. So that you can cross your

t's and dot your i's when you think that was...

Luis R. Baza, Appointee:

Of course...

Senator Frank Blas Jr.:

Okay I just appreciate that. Thank you very much. Thank you Madam Chair.

Chairwoman Amanda L. Shelton:

Senator Barnett.

Senator Chris Barnett:

Thank you Madam Chair. *Hafa Adai*, good morning or good afternoon.

Hi Mr. Baza. I don't wanna make you upset, but I did want to also kind of continue on the question. Are you good?

Luis R. Baza, Appointee:

Yeah.

Senator Chris Barnett:

Okay, so the lawyer the attorney for the Port would normally draw out the settlements for these types of cases?

Luis R. Baza, Appointee:

Yes they do.

Senator Chris Barnett:

And you didn't have an attorney at that time so...

Luis R. Baza, Appointee:

The attorney wrote two of the cases, so what I did is I followed that case and then of course I verified it with the employees' lawyer, you know and we agreed.

Senator Chris Barnett:

That was at the direction of who?

Luis R. Baza, Appointee:

Well I...direction when I went to the board, I told the board that I can settle and they agreed that I could settle the cases.

Senator Chris Barnett:

Were these settlements made public?

Luis R. Baza, Appointee:

Yes sir it was open to the public, in fact Mr. Respicio here said should we get an administrative person to we can do it...uh what's this...executive session and I said why? You know, why open it to the public? So we did. It was recorded and we deliberated. I make it a presentation about what I found and the board ratified it.

Senator Chris Barnett:

And you disagreed with the Public Auditor's findings?

Luis R. Baza, Appointee:

Yeah we did. We disagreed with some of the findings because some of the findings, almost most of the findings, is basically following the Department of Administration rules and regulations and we have our own rules and regulations that is different from DOA, or it's different from DOA.

Senator Chris Barnett:

So you believe the Public Auditor's audit was flawed?

Luis R. Baza, Appointee:

I'm not going to say it's flawed, but you know, we went on ahead and agreed to disagree.

Senator Chris Barnett:

So you think he was just looking at the wrong rules and regs?

Luis R. Baza, Appointee:

We believe so, and we've told them that. We've told the the investigator that. As a matter of fact, Senator Barnett, when we submitted our findings when we had our three hour discussions with them, everything that we justified to them, they didn't even listen to it. They went on ahead and and just... whatever we discussed just went into it... it wasn't taken into consideration for lack of better words.

Senator Chris Barnett:

I thought it was just a little interesting that you said there was no conflict in being the Chairman of the Civil Service Commission and then going over to the Port and settling these cases that you recused yourself from.

Luis R. Baza, Appointee:

Yeah I didn't think I had a conflict Senator. Like I said, from the Port Seven, I didn't preside it, I didn't look at it, and when I got...that's why I had to read the report. I had to read this big report for every single case and then I understand that the the Civil Service Commission legal counsel was doing a AOJ report and his AOJ report showed that we violated 60-days and then that's one case and then when it came to another case, I mentioned it to the board that we are violating the 60-day rule and it's consistently going that direction. And if we continue to go that direction, the liability is going to be higher and higher and higher, and that's why we settled. So that we can at least find some find some savings because...

Senator Chris Barnett:

What was it about Senator Fisher's line of questioning that upset you sir?

Luis R. Baza, Appointee:

Well I thought I answered the question, I'm sorry I thought I answered the question. And that's what I thought, and that's why I said hey I answered the question. I'm sorry if I sound harsh, I apologize.

Senator Chris Barnett:

I believe they said hostile.

Luis R. Baza, Appointee:

If I sounded hostile, I'm sorry maybe that's why I had to move the microphone backwards.

Senator Chris Barnett:

So again, you don't think there was a conflict as a an instructor of the ethics course. You know, I just sat in it a couple weeks ago. Are you confident that all of your actions would hold up?

Luis R. Baza, Appointee:

I am and you know I'm hold from an ethical standpoint. You know, my whole philosophy is my integrity and my credibility and my belief in the merit system you know? and I'll continue to say that.

Senator Chris Barnett:

Right, but you do understand where we're coming from right? We don't get the opportunity to ask a lot of these questions and we want to make sure that the people that we're going to confirm that sit on this board or any board can exercise a good judgment and wise stewardship of the people's hard-earned tax dollars or you know the Port fees and what not. So you understand where we're coming?

Luis R. Baza, Appointee:

Fully understand.

Senator Chris Barnett:

Okay so there's been a lot of conversation...I'm going to switch gears here a little bit, about the the pay increase the 22 percent pay increase. And a lot of the rhetoric surrounding that was that the line agencies have to compete with the autonomous agencies because the autonomous agencies, they just pay their employees whatever they want, right? I mean some would argue their salaries are a little luxurious. But I wanted to just get your opinion on just that whole thing, is that we have... because of the amount of money that the port or you know other autonomous agencies pay their employees. We're stuck here in the legislature having to give everyone these huge pay increases just to compete with you guys.

Luis R. Baza, Appointee:

Well a brief a brief history, Mr. Barnett. In 2008, the form... I don't want to say who would Senator, they cut the arms and legs of the Civil Service

Commission. Once upon a time, the commission created the pay study to uniform unified pay structure for the whole Government of Guam. In 2008, the Legislature cut that authority that gave the autonomous and everybody else [inaudible] to change their pay policy. And because they change... because we never believed then that government of Guam employees should compete amongst each other. You know we always believe in when you're an AA, you're an administrative assistant, you're an administrative assistant no matter how you slice that cake. But when it became their autonomous, then the Port Authority, GPA, GWA, GHURA, some other agencies, they had their own...they went ahead and contracted their [inaudible] to a Allen Shirell and then Allen Shirell did a market value, and that's why we are...the Port Authority is on the percentile. Is it right that is on the 25th percentile? I think so because they're unique down there. Maybe not... the crane operators, those mechanics down there, the Gantry operators and ...they're unique you know and I think they deserve you know a higher pay than other government agencies. The 22 percent out there that has been recommended is it sound? I think there's a lag. The last time that they did a study was in 2014, that was a 2010 data. So 18%, 22%... there's still a government lack.

Senator Chris Barnett:

Yeah, but given that your salaries down there at the point are already so much higher than everyone else's are you anticipating another pay increase for Port employees given that we have passed the General Pay Plan pay increase for everyone else?

Luis R. Baza, Appointee:

Not to my knowledge Senator.

Senator Chris Barnett:

Are you sure?

Luis R. Baza, Appointee:

Not to my knowledge.

Senator Chris Barnett:

Okay, you mentioned that the employees at the Port are special. Who is the current Procurement Chief Manager whatever it's called?

Luis R. Baza, Appointee:

We have an acting person, her name is Annie Sablan.

Senator Chris Barnett:

Where's the...

Luis R. Baza, Appointee:

the Procurement...the Chief Procurement Manager is over at the GSA for training.

Senator Chris Barnett:

Right. How long has that training been going on?

Luis R. Baza, Appointee:

We are just waiting for the General the Chief Procurement Officer to let us know that she's ready to come back.

Senator Chris Barnett:

How long is the...What's the title of the individual again sir?

Luis R. Baza, Appointee:

Chief Procurement Officer.

Senator Chris Barnett:

Or how long is the Port's Chief Procurement Officer.

Luis R. Baza, Appointee:

I'm sorry, I think Procurement Manager. I'm sorry.

Senator Chris Barnett:

Yeah something like...how long is the Port's Procurement Manager been detailed to the General Services Agency for training?

Luis R. Baza, Appointee:

Well we detailed her over there... no, I'm sorry. It's a training assignment because her legal counsel is saying that she lacks the training, so we gave her to Claudia the CPO and for her to let us know when the training is done so that we can...

Senator Chris Barnett:

Sir, the question was how long has this training been ongoing.

Luis R. Baza, Appointee:

I think two years.

Senator Chris Barnett:

Two, are you sure?

Luis R. Baza, Appointee:

I'm certain.

Senator Chris Barnett:

Yeah, so are you saying that this individual who was hired as the Procurement Manager of the Port wasn't qualified when they were hired.

Luis R. Baza, Appointee:

You know, I don't want to go there because that could be...it's a personal matter and I don't want to get into that because what if it becomes a personal matter.

