

1 KATHLEEN V. FISHER, ESQ.  
2 WILLIAM N. HEBERT, ESQ.  
3 SARAH L. FABIAN, ESQ.  
4 CALVO FISHER & JACOB LLP  
Attorneys at Law  
259 Martyr Street, Suite 100  
Hagatna, Guam 96910  
5 Telephone No.: (671) 646-9355  
6 Facsimile No.: (671) 646-9403

7 Attorneys for Agency  
A.B. Won Pat International Airport Authority, Guam

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OFFICE OF PUBLIC ACCOUNTABILITY  
PROCUREMENT APPEALS

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FILE NO OPA-PA: 12-006

9 **IN THE OFFICE OF PUBLIC ACCOUNTABILITY**  
10 **PROCUREMENT APPEALS**

11  
12 IN RE THE APPEAL OF DFS GUAM L.P.,

APPEAL NO.: OPA-PA-13-006

13  
14 Appellant.

15 **DECLARATION OF FRANK SANTOS**  
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1 I, Frank Santos, declare:

2 1. I am a consultant to the A.B. Won Pat International Airport Authority, Guam  
3 (“GIAA” or the “Airport”). I have personal knowledge of the facts set forth below and, if called as  
4 a witness, I could and would testify competently thereto.

5 2. In September 2013, GIAA successfully sold two sets of general revenue bonds.  
6 The first set of general revenue bonds is referred to as the “2013 Refunding Bonds”. These bonds  
7 were issued for the purposes of: (i) refunding all or a portion of GIAA’s outstanding bonds issued  
8 in 2003; and (ii) paying expenses incurred in connection with the issuance of the 2013 Refunding  
9 Bonds.

10 3. The second set of general revenue bonds is referred to as the “2013 Tax-Exempt  
11 Bonds”. These bonds were issued for the purposes of: (i) financing additions, extensions and  
12 improvements to the Airport; and (ii) paying expenses incurred in connection with the issuance of  
13 the 2013 Tax-Exempt Bonds. (collectively the 2013 Refunding Bonds and the 2013 Tax-Exempt  
14 Bonds are referred to as the “2013 Bonds”).

15 4. The 2013 Bonds are not general obligations of the Government of Guam, but are  
16 limited obligations payable solely from and secured by a pledge of specified Airport revenues,  
17 consisting primarily of all gross income and revenue received by GIAA from the ownership or  
18 operation of the Airport, including such things as rents, fees and charges received by GIAA for the  
19 use of the Airport. The ability of GIAA to pay the principal and interest on the 2013 Bonds is  
20 dependent upon the receipt by GIAA of sufficient revenues; no other source of repayment exists.

21 5. On May 18, 2013, GIAA and Lotte Duty Free Guam LLC (“Lotte”) entered into a  
22 Concession Agreement for the specialty retail operations at the Airport (the “Agreement”). On  
23 July 20, 2013, Lotte took possession of the premises described in the Agreement and commenced  
24 operations of its specialty retail concession operations.


25 6. In addition to the significant renovations Lotte has started to make to the specialty  
26 retail concession premises, as required by the Agreement, Lotte has already commenced making  
27 significant capital improvements to the concourse areas in order to enhance the passenger and  
28 shopper experience in and around the specialty retail concession premises.

1           7.     If Lotte is prevented from completing its renovations to the specialty retail  
2 concession space and surrounding areas at the Airport and/or made to cease operations, the Airport  
3 and passengers will be deprived of these much-needed capital improvements and the additional  
4 revenue that Lotte projected to be realized from improving the shopping and passenger experience  
5 in the concourse of the Airport.

6           I declare under penalty of perjury under the laws of Guam that the aforementioned is true  
7 and accurate.

8           Executed this 20th day of December, 2013 at Tamuning, Guam, U.S.A.

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FRANK SANTOS