



The Port Report

June 2011

DGM Concludes Nepotism Investigation

Deputy General Manager Anisia Terlaje began her assignment here at the Port with a bang when she announced to all the media that she believes there is nepotism at the Port.

Terlaje gave media



interviews and released the names of all employees she said she was investigating. Extensive media coverage ensued by all media outlets and numerous stories were published.

Once she launched those allegations GM Pedro Leon Guerrero asked Terlaje to form a committee to make a fair and unbiased review of her list that went public.

After forming the committee and reviewing her list along with all laws and personnel rules and regulations, Terlaje and fellow committee members

Felix Pangelinan and Simeon Delos Santos turned their report into the General Manager.

Employees are still awaiting for Terlaje to publicly release her findings to the media but she is currently off island and unable to do so.

The following are the online links to the news articles that Terlaje was interviewed in regarding her Nepotism Investigation.

<http://www.kuam.com/story/14751590/2011/05/30/nepotism-investigation-underway-at-port>

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PAG Staff Deploys To Southern High

Employees of the Operations and Maintenance Divisions spent their Father's Day working at the school replacing lighting and drop ceilings throughout the Santa Rita School. Port Operations Manager John Santos and Maintenance Manager Ernie Candoleta have been coordinating with DOE Maintenance Manager Billy Cruz on the schools needs in order to come into compliance. "Our electricians are working on the lighting in the hallways as this is

where most of their demerits came from," Maintenance Manager Candoleta said. "Once we finish that we will go into the classrooms. Right now most of the demerits are on the electrical side and that is where we are concentrating. If they need help on the carpentry and masonry side then we will send those employees down there also." Candoleta said his maintenance staff assessed the area and informed Billy Cruz of the supplies they would need. Cruz then had

the supplies delivered to the school for the Port employees to begin the work.

Operations Manager John Santos said this is not the first time the Port Authority of Guam has assisted Southern High School.

"Most of our employees are from the South so they are always eager to help out Southern High when we are asked for assistance," Santos said. "The Port Authority of Guam always steps up when

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Feds to Audit MARAD Work at Port

*From the June 16, 2011 Edition
Pacific Daily News:*

The federal office in charge of port expansion on Guam has had trouble doing similar work in Alaska, and the U.S. Department of Transportation recently announced it is conducting an audit.

The Department of Transportation is taking a closer look at how its Maritime Administration oversees port infrastructure projects, including the awarding and administering of contracts.

As part of that audit, the Transportation Department's office of Inspector General may review MARAD-run port improvement projects in Guam and Hawaii, according to a May 9 memo from Assistant Inspector General Mitchell Behm.

The audit comes in the wake of a troubled port improvement project in Anchorage, Ala., which has been controlled by the Maritime Administration since 2003.

The Maritime Administration since 2008 has been the lead agent for the Guam port's \$195 million modernization and expansion, but the federal

office has had little experience administering port construction projects.

The 2003 Port of Anchorage Intermodal Expansion Project was the Maritime Administration's first attempt at managing port construction, and the project has experienced significant delays and problems with construction quality, according to a January report by the Anchorage Daily News. The newspaper also reported the project's cost has increased from \$360 million to \$1 billion.

There are concerns Guam's port could be a chokepoint for construction materials needed for the pending military buildup here, so the U.S. Congress last summer approved \$50 million in defense funding for Guam port improvements. The Guam port also plans to borrow \$54.5 million from the U.S. Department of Agriculture to pay for port modernization. A funding source for the rest of the Guam port modernization plan hasn't been identified.

MARAD is in charge of Guam's port improvements because Guam officials believed the agency's involvement could speed the process and possibly

make it easier to get federal funding. Former port board Chairman Monte Mesa in August 2009 said MARAD's involvement would help ensure the project's integrity.

One of its first jobs was to hire a program management team for the Guam project. The Maritime Administration in April 2010 awarded that job to EA Engineering, Science and Technology.

According to the Transportation Department, its audit will "use MARAD's experience at the Port of Anchorage Intermodal Expansion Project as a primary case study," and it could include the Guam and Hawaii projects as well. MARAD has been working on \$400 million in Hawaii port improvements since 2005.

"Our audit objectives are to: evaluate MARAD's oversight and risk management of port infrastructure development projects, and evaluate MARAD's oversight of port infrastructure projects' contract awards and administration," the Transportation Department's memo states.

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called upon to assist our fellow agencies. We have extremely talented and dedicated employees here who consider it an honor to share their talents with those who need assistance."

Santos said the Port crews will be assisting Southern High to try and meet their deadline later this week for a follow-up inspection by Public Health.

Continued from Nepotism

http://www.mvguam.com/index.php?option=com_content&view=article&id=18380%3Apositions-created-at-port-for-ct-supporters&Itemid=113

<http://www.guampdn.com/article/20110601/NEWS01/106010348/Alleged-nepotism-prompts-Port-probe>

<http://www.guampdn.com/article/20110602/NEWS01/106020326/Port-may-shift-workers>

Talks Continue With MARAD

Members of the Port Board of Directors along with Port management continue to meet with MARAD regarding their proposed Implementation Plan for our Modernization Program.