Senator Chris Barnett:

Can you explain the circumstances? Are you aware of the circumstances of the transfer of this employee?

Luis R. Baza, Appointee:

I am. I am aware because she's not able to actually perform the critical and essential function of just basic procurement work

Senator Chris Barnett:

Oh. Yeah. So she required an excess of two years of training?

Luis R. Baza, Appointee:

She's the Procurement Manager, but man, I'm told...

Senator Chris Barnett:

Is she taking all four of the modules?

Luis R. Baza, Appointee:

She did. She did had to take all four modules. But I'm being told not even the...

Senator Chris Barnett:

By who?

Luis R. Baza, Appointee:

Rank and file...by the a Chief Procurement Officer.

Senator Chris Barnett:

Who are you being told this by?

Luis R. Baza, Appointee:

By the Chief Procurement Officer that she's not even able to...

Senator Chris Barnett:

Which one? The one that's acting, or the one you exiled to GSA?

Luis R. Baza, Appointee:

Claudia is telling us that the lady that is working over there is not even able to perform the critical and central function. Growing up, it's kind of like, if you're a Personal Administrator but you can't do PS work.

Senator Chris Barnett:

So, in other words you're saying this individual isn't isn't qualified.

Luis R. Baza, Appointee:

I wasn't there.

Senator Chris Barnett:

Was kind of what it sounded like you were saying.

Luis R. Baza, Appointee:

It sounds that way.

Senator Chris Barnett:

Yeah. have you ever, in your experience at the Civil Service Commission, witnessed a transfer that lasted that what two years for training?

Luis R. Baza, Appointee:

Again, it's not a transfer, its for training and training can take a while.

Senator Chris Barnett:

Wow, how much longer, sir, do you anticipate this training taking?

Luis R. Baza, Appointee:

It all depends.

Senator Chris Barnett:

Yeah. Was this employee the victim of political persecution?

Luis R. Baza, Appointee:

I don't think so.

Senator Chris Barnett:

You don't think so.

Luis R. Baza, Appointee:

I know it's not.

Senator Chris Barnett:

Which one. Do you know? Or you don't think?

Luis R. Baza, Appointee:

It's not political. It's not political. it's all performance based.

Senator Chris Barnett:

Are there any other Port employees have been transferred to other agencies for training that maybe you didn't agree with their political philosophy?

Luis R. Baza, Appointee:

Well I don't think you can transfer like crane operators or something, but I don't I don't think there's anybody.

Senator Chris Barnett:

Right, so there's only one employee in the entire Port Authority of Guam that has been transferred to GSA for...there's more?

Luis R. Baza, Appointee:

No, that's the only one that I know.

Senator Chris Barnett:

Right. Right well and so then you're just you're waiting for the Claudia Acfalle to tell you that this employee is leveled up enough for you guys...

Luis R. Baza, Appointee:

Yeah, she completed her training and development problem, then yeah.

Senator Chris Barnett:

What kind of training is this though?

Luis R. Baza, Appointee:

To do procurement work.

Senator Chris Barnett:

But she's already had all four modules? This person?

Luis R. Baza, Appointee:

She wasn't able to perform even over their GSA. I'm told she's not even able to perform the critical and essential functions.

Senator Chris Barnett:

You follow up on the status of this employee.

Luis R. Baza, Appointee:

Yeah, I have to. We have to okay.

Senator Chris Barnett:

I know earlier you had said that you keep hearing about crystal meth coming into the Port. Can you explain what do you mean when you say you keep hearing about crystal meth coming into the Port?

Luis R. Baza, Appointee:

If you hear it out there, you hear the rumor that, you know, drugs are coming in from the Port and you know when I first got there I mentioned it to the GM and saying man I keep hearing that from people out there that drugs are coming in from the Port. Is drugs coming in from the port? Rory said I don't think so, but you know we open our doors to Customs and Quarantine, everybody else to be going in there and be doing their due diligence you know we've given them Car Blanc, actually you know. But me, personally you know sometimes...

Senator Chris Barnett:

What do you think personally, Mr. Baza?

Luis R. Baza, Appointee:

When I go in before even telling my boss, I'm coming in at two in the morning because I want to see if there's really something going on down there.

Senator Chris Barnett:

Didn't your General Manager say he didn't think so?

Luis R. Baza, Appointee:

Yeah, but that's what I'm saying. You sometimes say what are you doing going in there, so I'm just on my own doing that.

Senator Chris Barnett:

Yeah I'm not sure if it's a rumor because we've had a couple of public hearings in this very room and we actually had the Chief of Customs said on the record that yeah he believed that crystal meth was coming into the Port and that we just weren't able to catch it coming in. Would you agree with that assessment?

Luis R. Baza, Appointee:

I won't. I don't. But anything can happen, but you know I'll tell you like I said and I said it earlier you know, when we find out that there's a compromise in some of those containers we stop operation immediately we call everybody in and that kind of kind of slows our our productivity down, but we changed some policy we changed our policy there just because we also care about if this is coming from the Port, we gotta catch it.

Senator Chris Barnett:

Right, yeah are you aware or are you suspicious of any Port employees who may be involved in illicit drug smuggling into the Port?

Luis R. Baza, Appointee:

No I'm not aware sir.

Senator Chris Barnett:

Are you aware of any law enforcement being aware of that?

Luis R. Baza, Appointee:

No, I'm not aware.

Senator Chris Barnett:

Because it was said down here on the floor too and then we also had a briefing from the feds. It was HSI and they had also shared with us that they believed that drugs are coming in through the Port, but that there are employees who are associated with that and that's why they're not able to infiltrate this drug smuggling operation. Are you aware of anything like that at all?

Luis R. Baza, Appointee:

No Senator, I'm sorry.

Senator Chris Barnett:

What would you...what would you make of that assessment? Would you agree with that?

Luis R. Baza, Appointee:

You know, I know Ike Peredo. I've talked to him you know and I said Ike, where is it coming from man? We want to make sure too, I want to make sure too, we want to make sure that it's not coming from us. We don't want to cover anybody. Hey if we catch it we're going to take it man. If I can take it myself if the two of us can take it ourselves, we will. You know of course that's probably not the right thing because we're not cops but you know we will do it. According to Ike, it's not coming from the Port you know.

Senator Chris Barnett:

I've interviewed Ike Peredo when I was at KUAM and he actually said he thinks it's coming from the Port.

Luis R. Baza, Appointee:

Then I'm sorry then it's conflicting between the discussion yeah...

Senator Chris Barnett:

Well he might have changed his tune though lately, but when was the... to your knowledge sir...has there ever been a significant drug bust at the Port while you were the Deputy General Manager?

Luis R. Baza, Appointee:

No no no . I just did it on my own.

Senator Chris Barnett:

So you're not aware of any significant drug bust involving a seizure of crystal methamphetamine at the Port Authority of Guam during your tenure as the Deputy General Manager of Admin and Finance?

Luis R. Baza, Appointee:

Man, I'll tell you. If I knew about something, like that we would have tackled it yeah on this.

Senator Chris Barnett:

So there hasn't been one?

Luis R. Baza, Appointee:

No, no.

Senator Chris Barnett:

Do you think that means that it's not coming in through the Port , or do you think that we're just not catching?

Luis R. Baza, Appointee:

Well that's that's what I think because we haven't identified. I'll tell you what though Senator, if we identified and we catch it man we're going to rock it because methamphetamine is even our own children, so that's how serious we are about drugs.

Senator Chris Barnett:

Got to be serious and when law enforcement comes into the the people's house here at the Guam Congress Hall and they they tell us on the record that they believe it's coming in through the Port then guess what? I'm probably going to believe them.

Luis R. Baza, Appointee:

You know, I worked on there so you know, I'm not the operations guy but I work closely with Dominic and you know we we also kind of do our thing and we know already that we don't see any suspicious activity down there. Honestly, that's our take...my take. Because like I said Senator, if we see some suspicious activity, we will rock it man and there may be people coming in there saying it's coming from the Port and that's not what we're seeing.

Senator Chris Barnett:

I mean it's just what every single law enforcement person says. It comes into the Ports of entry right? And that's only... the airport, the post office, and the Port Authority of Guam. How about you Mr. Santos? Do you think there's drugs coming in through the Port and you guys are just not catching it?

