

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF GUAM**



REQUEST BY THE PORT AUTHORITY)
OF GUAM FOR APPROVAL OF THE)
ISSUANCE OF PORT REVENUE BONDS)
AND TO APPROVE ASSOCIATED)
DOCUMENTS)
_____)

DOCKET 18-03

ORDER APPROVING LONG-TERM DEBT

Pursuant to Article 2 of Chapter 10, Title 12, Guam Code Annotated (as amended, the “Act”), the Jose D. Leon Guerrero Commercial Port, also known as the Port Authority of Guam (the “Authority”) is authorized to issue revenue bonds (“Bonds”) to raise funds for the purpose of acquiring, constructing, improving, equipping, maintaining, repairing, renewing, replacing, reconstructing or insuring the Port system, or any part thereof, or for the purpose of refunding any such bonds or any other prior obligations of the Authority, or for any combination of such purposes, in accordance with and subject to the requirements and limitations set forth in the Act, subject to the approval of the Legislature and the Board of Directors of the Guam Economic Development Authority (“GEDA”).

Pursuant to such authority the Authority has now applied to the Commission for approval of the issuance of one or more series of tax-exempt and/or taxable Bonds (the “2018 Bonds”) for the purposes set forth, and in an aggregate principal amount not to exceed \$72,600,000 under and subject to the applicable limitations of Public Law 34-70 (the “Bond Law”) adopted by the Legislature, and of such other terms and conditions pursuant to which such 2018 Bonds are to be issued pursuant to Resolution No 2018-01 adopted by the Board of Directors of the Authority on April 19, 2018, and pursuant to Resolution No. 18-002 adopted by the Board of Directors of GEDA on April 12, 2018.

The proposed form of an indenture, to be executed by the Authority, Bank of Guam, as trustee (the “Trustee”) and U.S. Bank National Association, as co-trustee (the “Co-Trustee”) pursuant to which the Bonds are proposed to be issued (the “General Indenture”) has been presented to the Commission, together with the proposed form of supplemental indenture to be executed by the Authority, the Trustee and the Co-Trustee, pursuant to which the 2018 Bonds are proposed to be issued (the “First Supplemental Indenture”). The current forms of the General Indenture and the First Supplemental Indenture are attached hereto as Exhibit A.

The Commission, having duly considered the application of Authority and the information presented on Authority’s behalf, and having determined that the issuance of the 2018 Bonds for such purposes is just and reasonable, orders as follows:

1. The issuance of the 2018 Bonds and the execution and delivery of the General Indenture and First Supplemental Indenture pursuant to which the 2018 Bonds are to be issued are hereby approved. Significant modifications or amendments of the terms and conditions of the 2018 Bonds set forth in such documents from the form attached as Exhibit A shall be subject to prior Commission review and approval prior to the issuance of the 2018 Bonds. The Authority shall have the responsibility of bringing any such significant modification or amendment affecting terms and conditions of the issuance of the 2018 Bonds to the Commission's attention; provided, however, that, at the request of the Authority, the Commission's administrative law judge is hereby authorized to provide such review and approval of any modifications or amendments to the forms of General Indenture and First Supplemental Indenture, or to determine and confirm that the form of General Indenture or First Supplemental Indenture to be executed and delivered by the Authority does not contain any such significant modification or amendment from the forms of such documents included as Exhibit A hereto.
2. As provided in the Bond Law, the principal amount of 2018 Bonds that may be issued may not exceed \$72,600,000. The 2018 Bonds shall have a final maturity not later than 2048, and shall bear interest at such rate or rates, and shall be sold for such price or prices as shall result in a yield to bondholders not exceeding six and one-half percent (6.5%) per annum (treating payments and receipts under any interest rate hedging contracts as if they were payments to and receipts from the bondholders). In accordance with the Bond Law, the present value of debt service on the 2018 Bonds applied to refinance any or all of the Prior Loans (as such term is defined in the Bond Act) in the aggregate shall be at least two percent (2%) less than the present value of debt service on the refinanced Prior Loans in the aggregate, using the yield on the refunding bonds as the discount rate, and shall be issued and sold in the manner, for the purposes and subject to the requirements and limitations provided in the Bond Law and the Indenture.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

Dated this 26th day of April, 2018.



JEFFREY C. JOHNSON
Chairman



ROWENA E. PEREZ
Commissioner



JOSEPH M. MCDONALD
Commissioner



FILOMENA M. CANTORIA
Commissioner

MICHAEL A. PANGELINAN
Commissioner



PETER MONTINOLA
Commissioner



ANDREW L. NIVEN
Commissioner

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EXHIBIT A

[Forms of General Indenture and First Supplemental Indenture]