



The Port Report

September 2010

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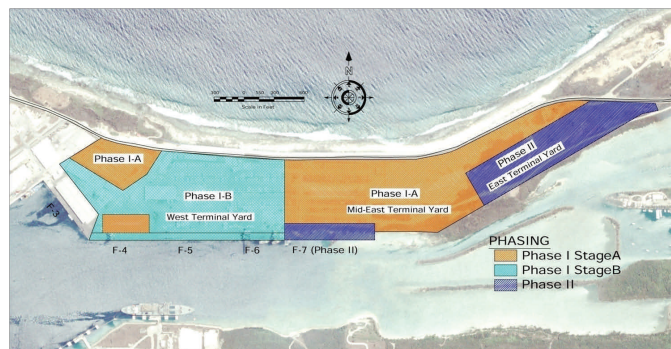
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Port Gets \$50 Million

The Port Authority of Guam now has \$50 Million in the bank to begin the agency's much-anticipated Modernization Program.

Governor Felix P. Camacho and Port officials were notified September 24th that the Department of Defense had deposited \$50 Million into the Port of Guam Improvement Enterprise Fund which will be administered by the U.S. Maritime Administration (MARAD). "This is great news for the Port and the people of Guam as we continue to move forward with our aggressive plans to transform the Port Authority of Guam into a world-class facility," Governor Camacho said.



The Port Modernization Program, as authorized by the Guam Legislature, spans a 30-year planning horizon and is valued at a little more than \$ 260 Million. Phase I-A and Phase I-B of the program should be accomplished over the next 5 years and are focused on critical maintenance and repair of waterfront facilities and the dredging and uplands expansion needed to handle near-term cargo demands of the military buildup. Phase II of the program will occur 30

years into the future and focuses on the expansion needed to address the cargo demands of the long-term organic growth of Guam and our neighboring islands.

Phase 1-A will cost \$104.2 Million and involves the \$ 50 Million appropriation from the military which was deposited this morning combined with \$ 54.5 Million provided by the Port after it acquires loans from the U.S. Department of Agriculture. Funding for

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the Phase I-B project has yet to be identified. Phase 1-A includes reconfiguration and expansion of the cargo terminals, creation of a new gate complex, reconfiguration and expansion of selected buildings, upgraded utilities and security features, and state-of-the-art terminal and gate operating systems. Phase 1-B includes wharf repairs, dredging, cranes, and additional security equipment.

The \$50 Million deposited was the result of the FY 2010 Supplemental Appropriations Act which provided the Department of Defense the authorization to transfer up to a maximum of \$50 Million from the FY 2010 Operations and Maintenance Fund to the Port of Guam Improvement Enterprise Fund. Receipt of matching grant funds or similar funds was a

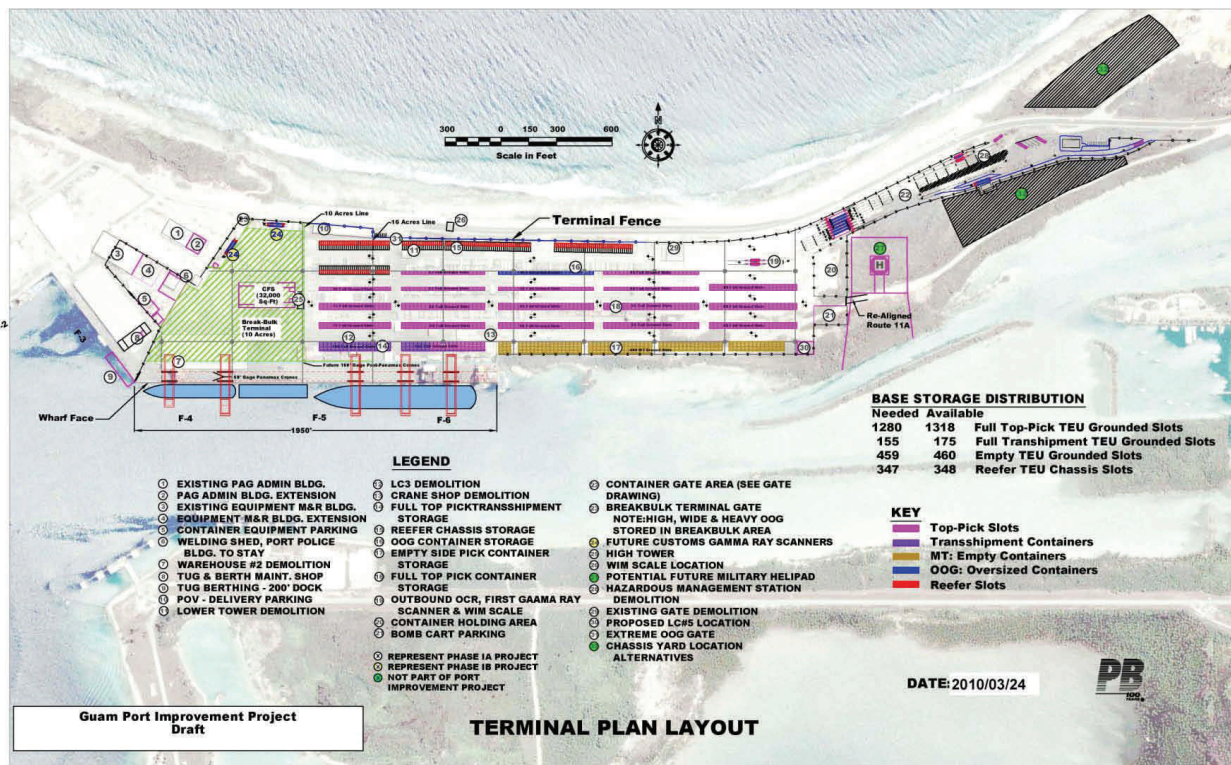
condition that would allow the USDA to approve the \$50 million in loans since the Port's borrowing capacity was capped at \$54.5 Million.