Francisco G. Santos, Appointee:

I believe they are coming inside the Port but let me just a brief you regarding our operation on cargo. Once a container which will come in Port and when we discharge that container, they check the seal. When that seal is broken, they set that container aside and also notify the Custom. When the seal is unbroken, then that container will go outside and it's up now to the Customs when the container go outside, whether they open the container outside, that is not the jurisdiction of the Port anywhere. But of course, I believe that drug coming inside the Port because cargo coming in the Port. They're inside the

container but the Port has no jurisdiction inside that container. Once that seal is locked, no one will open that, once they go out before they open that seal, the Customs will be there to make sure that the seal will be broken then they open the container.

Senator Chris Barnett:

Right and then and that's in the event a seal is broken right?

Francisco G. Santos, Appointee:

Yes.

Senator Chris Barnett:

But what if I was one of these drug kingpins you see in the movies? They're like pretty...smart. Let's say I had someone in you know in the states and they buy a car or something and they stuff it full of meth and then they put it in the container and the seal is not broken.

Francisco G. Santos, Appointee:

Of course that's...Senator you know this is my overview. The drug people are very smart. Very intelligent. They know that it's very hard for drugs to come inside the Port. Their solution now is just put on a fishing vessel. Lately fishing vessel pass by Guam, drop the cargo, another boat will go out and pick up those cargo and they can go in at Agana Marina or Agat Marina, and nobody will notice that.

Senator Chris Barnett:

So you believe drugs are coming in through the Port?

Francisco G. Santos, Appointee:

I believe that it's coming. Of course they're coming into the Port because most of the cargo are coming into Port, but inside that container we don't know.

Senator Chris Barnett:

Did you ever share that with your General Manager?

Francisco G. Santos, Appointee:

I never [inaudible] sit down with the Captain of the Port. We discuss regard that and also the Navy regarding those unauthorized vessel that pass by Guam. Of course they can drop anything down in the water and somebody will go out and just pick that thing up. We don't know that.

Senator Chris Barnett:

Did you share your opinion on drugs coming in through the port with Mr. Baza?

Francisco G. Santos, Appointee:

No. Before Senator, maybe in the 70s when we have a brick boat cargo. We have a lot of drugs coming in because you know boxes is open. We didn't even know it and once they discharge it they go to the warehouse. We don't know what will happen inside the warehouse. But now we you know everything is coming in and containerized.

Senator Chris Barnett:

Are you aware of the situation with the Procurement Manager? The real one?

Francisco G. Santos, Appointee:

Oh Procurement Manager that is a you know...that is management jurisdiction. That is not the board. See the General Manager will not ask the board they're going to send this employee for training. That's not the ball function.

Senator Chris Barnett:

Thank you sir, do you believe the board has an oversight Authority or you know check and balance role in terms of check and balancing the management?

Francisco G. Santos, Appointee:

Maybe I could sit down and talk to the manager. What is the delay, what is the status of this employees? Why it's taking so long to be trained? If you cannot train you know what action are you going to take?

Senator Chris Barnett:

It kind of seems like they just banished this employee over to GSA. I mean it's been over two years right? I mean what would you think sir.

Francisco G. Santos, Appointee:

I don't know. Even a dumb dog you can train more than two years. And you're learning new tricks. You know really training is very vital to the Board. Especially when it comes to the procurement right? We're dealing with millions and millions of dollars. One wrong issue then will be a big problem for the Port.

Senator Chris Barnett:

Are you excited for the opportunity to serve on the Port board again?

Francisco G. Santos, Appointee:

I'm very very I spent most of my life down at the Port, Senator. I spend only 47 years.

Senator Chris Barnett:

With all due respect sir you don't think it's time to step aside and maybe let the young blood come in?

Francisco G. Santos, Appointee:

Of course. I give everybody a chance even when I was a Board employers. When I was harbor master you know for 36 years. There are so many applications you know for harbor master. You know and really that job is not you can go outside downtown and pick anybody up that is very cool. A critical position. You need more training. You know have to know the rules of the roads into navigation ships and all those things. So again I want the important employees to be giving the opportunity to advance. You know for me now I love the Port. I wanna die down at the Port. I serve the people of Guam for many many years I'm very proud of it. I owe former service to the Port. If I know that I cannot serve anymore that is the time that I will step down.

Senator Chris Barnett:

Please don't die down to the Port sir.

Francisco G. Santos, Appointee:

Okay.

Senator Chris Barnett:

Just for the record. Please. What about the salaries? Are you guys planning any increase now because there's a lot of you know for lack of a better term carabao see carabao do.

Francisco G. Santos, Appointee:

The manager will decide that for the Port employees.

Senator Chris Barnett:

What's your opinion on it though, Mr. Santos?

Francisco G. Santos, Appointee:

If the employee deserves pay raise, of course. I will support that. But the Port will not micromanage and telling the manager I'll go ahead and give a pay increase to the employees.

Senator Chris Barnett:

No no I understand that sir. I understand but I think I'm coming from is that the rest of the government of Guam is trying to keep up with your runaway train salaries. And so you guys raise up the pay of everybody you got. The GM making two million dollars an hour. And then you know the rest of the government of Guam looks at us and says hey we got to pay people because I don't even think we're we're competing necessarily with federal government. It seems like we're competing with ourselves. So just what is your opinion on that because it's a lot of reaction. You guys pay so much that we got to go pay everyone. And then you guys raise up again we got to go pay everyone.

Francisco G. Santos, Appointee:

I say Senator that since I've been down there to Port management never go to the Board and asked to give pay raise to the employees. There is a procedure that they must follow. The increment and when that increment evaluation. Then there will be the time for the employees to get a pay.

Senator Chris Barnett:

So in your opinion again sir do you think that it's time for the Port of employees to receive an increase across the board?

Francisco G. Santos, Appointee:

You know you cannot satisfy everybody. You know you increase pay let's say ten dollars today. Tomorrow they're asking for another ten dollars. You cannot satisfy the employee. When we give pay raise to the employees that means they deserve the pay raise. There is an evaluation. If they don't meet that evaluation of course they don't get paid.

Senator Chris Barnett:

How would you characterize your relationship with the General Manager?

Francisco G. Santos, Appointee:

If my relationship with the manager is we don't get along, you will not be sitting beside me. We have to have a good working relationship. I put my complete trust on him to take care of the employee. And I always remind him be a good listener take good care of our employee. They are the great asset for the Port.

Senator Chris Barnett:

Thank you Mr. Santos. Thank you, thank you Madam Chair.

Chairwoman Amanda L. Shelton:

Thank you very much, Senator Barnett. We'll now move on to the second round of questions. Oh I'm sorry. Yes, I'm sorry, Senator Perez. I didn't see down there.

Senator Sabina Perez:

Thank you, Madam Chair. So good afternoon. I just want to follow up on some of the questions that were asked earlier. You know I'm very concerned about a lot of things. I guess maybe I could start with the accident that happened down with the Port. The death that occurred because of the lack of follow safety precautions. What is your plan as a board member to address this. This goes for both nominees. So we could start with Mr. Baza.

Luis R. Baza, Appointee:

All right. We found out that it was an employee from GFY that got injured in our own workplace. And of course we want to make sure that I know San Francisco came out here to do the investigation because it's a death accident. We try not to get involved in the whole situation because this is between the contractor our contractor you know which is GSY that was actually taking down the crane. And you know the accident happened when they were moving the crane and the operator hit the staff. So because this is my understanding now. There's an investigation that was done and I'm not privy to the information for that. But you know we don't want the family to also sue the Port. You know that we're negligent with what we're doing because in our eyes that's between the company is the one that make that that created that accident. But of course we have to be compassionate to the family you know. And we want to make sure that the families is okay with this. That's my understanding.

Senator Sabina Perez:

So one of the responsibilities of a board member is to review operational procedures. Is there anything that you can recommend as a board member? What would you recommend as a board member to improve upon the situation?

Luis R. Baza, Appointee:

Well certainly we will look at the safety requirements that our people have been trained you know to do their work out there. And did we do something wrong? Is the safety compromise? You know when the accident happened

and if policies weren't adhered to. Then we need to talk to the manager and fix you know try to strengthen the policy with respect to safety.

Senator Sabina Perez:

Mr. Santos do you have a reply for that to that question?