The latest discussions took place on June 23, 2011 regarding the plan.

Changes have been made to the Implementation Plan in light of news that the federal government has indicted that the military buildup will not be as large

and as aggressive as originally thought. Port management and engineers are working diligently to ensure that a scaled back version will best suit the needs of our Port, our users and all the people of Guam.

Legislative Oversight Chairman Tom Ada has reiterated to the Board that he wants to ensure that the Plan suits the Port's needs and the people of Guam and our surrounding region.



Senators Hear Testimony on Gibson to PAG Board

The Legislature heard all positive testimony from members of the community who appeared before them on June 10, 2011 to ask lawmakers to confirm Shelly Gibson as the newest member of the Port Authority of Guam Board of Directors.

Shelly Gibson was appointed by Governor Eddie Calvo on May 16th and once confirmed she will join fellow board members Daniel J. Tydingco, Michael T. Benito, Eduardo R. Ilao and Jovyna Lujan.

Ms. Gibson has extensive experience in the private sector having worked for Tan Holdings over the years in different divisions of the corporate office. Her training throughout the years is vast with a focus OSHA, EEOC and Human Resources. She also has training on Maritime Law through the Federal Maritime Commission in Washington, DC

and San Diego, California as well as Defense Logistics from the U.S. Defense Logistics Agency.

"Shelly's extensive experience in the private sector will be a true asset to our Port as we continue our work to modernize and transform our island's only commercial sea port into a world-class facility," testified Port General Manager Pedro A. Leon Guerrero Jr. "And her years of training and certifications in the area of safety will be a huge benefit to our



agency as we must always ensure that our employees are able to perform their duties in a safe

manner."

Leon Guerrero added that he has known Gibson on a personal level for many years.

"Ms. Gibson is a woman of integrity, dedication and has an unending loyalty and love for her island. These special values and characteristics Shelly learned from her parents, including her mother Rosemarie Underwood ~ a true daughter of Guam ~ who continues to this day to teach her children and grandchildren about her love and dedication to our people and our community," Leon Guerrero said. "Senators: Shelly is a true Chamorro girl at heart and I am honored to come here today in hopes that she will be able to continue the proud tradition and legacy of public service that runs through her blood."

Senators Question Port At Hearing

The Legislative Committee on Utilities, Transportation, Public Works and Veterans Affairs held a public hearing on June 24, 2011 regarding many critical issues facing the Port Authority of Guam.

The majority of the discussions focused on the Implementation Plan for the Port's Modernization Program and whether decisions were being made by the federal government and local officials based on what is in the best interests of the Port and the people of Guam.

"On September 2009, Public Law 30-57 was enacted, approving the Port's Modernization Plan," Oversight Chairman Senator Tom Ada wrote to Port Board Chairman Dan Tydingco when notifying him of the planned Information Briefing. "Much has transpired since the approval of the Master Plan; hence, the Committee desires a briefing to be informed about how situational

changes have affected the Port's plans for modernization."

Specific discussions centered on the Port Modernization Plan and the situational changes and their implications including the Military Buildup Program Reset.

Committee members also wanted to know what underlying assumptions and forecasts have changed significantly to warrant changes in the modernization program Strategy and what other factors have surfaced to further warrant the redesign of the modernization program strategy. Discussion also ensued on the implications on the prioritization of modernization including the capacity and efficiency improvements versus sustainability upgrades.

Lawmakers also questioned Port board and GM Pedro A. Leon Guerrero Jr. on the program financing, gantry crane procurement and stakeholder alignment efforts.

The hearing continues next month.



Alan Searle gives a presentation to management on the implementation of the Port's new Key Performance Indicators (KPI) which will be the basis of employees' performance evaluations. The new evaluation ratings will take effect in September 2011.

Southern High Photo Highlights



Kudos to Port workers for fixes at Southern

Pacific Daily News Editorial. June 25, 2011

Earlier this month, Southern High School was given a "C" rating by the Department of Public Health due to a number of safety violations, meaning it possibly could be shut down if the problems aren't fixed.

Port Authority of Guam employees responded by volunteering to help with repairs. Workers took eight-hour shifts around the clock to fix lights, repair ceiling tiles and other tasks to help get the school back into shape.

John Santos, operations manager for the Port, said employees were happy to lend their expertise. "No one ever says no," Santos said.

Kudos to the Port and its workers for responding to this problem. The assistance they provided will help the school meet Public Health standards, which in turn will help ensure the campus is ready for students when school starts.



WITH DEEPEST SYMPATHY

Our condolences to families of the late Albert Roquie-Blas Pierce II, brother of Marylyne Pecina (Commercial Division) who passed away on June 7, 2011; Rosalia B. Babauta, grandmother of Frank Lujan (Port Police Division) who passed away on June 10, 2011; Josefa S. Diaz, mother of Ray J.D. Aromin and Gus Allan Aromin (Equipment Maintenance Division) and Common-law to David C. Taitano (Facility Maintenance) who passed away June 11, 2011. Our deepest condolences are extended to the families.