We have already finished our preliminary design work and have made significant progress on our Modernization Program,” Port General Manager Rick Agustin said. “We just concluded a week of Transition Meetings at the Sheraton with MARAD and their Program Management Team, EA Engineering, Science and Technology, along with representatives of USDA and JGPO. We held these Transition Meetings in anticipation of the \$50 Million. We are

preparing now to transfer the implementation of the construction to MARAD and EA Engineering and they will finalize the design and oversee construction of the Modernization Program.”

The Port Authority of Guam has scheduled a Kick-Off Ceremony for the Construction Phase of the Modernization Program to occur on October 22nd.





Another \$2 Million for Modernization

The Department of the Interior's Assistant Secretary for Insular Areas, Tony Babauta has signed an infrastructure grant award to the Government of Guam for \$2 million to support projects currently underway with the Guam Port Authority's Modernization Program.

The additional \$2 million comes on the heels of the Department of Defense's recent announcement of the availability of \$50 million for Guam's Port Authority; allowing for the approval of a \$54.5 million loan from the U.S. Department of Agriculture to repair and modernize Guam's port facilities. "This funding further demonstrates Guam's importance and the Federal

government's view that the island be prepared to accommodate the upcoming growth in commerce due to the relocation of U.S. Marines from Okinawa, Japan," Babauta said. "The port facilities on any island are crucial when growth in the economy is anticipated; over the next decade, Guam will see a movement of goods and services exceeding \$12 billion dollars. Guam Governor Felix P. Camacho has directed the Guam Port Authority to have an aggressive plan to repair, modernize, and transform its facilities into an operation with world-class standards and I'm pleased to be working with Guam Congresswoman Madaleine Z. Bordallo to identify and provide

assistance toward that end."

The grant will allow the Port Authority of Guam to contract professional consultants to carryout topographic surveys, to upgrade the Port's crane and terminal operating system, and for dredging and reclamation planning. These funds will be further leveraged with Guam Port Authority's Modernization Program matching funds to create a longer-term, sustainable financing mechanism. The Port was originally constructed by the U.S. Navy in the 1969 and turned over to the Government of Guam in the 1970s.



Employees from various sections of the Port attended training from September 14 - 17 at the Hyatt Hotel for Incident Management/Unified Command for Terrorism/CBRNE Incidents and Incident Command Systems Forms Review. The courses train emergency responders and their supervisors and managers in skills necessary to effectively plan for and manage a weapons of mass destruction/terrorism incident by adapting the Incident Command System (ICS) to challenges posed by the integration of local, state, and federal agencies into a unified command structure. Hosted by Guam Homeland Security and administered by FEMA, attendees consisted of both local and federal representatives, as well as participants from the private sector.



WITH DEEPEST SYMPATHY

Our condolences to families of the late William Leon Guerrero, father of Tina Leon Guerrero, Annie Sablan, Jennifer Leon Guerrero (Finance Division) who passed away on September 26, 2010 and Jane Lizama, mother of Donna Lizama-Acosta (Strategic Planning) who passed away September 29, 2010. Our deepest condolences are extended to the families.

Port Week 2010

FLAG RAISING CEREMONY

*October 18, 2010, 9:00 a.m. in front of the PAG
Administration Building*

EMPLOYEE AWARDS CELEBRATION

*October 22, 2010, 6:00 p.m.
Tasi Ballroom, Hotel Nikko Guam*

Schedule of Events is Forthcoming

2010 Labor Day Picnic

