## I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN RESOLUTIONS

| Resolution No. | Sponsor  | Title  | Date Intro            | Date of<br>Presentation | Date Adopted | Date Referred | Referred to | PUBLIC<br>HEARING<br>DATE | DATE<br>AUTHORS REPORT<br>FILED | NOTES |
|----------------|--|--|-----------------------|-------------------------|--------------|---------------|-------------|---------------------------|---------------------------------|-------|
| 447-37 (COR)   | Jesse A. Lujan Tina Rose Muña Barnes Joanne M. Brown Therese M. Terlaje Joe S. San Agustin Dwayne T.D. San Nicolas Sabina Flores Perez Telo T. Taitague Chris Barnett Roy A. B. Quinata Frank Blas, Jr. Thomas J. Fisher | Relative to requesting the United States Secretary of Transportation to authorize a temporary twenty-four (24) consecutive month exemption to expand cargo and passenger flexibility at the A.B. Won Pat International Airport Authority, Guam and allow certain foreign air carriers to stop in Guam in the course of transportation of passengers or cargo in either direction between a place in the United States and a place outside the United States, and for other purposes. | 7/11/24<br>10:30 a.m. |                         |              |               |             |                           |                                 |       |

## I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN 2024 (SECOND) Regular Session

Resolution No. 447-37 (COR)

Introduced by:

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Relative to requesting the United States Secretary of Transportation to authorize a temporary twenty-four (24) consecutive month exemption to expand cargo and passenger flexibility at the A.B. Won Pat International Airport Authority, Guam and allow certain foreign air carriers to stop in Guam in the course of transportation of passengers or cargo in either direction between a place in the United States and a place outside the United States, and for other purposes.

## RESOLVED BY THE COMMITTEE ON RULES OF I 1

## MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN: 2

- 3 WHEREAS, limited air competition has made flights from Guam to the
- 4 Commonwealth of Northern Mariana Islands (CNMI) or to Hawaii or to the U.S.
- 5 mainland, exceedingly expensive, imposing a significant financial burden on residents,

visitors, and military personnel stationed on the island, ultimately restricting their ability to travel affordably and frequently; and

WHEREAS, the Antonio B. Won Pat Guam International Airport (IATA: GUM) relies heavily on foreign air carriers for transportation needs due to limited availability and high costs of U.S. carrier flights; and

WHEREAS, Japan, the Philippines, and the Republic of Korea are critical allies of the United States in the Indo-Pacific region, and their air carriers have been essential in bridging transportation gaps between the U.S. and Pacific Islands; and

WHEREAS, facilitating the operation of foreign air carriers from these nations in Guam would enhance connectivity, promote competition, reduce travel costs, and boost tourism and economic development in the region; and

WHEREAS, in June 2024, Guam's Delegate in the House of Representatives, Congressman James C. Moylan, introduced the Pacific Island Flight Alternatives Act of 2024 (PIFAA) which seeks to amend Section 41703 of title 49, United States Code, to allow certain foreign air carriers to add or remove passengers or cargo in Guam or CNMI without breaking the international journey, thereby enhancing air commerce in these territories; and

WHEREAS, the Government of Guam has a longstanding commitment to seeking regulatory changes that enhance air service access and economic opportunities; and

WHEREAS, in 2002, island leaders, including the Antonio B. Won Pat Guam International Airport Authority Board of Directors, the 27<sup>th</sup> Guam Legislature, and the Governor of Guam, united in support of petitions for exemptions that would allow Guam to better utilize its geographic location for economic advantage, highlighting the potential for economic benefits from increased U.S. and foreign air carrier activity; and

WHEREAS, the U.S. Department of Transportation has previously granted exemptions from domestic air service regulations to international airports in Alaska and

Hawaii to promote increased U.S. and foreign air carrier activity, recognizing the unique
 needs of these regions; and

WHEREAS, the Government of Guam's endeavors to ease air transportation restrictions is further evidenced by the efforts to petition the U.S. Department of Transportation for exemptions from restrictive regulations, such as in the case presented to Ms. Dorothy Beard, Director, Documentary Services, U.S. Department of Transportation, in February of 2006, where the Guam legislature wrote to Ms. Dorothy Beard referencing the state of Alaska's petition (OST-96-1600), which explicitly acknowledged Guam's special needs for air services and the regulatory power to assist in the economic wellbeing of the island. The petition highlighted the economic benefits of such an exemption for the A.B. Won Pat Guam International Airport, particularly in enhancing the island's ability to compete in the trans-Pacific travel and cargo markets; and

WHEREAS, the requested exemption aligned with the broader goals of the U.S. Department of State's "Open Skies" initiative, aimed at allowing market forces to determine air transportation access and frequency, which could significantly contribute to Guam's economic recovery and growth by leveraging its strategic geographic location; and

WHEREAS, in 2009, the Department of Transportation recognized that Guam's locality and isolation places the island at an economic disadvantage and granted Guam cargo exemption to air transportation regulations that had the potential to reduce the cost of air freighted goods to and from Guam. The air cargo exemption allowed foreign carriers to move cargo from a foreign city to a U.S. point of entry, then to another. However, the Department of Transportation did not grant Guam passenger exemption; and

WHEREAS, in recent years, the Department of Transportation has granted exemptions to air cargo and air passenger flexibility, such as in the case of Puerto Rico.