Francisco G. Santos, Appointee:

Of course we are concerned for the safety of our employee. That's why we always have training. Safety training. We have safety officers. Also have a meeting with the operation. Before any vessel come in they have a safety talk. What kind of cargo are they going to be discharged. What kind of equipment going to be used. And also the safety concern of the our board employees.

Senator Sabina Perez:

But as it pertains to contractors. I mean is there anything in the procurement specifications that required any kind of certification any kind of safety certification from these contractors?

Francisco G. Santos, Appointee:

Oh of course. When the contractor have to do some business report sometimes they have to submit their plan to the safety officers. And so to either they comply to that safety. And also for private sector they always have a safety officer, project officers. Also they got rigger. They are very knowledgeable of rigging any crane they have to demolish or the gantry. All of this thing they have to set a meeting before any operation will be done.

Senator Sabina Perez:

Okay, who was a safety officer?

Francisco G. Santos, Appointee:

Oh acting Officer Salas.

Senator Sabina Perez:

Is he still current?

Francisco G. Santos, Appointee:

Yes, Senator.

Senator Sabina Perez:

So what has the board done to review the safety of the Port operations?

Francisco G. Santos, Appointee:

Whenever there is an incident you know management will submit a report to the board. Then the board would sit down and discuss what remedy how we can solve this solution from happening again. And most of all are always to inform the manager or reminding manager to always have a training or pick talk every day before any operation will be down at the Port.

Senator Sabina Perez:

I think it would be good to provide the committee with what the board has done in response to this incident. If you can provide that, I'd appreciate that.

Francisco G. Santos, Appointee:

Anyway when the managers submit any incident report, accident report to the board then the board will respond to the general manager what remedy what solution you have to do to stop this happening again.

Senator Sabina Perez:

Okay the other question is the board is also responsible for rates. Has the Port ever raised their rates?

Francisco G. Santos, Appointee:

The rate for. Clarify that can me Senator.

Senator Sabina Perez:

So the rates that you charge shipping companies for instance.

Francisco G. Santos, Appointee:

In other words do we have a tariff? They have to comply or conform to the tariff of the Port.

Senator Sabina Perez:

So is this the primarily your revenue source? The operations.

Francisco G. Santos, Appointee:

Yes.

Senator Sabina Perez:

Okay. And have you ever raised the tariffs?

Francisco G. Santos, Appointee:

How long ago?

Luis R. Baza, Appointee:

No, no, not at this time.

Francisco G. Santos, Appointee:

Not at this time.

Senator Sabina Perez:

Okay. Yeah because I'm two seeing the latest staffing pattern. It's almost runaway pay raises. And I'm seeing the next salary increment is within this year for many of the employees. As board members do you have any concern about the increasing these the increasing of salaries?

Francisco G. Santos, Appointee:

Not at this time.

Senator Sabina Perez:

So are have you ever reviewed the evaluations that resulted in these pay raises?

Francisco G. Santos, Appointee:

I always mentioned to the manager that if we increase salary that means prices outside will be increased also and people of Guam will also suffer.

Senator Sabina Perez:

So how are you affording these pay raises?

Francisco G. Santos, Appointee:

Pay raises. We just follow the the base status of the board. We have increment evaluation then give them pay. Not at one time.

Senator Sabina Perez:

Okay so Mr. Baza so I'm seeing these pay increases revenues from what I understand from Mr. Santos that there wasn't a increase in tariffs. So how are how is the Port being able to pay? How are they able to pay these increases?

Luis R. Baza, Appointee:

Well I believe right now we have the ability to continue paying our employees based on salary increments. But in terms of Port-wide pay increases I don't believe we're doing that right now.

Senator Sabina Perez:

Sorry say that again.

Luis R. Baza, Appointee:

I don't believe that there's a Port wide increase. Kind of like what happened with the 22 percent with the on the other side for the government of Guam. I don't believe we're doing anything like that. And everything that we do is subject to funding availability anyhow.

Senator Sabina Perez:

So have you looked at the latest staffing pattern?

Luis R. Baza, Appointee:

No I haven't.

Senator Sabina Perez:

Yeah because it shows there are a lot of increments happening. And it's not across the board but quite a big percentage of the workers are getting increases. You've never seen that?

Luis R. Baza, Appointee:

Well classified employees get salary increments every year. You know based on performance you know. And you know if they perform their duties and responsibilities and they meet the minimum requirements yeah they get their increments. It's not we did not put a hold on that and that's by law.

Senator Sabina Perez:

Okay so it just doesn't make, it doesn't add up. Because where you're getting the money to pay for these increases because they look pretty substantial.

Luis R. Baza, Appointee:

Well like I said they're subject to the availability of funds funds so you know. We won't give, it won't be granted if there's no funding.

Senator Sabina Perez:

Yeah I'm just wondering where that money's coming from. Do you have any idea where that money is coming from to pay?

Luis R. Baza, Appointee:

It's our budget. Because every year when we do our budget we look at increments as well.

Senator Sabina Perez:

Okay yeah, that's another question. Yeah so I'm not getting I'm not satisfied with the responses. Okay the other requirement or board responsibility is contracts. Has anybody in the board, how many of you have completed the four modules? Procurement modules? Anybody on the board?

Luis R. Baza, Appointee:

No. Not for me.

Senator Sabina Perez:

So has the board ever engaged in any contracts?

Francisco G. Santos, Appointee:

No. Any contract Senator it is not the board. It will be the manager. Once the manager make a contract with any company to make an RFP or something then they'll submit to the board for approval.

Senator Sabina Perez:

Do you think it's necessary to take these modules as board members?

Luis R. Baza, Appointee:

Personally I don't think so. Because you know these are the classified employees that are supposed to take the module because they're the job matter expert. They're supposed to be the one to know the work.

Senator Sabina Perez:

Mr. Santos?

Francisco G. Santos, Appointee:

Yes, Senator?

Senator Sabina Perez:

Do you think it's necessary to take all four modules as a board member?

Francisco G. Santos, Appointee:

Of course. You know it is very vital and very important you know especially any module that the Port the board members will be you know to have more knowledge more familiar. Of course. I go along with that.

Senator Sabina Perez:

Have you taken any modules or completed them?

Francisco G. Santos, Appointee:

No, not at this time.

Senator Sabina Perez:

All right. So one of the duties of the board member is to fix the compensation of the general manager. What is your opinion as far as compensation for the general manager? What is your intent? Do you think it should be increased and how what would your decision be based on?

Francisco G. Santos, Appointee:

Depend on the evaluation of the for the general manager. Once the evaluation are submitted and immediately standard for that evaluation then the board will get together and make recommendation for pay increase or not.

Senator Sabina Perez:

Okay, Mr. Baza.

Luis R. Baza, Appointee:

I'm sorry because I'm not a board member. But yes of course you know. If the general manager performances or her duties and responsibilities an outstanding performance I think he deserves an increment. He or she deserves an increment. But if I'm a board member I'm gonna ask to see the evaluation you know. And it's gonna be the board to really evaluate the general manager and the deputies. Oh I'm sorry the deputies is evaluated by the general manager but the board decides on the general manager.

Senator Sabina Perez:

Do you think the board should enforce laws or ensure compliance with government laws?

Luis R. Baza, Appointee:

I think we should. If we see that there's a violation of law we need to enforce it. If we see that you know management is violating the law it's our position to go in there and fix it and tell them that it's wrong.

Senator Sabina Perez:

Mr. Santos, your response.

Francisco G. Santos, Appointee:

My response to your Senator. You know when we have some kind of law or any rules and regulation have to adjust or to modify. Of course we want to take a look whether that thing will benefit the Port or not. Then we board members will get together and we'll discuss this matter. Then if all of us agree then we'll make that a recommendation or to approve it.

Senator Sabina Perez:

Okay there is one part of law that states no employees shall be temporarily assigned or detailed to position nor shall the employee assume the duties and responsibilities of a position other than the one to which he has been appointed for a period in excess of 90 days within a calendar year unless the general manager obtains an exemption upon written application to Department of Administration. And such exemptions should not extend beyond additional 90 days within that calendar year. So are you aware that the Port Authority is not complying with this statute?

Francisco G. Santos, Appointee:

Senator there is a responsibility of the general manager to detail people through different agency or different departments. That is not the board policy to assign some people for a detail or another assignment.

