



The Port Report

April 2010

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GM Testifies on Bill 355-30

General Manager Rick Agustin recently testified at a public hearing for Bill 355-30, a measure introduced by Senator Tom Ada relative to leasing property at the Port Authority.

This bill seeks to amend the current law that prohibits the Port from entering into lease agreements for periods exceeding 5 years without legislative approval. Recognizing the need for investment from the private sector, Bill 355-30 will give the Port the ability to negotiate and enter into lease agreements for longer terms, providing a more attractive environment for capital investment.

In line with its modernization plans, the passage of this bill would allow the Port to enter into longer leases thereby attracting more commercial business and providing



additional revenue needed to carry out upgrades to the facility.

The bill would require potential investors seeking 20 year leases to invest no less than \$5 million on property development or improvement within the first 5 years of the lease.

A 30 year lease would require an investment of more than \$10 million within the first five years of the lease. This will ensure

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FY 09 Audit Highlights

After 7 years, 2009 ended with an increase of \$2 million in cargo operations and the Port continues its positive trend of net assets as reported 2.5%, port lease operating in the black. by independent auditors revenues increased by Ernst and Young. Total \$897,000 due to new operating revenues lease fees that were moves as compared to increased by \$264,000. FY 2008, fiscal year Although income from

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that the company has long term vested interest in the port property.

In spite of support from the Port Authority and its users, the bill did not receive enough votes from the oversight committee to move into the second reading.

Sunken Vessels Removed

Earlier in April, four private sunken vessels from the Hagåtña Marina and three from the Agat Marina were removed after being abandoned by its owners. The vessels sank when Super Typhoon Pongsona devastated Guam in December 2002. The Port issued out a bid late last year for the removal and the project was awarded to Smithbridge Guam Inc. The company was paid \$108,000 for the work which came from port insurance settlement funds.

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implemented. Operating expenses in FY 2009 decreased by \$134,000 compared to last fiscal year. The reduction in expenses was mainly due to containment measures implemented that resulted in decreases to the divisional expenses of operations and maintenance. On the other hand, management and administration expenses increased due to the filling of

vacant management positions.

Major capital investments made during the year include the following: \$2.6 million for the gantry rail replacement and wharf upgrades; purchase of two new top lifters, refurbishments and new parts on lifting equipment, electrical upgrade within Port compound, investment in operational and administration equipment, and building and yard improvements.

Working efficiently and making every effort to cut costs and curb waste has contributed to the

Port's positive financial audit. Credit is given to all employees who continue to work diligently to serve Guam's community. Keep up the great work.



News from Congresswoman Madeleine Z. Bordallo Obama Administration Backs \$50 Million for Guam Port

**FOR IMMEDIATE
RELEASE – April 6, 2010 –
Washington, D.C. –**

Congresswoman Madeleine Z. Bordallo announced today that the Obama Administration is seeking the authority from Congress to invest up to \$50 million in the Port of Guam Improvement Enterprise Fund.

President Obama stated in a letter on April 5 to Speaker Pelosi that, "Modernization of Port is a critical prerequisite for the military construction program supporting the realignment of U.S. Marine Corps forces from Japan to Guam, a part of the overall U.S. strategy for military forces in the Pacific region."

In an April 5th letter to Chairman Ike Skelton of the House Armed Services Committee, Deputy Secretary of Defense William Lynn wrote that the

President is formally amending his Fiscal Year 2011 budget request to allow the Department of Defense to transfer funds to the Department of Transportation to finance infrastructure upgrades at the Port of Guam. Secretary Lynn's letter also noted that these funds will make the Port of Guam eligible for guaranteed matching loan funding from the Department of Agriculture. Secretary Lynn wrote, "This specific amendment provides the authority for the Department to transfer up to \$50 million to the Department of Transportation's Port of Guam Improvement Enterprise Fund. Capital improvements to the Port are critical to national defense as demonstrated by the U.S. military's reliance on this port to ship goods and supplies to military bases located on Guam."

"President Obama has made

the Guam military buildup a priority of his administration," Congresswoman Madeleine Z. Bordallo said today. **"After an initial misstep with the Port's TIGER grant request, the administration is demonstrating its commitment to helping Guam with the civilian infrastructure improvements that will be needed for the buildup to be successful. The President's request boosts our confidence that Guam's needs will be carefully evaluated and that federal assistance will be forthcoming for these needs as we proceed with the buildup in the years ahead."**

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continued from: Sunken Vessels

The four boats at the Agana Marina range from 25 to 50 feet in length, while the three boats in Agat range from 12 to 20 feet long and were located in less than 12 feet of water. A 120 ton grove crane was used to remove the vessels and was transported to Smithbridge's lot for demolition and disposal at the Guam landfill.

"Removing these sunken vessels will help alleviate any problems with other boaters having to maneuver around the vessels and also will allow the Port to develop the area to provide

more space for boaters," said Port General Manager Enrique J.S. Agustin.



Assistant Secretary of Defense Visits PAG

The Port's role as a critical infrastructure was again reiterated with the visit of the Honorable Wallace Gregson, Assistant Secretary of Defense for Asian & Pacific Security Affairs on April 30th. During his brief stay in Guam, Secretary Gregson made time to visit Port Authority officials and take a tour of our facilities. At the briefing with GM Rick Agustin, Secretary Gregson recognized Guam's patriotism and noted that Guam has the highest military recruitment numbers per capita in Guam and Micronesia compared to other areas. He further mentioned that the upcoming buildup will not only be good for the military but also for Guam and its people through improved infrastructure and job opportunities. Secretary Gregson was accompanied by representatives from the Governor's Office, JGPO and the US Coast Guard.

That same day, Major Gen. James L. Hodge, commanding general of the Military Surface Deployment and Distribution Command (SDDC), also visited the Port and took a tour to see first-hand some of the progress made over the past couple of years with regards to our modernization efforts. He was impressed that the port was able to acquire additional equipment such as the new top lifters.



With the continued support of these military officials, we can expect the development of the Port to continue to move forward.

PAGGMA Joins Plane Pull



PAGGMA joined this year's Plane Pull sponsored by Continental Airlines. On its 5th year, 38 teams of 20 people battled for the title of dragging a Boeing 737 12 feet in the shortest amount of time. The aircraft is 129 feet long, 41 feet high, 124 feet wide, and 145,000 pounds. All funds raised from this event benefits the American Cancer Society. PAGGMA was sponsored by GPO.

PAG Takes 1st Place in GHRA Tournament

Known for their powerful softball team, PAGGMA joined the GHRA Softball Tournament for the first time this season. Sponsored by GPO, Port employees took **1st place** in the A division, dethroning GPA after 3 consecutive years of claiming the title. The score for Sunday's championship game was 14 to 4, and was followed by a bar-b-que celebration at Paseo Park.



Happy Mother's Day to all our special Port "Moms" !

*Mothers are the place where love
Emerges from the earth,
And happiness rings out like bells
In honor of our birth.*

*Mothers are the sun that lights
For life our inner sky,
So we may know that we are loved
And need not question why.*

*Mothers are the moon that shines
Upon our black despair,
So even when we weep, we know
That someone's always there.*

*Whatever fear, or stress, or pain
Might them to anger move,
We know that underneath the storm
We have, always, their love.*