On June 7, 2019, the Puerto Rico Department of Economic Development and Commerce (DDEC) applied to the U.S. Department of Transportation (USDOT) to expand international cargo and passenger transfer activities at several Puerto Rican airports. On February 19, 2020, the USDOT issued an order for public comment on granting foreign air carriers a two-year exemption to expand these activities. On April 29, 2020, the USDOT granted this exemption, allowing international cargo and passenger transfer services at Mercedita Airport in Ponce, Rafael Hernández Airport in Aguadilla, and Luis Muñoz Marín Airport in Carolina. This exemption is significant because it makes Puerto Rico the only U.S. territory with such an exemption for both cargo and passenger transfers, unlike the state of Alaska, the Mariana Islands, and Guam, which had only previously been granted cargo exemptions; and 

WHEREAS, the negative effects of the COVID-19 pandemic shutdown, which spanned over three years from 2020 to 2022, devastated Guam's tourism industry, a vital component of the island's economy, causing significant financial loses and widespread unemployment across the island; and

WHEREAS, the aftermath of Super Typhoon Mawar in 2023 further exacerbated Guam's economic challenges, damaging infrastructure and delaying recovery efforts; and

WHEREAS, authorizing a temporary twenty-four (24) consecutive month exemption to expand air cargo and passenger flexibility at the A.B. Won Pat International Airport Authority, Guam, would provide a crucial boost to the island by increasing air traffic, promoting trade, and attracting new business opportunities; and

WHEREAS, the Government of Guam deems an air cargo and passenger exemption essential for the economic recovery and long-term prosperity of Guam, aiding in the restoration of Guam's tourism industry and overall economic health in the aftermath of the COVID-19 pandemic and Super Typhoon Mawar; and

WHEREAS, I Liheslaturan Guåhan hereby strongly supports cargo and passenger flexibility at the A.B. Won Pat International Airport Authority Guam with the enactment of the Pacific Island Flight Alternatives Act of 2024 (PIFAA) and anticipates the benefits of increased air service, competition, reduced travel costs, improved regional connectivity, and strengthened economic ties with key Indo-Pacific allies; now therefore, be it

RESOLVED, that the Government of Guam remains committed to promoting the island's economic development and maximizing all its economic sectors, components, and opportunities to ensure a stable, sustainable, and growing economy to benefit all residents on Guam and places a high priority on requesting a two-year term to all foreign air carriers that currently hold, or that may subsequently receive, effective Department authority to engage in scheduled foreign air transportation of cargo (whether under authorizations permitting combination or all-cargo services), an exemption from 49 U.S.C. § 41301 to engage in the following cargo transfer activities at the A.B. Won Pat International Airport Authority, Guam, and to all foreign air carriers that currently hold, or that may subsequently receive, effective Department authority to engage in the foreign air transportation of passengers, an exemption from 49 U.S.C. § 41301 to engage in the following transfer activities at the Guam International Airport Authority, Guam:

- (1) to transfer cargo and passengers from any of their aircraft to any of their other aircraft, provided that both aircraft are operating to/from a point in the carrier's homeland; and
- (2) to make changes, at the A.B. Won Pat International Airport Authority, in the type or number of aircraft used to transport cargo and passengers, provided that in the outbound direction, the transportation beyond Guam is a continuation of the transportation from the carrier's homeland to Guam, and in the inbound direction, the

transportation to the carrier's homeland is a continuation of the transportation from behind Guam; and

- (3) to commingle cargo and passenger traffic moving in foreign air transportation with cargo and passenger traffic not moving in foreign air transportation; and
- (4) to discharge cargo and passenger traffic at the A.B. Won Pat International Airport Authority for transfer to a U.S. carrier for onward carriage to a final destination in the United States or in a third country, and to uplift from Guam and passenger traffic transferred from a U.S. carrier that was transported by that carrier to Guam from a point of origin elsewhere in the United States or in a third country; and
- (5) to discharge passengers and cargo at the A.B. Won Pat International Airport Authority for transfer to another foreign carrier for onward carriage to a final destination in a third country, and to uplift from Guam international airport passengers and cargo transferred from another foreign carrier that was transported by that carrier to Guam from a point of origin in a third country; and

**RESOLVED,** that the Committee on Rules of *I Mina'trentai Siette Na Liheslaturan Guåhan* does hereby, on behalf of the people of Guam, requests the United States Secretary of Transportation to authorize a temporary twenty-four (24) consecutive month exemption to expand cargo and passenger flexibility at the A.B. Won Pat International Airport Authority, Guam and allow certain foreign air carriers to stop in Guam in the course of transportation of passengers or cargo in either direction between a place in the United States and a place outside the United States, and for other purposes; and be it further

**RESOLVED**, that the Speaker and the Chairperson of the Committee on Rules certify, and the Legislative Secretary attest to, the adoption hereof, and that copies of the same be thereafter transmitted to the Honorable Joseph R. Biden, Jr., President of the United States; the Honorable Mike Johnson, Speaker of the House of Representatives; the Honorable Chuck Schumer, Senate Majority Leader; the

- 1 Honorable Alejandro Mayorkas, Secretary of Homeland Security; the Honorable Pete
- 2 Buttigieg, United States Secretary of Transportation; the Honorable Sam Graves,
- 3 Chairman of the House Committee on Transportation and Infrastructure; the Honorable
- 4 James C. Moylan, Guam's Delegate to Congress; and to the Honorable Lourdes A. Leon
- 5 Guerrero, I Maga'hågan Guåhan.

DULY AND REGULARLY ADOPTED BY THE COMMITTEE ON RULES OF I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN ON THE DAY OF MONTH 2024.

THERESE M. TERLAJE Speaker CHRIS BARNETT
Chairperson, Committee on Rules

AMANDA L. SHELTON
Legislative Secretary