Senator Sabina Perez:

Okay but that's statute. So you cannot go beyond 90 days and or an extension of that would be another 90 days. So what you're saying is that you would defer to the GM's decision even though it goes outside of statute? Is that correct?

Francisco G. Santos, Appointee:

Of course the Port will be notified to that to extend you know. Or we cannot change any policy. If there is a law that is violated of course then as a board members then our legal counsel will come to us and tell us that we are violating the rules and regulation. Then we have to stop that.

Senator Sabina Perez:

Okay because it is in violation of a law right now. So if the Port Authority currently is in violation.

Francisco G. Santos, Appointee:

Of course not. Because if we violate of course our legal counsel will inform us. We don't want to be sued.

Senator Sabina Perez:

Okay, moving on to lighter topic. Interdiction. So in regards to interdiction of drugs I mean you've stated yourself that you believe that drugs are coming in the Port. Has the Port ever interdicted drugs? Has there been any instance? And what is the frequency of interdiction of drugs at the Port?

Francisco G. Santos, Appointee:

Not that I'm unaware. In case any drugs that were coming in and somebody got caught bringing drugs of course the management will inform the board.

Senator Sabina Perez:

Mr. Baza.

Luis R. Baza, Appointee:

Not to my understanding. I've never heard that you know there's drug activities going on in the Port or anything coming in from the Port and we let it go. I don't believe so. Maybe that's the rumor there but I still don't believe so.

Senator Sabina Perez:

Do you believe that drugs are coming through the Port?

Luis R. Baza, Appointee:

I don't believe so. Because I'll tell you as I said to Senator Barnett. If we see that there's an activity there we will identify and we will take it. Because we all have children here and we all care.

Senator Sabina Perez:

Thank you for your responses. Thank you Madam Chair.

Chairwoman Amanda L. Shelton:

Thank you very much. We'll now have a very quick round a second round of questioning because we still have other items on the agenda. So colleagues in the interest of times time, please limit your questions to two please if you have additional questions. Senator Fisher.

Senator Thomas Fisher:

Thank you very much, Madam Chair. Just for the record I would register my objection to this amended Rules of Order here.

Chairwoman Amanda L. Shelton:

Thank you, Senator Fisher. Noted.

Senator Thomas Fisher:

Thank you very much. I have been reflecting quite a bit on the settlements that were entered into multi-million dollars in total for the Port Seven that you will use that the Port Seven which of course was Francis Cepeda, Vivian Leon, Bernadette Stern, Leonardo Leon Guerrero, Josette Havalozza, Francine Rocio, and Mr. Joe Guevara. So I've been thinking quite a bit about that and I know that the Chair wants me to be brief and I will do so. I'll try. All right. In all of these agreements, totally contrary to law, completely contrary to law were labeled confidential settlement agreements between the Port and these individuals. That's entirely illegal. We do not have secret settlements in the government of Guam and we don't have secret settlements in the government of Guam's agencies. But nevertheless for some reason and these of course maam went out over Mr. Baza's signature. And he asked that they'd be kept secret. Ultimately the Port of course was unsuccessful in hiding these things. So here's my first question. Miss Francis Cepeda got four hundred thirty seven thousand two hundred and sixty-eight dollars and ninety four cents of taxpayer money in the settlement. And she also got well she didn't, but her lawyer got eighty-seven thousand four hundred and fifty-three dollars and seventy-eight cents in legal fees. The individual who got those legal fees coincidentally enough is the McDonald Law Firm. Which is to say that you paid eighty seven thousand dollars four hundred fifty three dollars and to your own law firm. That's pretty mind-bending I mean the the conflict is so extraordinary and this person the McDonald Law Office billed you 437 hours. Which amounts to 54 days of work solid work eight hours a day. Tell me about your review because you signed the settlement. And here's my first question tell me about your review of the billing sheets you received from Mr. McDonald.

Luis R. Baza, Appointee:

Well first off Joe McDonald wasn't working for our law offices then. Second I can't really discuss the legal fees I might have been told by Chuck McDonald that that's private.

Senator Thomas Fisher:

It's actually not private. It's public it's public information and the individual who received the windfall your lawyer is now telling you not to talk about it. I'll let the people of Guam decide what they think about that. All right Vivian Leon received two hundred ninety-six thousand eighty-two dollars. Two hundred ninety-six thousand eighty two dollars. Her attorney Mr. Ike Aguigui received three hundred and seven thousand five hundred fifty four in legal fees. And in fact Mr. Aguigui the lawyer received more than the complainant Miss Leon. Now this three hundred and seven thousand five

hundred forty five dollars that you gave to a lawyer equals at two hundred dollars an hour. Mr. Aguigui billed you approximately one thousand five hundred and thirty seven hours of work which amounts to 192 days at eight hours a day. An absurd amount we would all agree. But tell me about your review of the billing sheets that you received from Mr. Aguigui. They are neither attorney-client privilege. You couldn't raise that anyway. Nor are they private. They are public documents and in fact I have asked the general manager through a FOIA which I just delivered to him. To provide those particular billing sheets. But I would like to know when you reviewed Mr. Aguigui's billing asking for three hundred and seven thousand five hundred and forty five dollars what was your opinion of the billing?

Luis R. Baza, Appointee:

Well like I said and you told me already I can't say that but

Senator Thomas Fisher:

No, I didn't tell you that at all. I didn't tell you that at all.

Luis R. Baza, Appointee:

Okay so I'm not going to discuss it because I'm told by legal counsel that that's private.

Senator Thomas Fisher:

And that's the legal counsel that you gave eighty seven thousand dollars. I can assure you sir that these are not private. This is public money that you have expended and are unable to tell us what sort of research or looking into you did to try and save us just on these two cases. Just on two cases. To try and save us over a million dollars. What did you do?

Luis R. Baza, Appointee:

I saved 1.5 million on that Vivian Leon case. I saved 1.5 million on that Vivian on case.

Senator Thomas Fisher:

How so?

Luis R. Baza, Appointee:

So you know membership retired. She retired and she didn't you know

Senator Thomas Fisher:

And she came back and then you ended up giving her 500 000 or am I getting this a little confused with another one of the poor individuals. The

chair has asked me not to ask any more questions and I respect that. So thank you very much.

Chairwoman Amanda L. Shelton:

Thank you, Senator Fisher. Senator Taitague.

Senator Telo Taitague:

Are we changing the rules now? Now we're down to only two questions on the second round.

Chairwoman Amanda L. Shelton:

I have asked that you please keep it to two questions. We still have other items on the agenda and a lot of -

Senator Telo Taitague:

I think this is very important Madam Chair. You know especially when we have two gentlemen who's taking the time to come out here and wants to be confirmed for a board that's very critical to our island. I don't think we should limit it.

Chairwoman Amanda L. Shelton:

Noted, thank you, Senator. Please state your two-

Senator Telo Taitague:

That being said Mr. Santos. Hafa Adai. It's always good to see you and your son. I saw him earlier and I want to commend you for still wanting to serve on the board. You've served for over 10 years, almost 10 years right?

Francisco G. Santos, Appointee:

That's correct.

Senator Telo Taitague:

Almost 10 years. And I had the opportunity because I was mentioning earlier about how I read the reports from the OPA's office and several reports that came out. One of them in particular was the pay that was given to an individual who had retired and was one of the Port Seven who had retired. And in those three years she had retired he or she retired when she came back she was given time when she was gone leave. But she technically was already retired but when she came back she was given retroactive pay from the time she retired until the time she came back to work for the Port. It's very confusing. And then even the OPA report former speaker BJ Cruz talked about this and I haven't seen anything yet. I sent a letter to this

Attorney General to follow up on these OPA reports, find out what went wrong, and why these have not really been addressed. These issues in this report especially something like that. She retired but yet when she came back it was retroactive on the time she was gone. So I took the time to watch the board inaction see what's going on I attended a couple of them. And you know it was just concerning Mr. Chair. Because it's almost like whatever the GM told you to say you were agreeing with. There was one part when it was whether to put out a resolution to go after the former GM and you were not in agreement at the beginning and then it was the GM that coached you along to agree to it. I mean don't take my word for it. Everybody can watch the video. Everybody can watch it online. Go to the Port Authority of Guam and you can watch that situation. So I saw that and then I saw now here sitting here him continuing to coach you by writing things on a pad, telling you what to say. It's concerning for me Mr. Santos. You know I've known you for years, known you for years. And you know most people would in their twilight you know or getting up there they would want to retire. You know you served almost 10 years and it boggles me why do you want to continue to sit on this board if it looks like you're taking directions from the GM instead of having your own mind?

Francisco G. Santos, Appointee:

Senator, let me just respond to your question. Nobody is coaching me. I'll tell you the truth - no one is going to dictate me what to say and what not to say. I listen to my other fellow board members. Once they make a decision they come to me and make a motion to approve and all those things and I make a motion for them to approve or not to approve. I do not vote. I just make the solution or resolution for them to approve or not to approve and nobody is going to dictate to me. I'll guarantee you senator that I serve the people of Guam. I do not serve the governor alone. I don't serve no Senator, no general manager. I serve the people of Guam. The people put me down at the Port... is to serve the people, to take care of their poor, and I want to make sure that the board is well taken care of. If I cannot handle the port then I will resign.

Senator Telo Taitague:

Thank you for answering that but you know I've watched the board minutes and it's all on video so... beg to differ on that.

Mr. Baza, I'm glad you've calmed down a little bit, no need to be hostile. You know, I mean just answer the questions. We're all here to listen to what you have to say, that's it. But, I really appreciate some of the questions that you brought up. But, it's just I mean answers that you gave us on some of the questions. And, I want to go back to procurement because I know that one of my senators talked about training and someone who is in two years of

training that's quite a bit of time for taking that one person out and calling it training.

Mr. Baza, my question to you is - if you become a board member will you bring her back?

Luis R. Baza, Appointee:

If in order, I would have to discuss that... we would. The general manager needs to discuss it with the board.

Senator Telo Taitague:

We, your personal vote.

Luis R. Baza, Appointee:

I would have to look at her evaluation from the Chief Procurement Officer and if the Chief Procurement Officer says she's ready to come back then sure. If the Chief Procurement Officer says she's ready to come back. If you're asking me about my personal... if the Chief Procurement Officer says she's ready, she's up to speed, she's good to go. Then, from my personal opinion I say yes but as a board... I'm gonna have to discuss it with the General Manager... the what... what is the plan but you're asking me my personal opinion, absolutely. If she performs her critical and essential function of a procurement person, then sure.

Senator Telo Taitague:

Will you look into it Mr. Baza?

Luis R. Baza, Appointee:

I will look into it if there's an evaluation that says yes she can come back and perform the critical and essential functions of a procurement.

Senator Telo Taitague:

Well, you don't need the board to move on that. You can do it as an individual person and look at that. So, I appreciate if you do because we all know that this person should not have been there for two years, taken out you know for political reasons or because they didn't vote for the right Governor or what... is ridiculous... we all work for the [inaudible dialogue]... two years is a long time, it should not be done political and being on the board requires you to think for the people of Guam, not for who's going to help you at the board, or who's going to help you at the port or what favors you're going to give in return for something. That's not what that's... this is all about.

Chairwoman Amanda L. Shelton:

Thank you very much Senator Taitague... Senator Brown.

Senator Joanne Brown:

For the record Madam Chair... I'm also going to voice my disappointment in you cutting off members of this body from asking questions. I understand it's long, I was here after two o'clock yesterday and I was here until 7:30 last night because you know we all had questions and even the speaker didn't cut us off from asking questions... because that's the purpose of why we're here. I have all the time in the world to do this and I'm disappointed that you continue to cut off questions on something so critically important because you know the day of reckoning is here.

You know, Mr. Chairman, one thing I had advised you and it's not normally my place because you're my senior. But you know, Mr. Chairman, we've had this conversation. I've always told you sir, don't let anyone put you in a compromising situation. We've talked about that.

Francisco G. Santos, Appointee:

Yes, senator. And, I take that advice from you.

Senator Joanne Brown:

And, because my interests are... in the time I've served, was also to always make sure that you were never put in a compromising situation.

Francisco G. Santos, Appointee:

Senator, I'm just one of the board, the other fellow board members when I make the recommendation, then they're the one who's making that decision.

Senator Joanne Brown:

I understand but you're the chairman of the board of course and your members look to you for direction, and you've had dissension from your board. You've even had appointees of this current administration that have vocally spoken out against the actions that even you have taken sir... and I'm just... I tell you this pains me you have no idea this pains me that we are in this situation, unfortunately, because of really you know drastic changes in the direction of accountability at the Port Authority and I can say that having served.

And, I can only say that now because I'm sitting in a public position. The people have re-elected me. My level of disappointment, because we wanted to make the port better and now you're in a situation where you're four

points below your debt ratio which means you're expending far more than you're taking in, which now puts the bonds in jeopardy. And you know Mr. Chairman, having been and met with these bond investors, they listen and watch everything. They watch the news. They read the paper. That's how they evaluate. They know so much about Guam. They knew so much about the port authority and the... the really... the questionable actions that have happened.

I just don't say that because I've served. I've served in other capacities but in this particular case... to see where we are today and the answers that have publicly been stated. Some are disappointment, some unfortunately are not truthful and for you, Mr. Baza, you've said publicly for the record and we will pull the records of the Civil Service Commission because I sat through many of those hearings at the Civil Service Commission. That's the most I've ever spent time in the Civil Service Commission until I was at the Port Authority of Guam... even the issue of clear and convincing evidence that you evaluated these particular cases on... our counsel advised that every single hearing that you were using the wrong standard. And, you continue to ignore him and that ended up being challenged all the way up again to the Supreme Court of Guam who determined that the Civil Service Commission to which you chaired was using the wrong standard. And, you tell me I never sat in any of these Port board hearings. I must have been imagining it because I sat there many a night. Were you sitting there as chairman and you're claiming you never sat at a single port seven board meeting?

That whole issue of clear and convincing was from you because you didn't listen. Maybe your memory is you know you forgot maybe because you had so many cases but my goodness be truthful about it. That's the concern to come before the people of Guam and lie about these things.

And, you... to go and settle questionable actions. You know, the last meeting I had with the governor of Guam who I've served many terms in this very body with was about the Port Authority of Guam and she said I don't support settlement. I said well Governor, I'm a little concerned because I'm hearing that's what your general managers... very first board meeting... that was on the agenda. Not the priority of the port authority and what I need to know and learn settling these cases including YTK - that was always the agenda and she said no, I don't agree with settlement. She actually pointed out to me, look - they erased the private company and they put Guam Memorial Hospital... that this employee went because the law requires you have to go to the Guam Memorial Hospital, be assessed if you have a claim against for workers compensation, but she said look they didn't change the address, the address is still the private clinic.

That's the last time I spoke to the governor. So, she knows because she knows who she was advised the former board chairman that did these cases was a major, major advisor of which she commends him for the success in her election. And, yet you, Mr. Baza came and said oh, I'm in conflict at the Civil Service Commission but the moment you get to the port, the moment you're hired there with your six-figure salary, you just settle these cases, even without private counsel who's there to represent the interest of the port. Because Mr. Chairman, you allowed the general manager to get rid of your experienced counsel that could have properly handled these cases because the agenda was to address payment.

[inaudible dialogue]

So, Mr. Baza, I mean for you to go down and settle these cases. I mean, you've come and confirmed before this committee you didn't even have proper counsel. Whose interest are you representing then?

Luis R. Baza, Appointee:

The interest of the people of Guam.

Senator Joanne Brown:

And, you think you're doing that and now that you believe, after such a short time having served in your capacity without a cooling off period, you should be allowed to go back and serve on the board.

Luis R. Baza, Appointee:

No, Senator Brown. You know, you've insulted me.

Senator Joanne Brown:

You've insulted all of us... you've lied before this commission... you've lied before this committee, Mr. Baza.

Luis R. Baza, Appointee:

Fifty thousand dollars a month for legal counsel. You've lied before this committee, you guys you know this you... know it crystal clear and I'm not trying to be radical here, but record is showing you said... paid legal counsel 70,000 a month to perform legal work for you. So, please, you're insulting me.

[inaudible dialogue]

Senator Joanne Brown:

Well, I think this particular nominee has difficulty asking questions, answering questions, and being untruthful... which makes it very difficult for me to want to support his nomination. With that, I have no further comments at this point.

Chairman Amanda L. Shelton:

Thank you; Senator, Vice Chair Lujan.

Vice Chairman Jesse A. Lujan:

Thank you, Madam Chair. Good afternoon, Mr. Baza. Good afternoon, Mr. Santos. Good afternoon.

Welcome back to the people's house. If you don't mind, I'm going to focus a little bit on what we were briefed on today. We are in a very critical situation... in critical time, in this, the middle, the midst of this geopolitical situation that we're in... the port being in a very critical position and needing to enhance the port in all ways security.

I know it was presented to us this morning and I know the chairperson was there myself. And, this... the speaker was there in the... the master plan of the Port Authority. Was it presented already to the board?

Luis R. Baza, Appointee:

I'm not down there so I wouldn't.

Vice Chairman Jesse A. Lujan:

Okay, in your opinion again you know, knowing the critical nature we're at and the master plan that has come out and what you know of the master plan. Is there anything in the plan that maybe was in a second or third phase that maybe should be... should be moved up to a higher phase because of the situation that we're in right now... in the critical nature. And, you know the one place where everything, everything comes in - military goods, the civilian goods, and all that.

Luis R. Baza, Appointee:

I think I can answer that question. I think when we got our consultant to be coming here it's been you know, it's been a. I mean we're doing our projects sure, when we... when we need it and we're not like making him tell us what to do. We're telling them what we want to do. Sure, we're telling them the direction that we want to go we're fast-tracking this, you know. They're, we're the customers, so we tell our consultants through of course the direction of our general manager.

This is where we want to go. We're looking at the security and safety of our people. We want to make sure we get our gantries. We want to get... your make sure we get our equipment. We're going to make sure we get everything that we can. Harden the waters down at the port. We need to do that. We know, we're having problems with... the port's old so we need... the bottom line is... that you know we're telling these people we need this... is what we want to do. This is where we want to go, you know, and we're fast-tracking this. We've been yeah, and we're not telling the... we're not, we're not letting the consultant tell us what to do. We're telling them where we want to go on, what we want to do, yeah... that I can tell you.

Vice Chairman Jesse A. Lujan:

That's what I mean. Again, the consultant can put the plan together but whether you know... whatever phase the port is working on, and whether or not phase three should probably be phase one now, because of the situation that we're in you know that.

That's what I'm wondering where are we at in supply chain right now, in regards to being able to get goods and services, and the shipping routes in this and at this point, where are we at in that supply chain? And, either one, Mr. Santos or Mr. Baza, or even the general manager at this point... because I want to see if we're all on the same page of this.

Francisco G. Santos, Appointee:

Anyway Senator, good afternoon, anyway, our procurement now is up to par. When we want to request for any equipment, any products for the board, you know. Now, it will not take long for our procurement for what the port are requiring, what we need at present time, and we must always still demand, just to go ahead and expedite what we need for the port operation.

Vice Chairman Jesse A. Lujan:

The other thing also... in the Buy USA situation. I know that we were, we were trying to get the exemption of a buy, the Buy USA, did we get an exemption and if not why not? And again, if services or goods are not available in the USA, where do we go? I mean, don't we have an ally we can from... our allies. I'm sure that we probably won't buy from China but we'll probably buy from our allies where we add in regards to the buy USA.

General Manager Rory Respicio:

Thank you Senator Lujan for asking the question and also for being at the meeting this morning, and our oversight chair and the speaker as well. The Buy American waivers... something that has not been issued by the Biden Administration or even the Trump Administration. President Obama was the

last one to give an agency waiver. It's actually... we're in active discussions with MARAD and also with the Department of Defense with respect to your question.

Vice Chairman Jesse A. Lujan:

Okay yeah, you know the critical nature of the port again, you bring in the goods and stuff for the construction for the military and that right now. Let me, let me ask you this because there's going to be the environmental impact statement that's going to happen. I mean happening in regards to the missile defense system here with the missile defense system... come to the port as well?

General Manager Rory Respicio:

All the goods and services, all the military construction will come in on commercial carriers which will come to the port... so at the presentation you saw that we did an analysis... what it would mean if one gantry crane went down. It'll set back the military readiness program by about four years. If two gantry cranes went down, you could forget about military readiness as well, as the needs of the civilian... the community... cargo through put coming in.

DOD is very concerned about the situation of our gantry cranes and this is not something that we just started talking about. This is something we've talked about since I became general manager. It's something that the former general managers have been talking about the STS green Kenji crane acquisition is a huge component of the Master Plan update and you could see how everything is positioned in response to the Pacific deterrence and the... in the Pacific strategy... and, so this plan represents what we need to do over the next five to seven years.

Vice Chairman Jesse A. Lujan:

And, the reason why I asked this because obviously again, you know I mean the Chinese carrier was just spotted, you know, less than 400 miles off our shores here, so they're obviously we're in constant surveillance and the port, the port is a big target for I mean again this situation that we're facing and all that.

Is the port up to par with everything that's going on... have they been informed, the new members coming in and all that. And, I know Mr. Santos, you said you were off for a period of time, you, your tenure I think had expired and then now you've been re-nominated to come on, come on board right yeah... and so have you been briefed on those situations in regards to... I mean, I know you know the geopolitical situation that we're in right now. But, in regards to the port enhancement and where we're at and, what must be done now, what can wait a little bit, and what can't at this point?

Francisco G. Santos, Appointee:

Senator, I always rely on our Department of Defense. They really know for they got so many secrets that we don't even know. And, I'll guarantee you now that before we know that there's a Chinese carrier out there about 400 miles west of Guam, the Department of Defense knew that already.

Vice Chairman Jesse A. Lujan:

Let me ask this as well. I mean, is there an enhanced security, are there enhanced security measures in place then, knowing that all goods whether it's civilian and military stuff, comes you know, through the port?

Is there an enhanced security uh that that is also undertaken by not only in the civilian side of the house but in the military, because I would assume it at this point that if yeah, if I was Chinese I would do whatever I can to be able to stop whatever comes in here because you know we're aiming at them as like, like they're aiming at us... so is there enhanced security that is... that is again, augmented by the federal side of the military side?

Francisco G. Santos, Appointee:

Anyway senator, I retired like I said in the Navy 20 years. I spent 16 years at sea with different types of ship and we know how we operate at sea that nobody even know it. I guarantee you even our submarine, we didn't even know but they know already the target.

So, I believe that we're really safe here in Guam and we rely and put our trust in our Department of Defense. They really know what's going on. They are not sleeping many, many of us are sleeping at night, but the... some of the Navy are not sleeping. They are on guard at all time you know. Once they push the missile in China or in Korea, I believe the Navy will intercept that thing before you get to one, and I believe that that is my own opinion, my experience, in the Navy.

General Manager Rory Respicio:

If I could add, the chairman's been very influential on the board to guide the direction of the port as former Harbor Master. He made it very clear that we have to apply for a port security grant to do a radar intrusion system. Not sure if you saw the other day we issued a notice to proceed and that contract was awarded to G4S and so that radar intrusion system will detect any vessel out there I think up to 72 nautical miles. And, we're also undergoing a, R-RAP, a regional resiliency assessment plan with CNMI through the

Homeland Security and... so there are all these assessments being done with respect to cybersecurity and other threats that are imminent in our area.

Vice Chairman Jesse A. Lujan:

How safe is your IT system now at this point?

General Manager Rory Respicio:

Well, the Coast Guard was just there maybe two weeks ago and they did their pinging. They did a report back - you know the positive, the negatives, the areas of concern. One of the major things that they told us was the port employees are very responsive.

They know what phishing is all about, that when they try to make an email look like it came from the Coast Guard, not a single employee clicked on the link or opened it up. On a periodic basis, the employees gets emails supposedly from me saying hey you have some time, I need your help so that's active exercises. It's just something simple as housekeeping, not writing passwords on calendars or post-it notes right next to the keyboard. Those are general housekeeping measures that we have to be aware of. I... that assessment was been made possible by the Coast Guard.

Vice Chairman Jesse A. Lujan:

Are there any additional security measures then undertaken by the port now that we're... may be in enhanced situation with the geopolitical situations?

General Manager Rory Respicio:

When we transition to the JD Enterprise from JD Edwards from the JD Enterprise we... Oracle is the base software. Oracle is providing all the firewalls necessary for cybersecurity. We're going through a terminal operating system study and IT study.

That's all part of the master plan, also to identify what kind of measures need to be taken and these will require significant investments for us to make as a port and as a community. Maybe, upwards of five million dollars alone just for our new terminal operating system and our IT system. The financial management system cost about 2.5 million and we integrated everything... is on the cloud now with all those firewalls and security measures and those are the things that Mr. Baza has helped us while he was deputy general manager.

Those are the things that Chairman Santos has been guiding us with and also Dot Harris is a former chief planner at the port, and so you're seeing the composition of the Port board to keep those individuals with the institutional knowledge and still want to serve. And, I hope that I'm

notwithstanding what happened today, I hope that you would think about the kind of role that they play on the board and how critical that kind of institutional knowledge is required for us to, you know, to stay 100% operational and to keep moving us forward.

Vice Chairman Jesse A. Lujan:

Let me ask the nominees as well here. We've talked... in years, the Jones Act has been impediment for our situation and maybe not only us. But, I only speak for us here in Guam... no other. I wasn't voted by any other destination that to serve, so the Jones Act. I introduced a resolution for a 24-month waiver regards to Jones Act. Are you in favor of at least a 24-month waiver knowing that... knowing that an outright, outside, outright repeal of the Jones Act would probably be impossible.

But, because precedents had been said in regards to waivers of Jones Act for a situation where the I think, it was the... I forget the name of the pipeline system was was hacked and then in Puerto Rico as well. In both, waivers were given by both President Trump and President Biden... are you in agreement on at least a 24-month waiver of the Jones Act?

Luis R. Baza, Appointee:

For me, I would when... when it comes to the Jones Act, I would like to defer that to the governor of Guam.

Vice Chairman Jesse A. Lujan:

I know the governor's in the... in support of the... of actually. She's, she's even more severe than me. She wants it completely gone.

Mr. Santos, are you in agreement with the way... you've been in the port for a long time and you know how the Jones Act works?

Francisco G. Santos, Appointee:

Even since 1970. They've been talking about Jones Act and you know, it's very hard to change that. Sure you know, because you know how the senator back in the states should have good relationship with the U.S. They're still there.

Vice Chairman Jesse A. Lujan:

And, that's why I'm not asking... that's why at this point that I've learned from and Senator Respicio knows... is I learned from our trying to get an exemption a full exemption of cabotage in our open skies. You know, we asked for the full loaf and we got a half a loaf. So, this time I'm asking for a half a loaf and maybe we get a quarter at this point.

So you know, we take incremental steps and like I said precedents... we put, we good. We, I'm thinking, we put a good argument forth regarding a waiver and waiver is just 24 months give us 24... months of breathing room you know and they might give us 12 or 9 but you know, it's a start, and so again, whether or not they're granted.

But I'm not asking for a complete exemption. I'm asking for a waiver. Would you be in favor of a waiver and would you... and if the waivers is given prior to that we will get notice that we need to be able to... to make sure that... that these other ships are ready to service... go on for that. This short period of time because if we get the waiver and we don't jump on it, you have the time that will come and go and we haven't taken care of it so are you in favor of that then? I mean I know it's hard.

Francisco G. Santos, Appointee:

I'm in favor of that you know once we use... they leave the Jones Act. That means merchandise will be less than what we are paying now.

Vice Chairman Jesse A. Lujan:

I mean a waiver does not make it less. A waiver is and you know if we implement it and we get other ships to be able to do that. But, if we just get a waiver and we don't act on it then the prices will be the same. So, that... that's what I'm saying. We... if we do get the waiver, if there's... if there's... if there's a hint of possibly getting it, we need to come together and go to these you know... other.... these other shipping companies and said hey look, we only have you know five, six, seven, eight months or even a year can you service us for this amount of time?

And, that's what I'm saying. You're ready to do that should the time come because we're, we can't just sit there and know that they're going to come you know. We're going to have to seek them out, right?

In regards to... it was talked about of course the drugs coming into the port you know, different ports and things like that. I as well met with Director Peredo and Chief Ignacio not just prior to the election, but afterwards as well.

And, they've come to the conclusion that there... there probably is a good amount that comes in. But, you know we need you, know... it comes in the Port or other ports of entries here in Guam. But likewise, the tools and mechanisms are not all there to be able to fight this.

I got some you know news that the first of May, I introduced the bill called the Comprehensive Crystal Meth Prevention and Improved Law Enforcement and Safety Act of 2023, which will have a designated force of

the police department likewise with the customs and quarantine and also canine dogs specifically to fight the war on drugs.

And, there will not be disbanded until the... the fact that Guam... that we're declared that you know we're again that we are beating this, this situation... not given the tools, mechanisms you know.

I know it was talked, earlier about the partnership with Port Police and... or GPD and Port Police, but there comes a big difference here in it because the Customs and Quarantine, they're not limited by the Fourth Amendment.

They can actually... if they suspect drugs coming in, they can actually go and check whether or not... all they need to do is suspect it, right? Unlike the Guam Police Department or Port Police.

They have to have probable cause to be able to do it, so that's why when you say, well how come the police, they can't. The only ones that have the waiver in regards to suspecting... are Customs and Border Control. That's the big difference, so we need to be able to enhance. That our ports of entry... those, the front line people there are you know Customs and Quarantine they're the ones that can act on suspicions. Your Port Police cannot do that and neither can the Guam Police. They are guided by okay... they're... they're not exempt from the Fourth Amendment.

Senator Respicio, when would this be the... the port be presented with the the master plan and to move on?

General Manager Rory Respicio:

Mr. Vice Chair, we have a public hearing conducted by BSP on Friday at 3 p.m. at the port. And, then once BSP takes all the public comments, governor gets to review the document. Then, after that it'll be formally transmitted to the legislature... to the legislative secretary and then the legislature will have its opportunity to have the public hearings and as quickly as the legislature can adopt that plan, is when the plan will be adopted.

Vice Chairman Jesse A. Lujan:

Is there... is there anything of that plan at this point that you how many phases is this...?

General Manager Rory Respicio:

Well, the plan is not your traditional 30-year master plan. Sure, we by design we needed something to guide us for the next five to seven years and as I said publicly over and over, there's nothing in that plan save for the tariff

simplification which is still revenue neutral that requires public... or that requires the Public Utilities Commission to approve it.

Everything in that plan, we've already positioned ourselves as a port to go after what's happening with the geopolitical issues, be able to respond to save the ports, not ready then the military will not be ready and that's how we've been positioning ourselves okay.

Vice Chairman Jesse A. Lujan:

So, the plan was designed... then basically that if it was a phase two or four phases that maybe four should be probably two right now and all that.

General Manager Rory Respicio:

It's not designed that way but it does build on the port modernization and the \$50 million dollars that Senator Brown, as former general manager, presided over. We successfully completed that chapter and what we're saying is unless we do the crane replacement, unless we harden our wharfs, unless we address our facilities in the next... immediately, then we're just looking for a service life extension and then we're chasing bigger grant opportunities to do a fuel replacement of F-1... refill replacement.

Vice Chairman Jesse A. Lujan:

Mr. Santos you ready for... to take on these new challenges... regards to what's happening and not just the port... but and I'm sure these geopolitical situations we have here and the port again being a main target and things could change. And so, you're... are you ready for that challenge?

Francisco G. Santos, Appointee:

I'm ready to meet that challenge Senator.

Vice Chairman Jesse A. Lujan:

Mr. Baza?

Luis Baza:

When given the opportunity, I'm ready.

Vice Chairman Jesse A. Lujan:

Okay, thank you, thank you very much, Madam Chair.

Chairwoman Amanda L. Shelton:

All right, thank you very much Vice Chair and thank you to everyone who came out today for this part of our public hearing, to hear the appointments of Mr. Luis Baza and Mr. Francisco Santos.

I want to state for the record as well that we received testimony in support of your appointments from your fellow board member, Conchita Taitano, and from the General Manager, Mr. Rory Respicio, former senator, and for Mr. Baza, also from Attorney Ron Aguon - all in support of your nominations.

Again, thank you everyone for being here. This concludes our hearing for these two individuals. We'll take a five minute break and come back for the next agenda items. *Si yu'os ma'åse.*

III. FINDINGS AND RECOMMENDATIONS

The Committee on Maritime & Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth, and Senior Citizens hereby reports on the appointment of Mr. Luis R. Baza to serve as a member of the Port Authority of Guam, Board of Directors, with the recommendation of TO REPORT OUT ONLY.