

BOARD OF DIRECTORS

*Daniel J. Tydingco, Chairman
Michael T. Benito, Vice Chairman
Mary Michelle Gibson, Secretary
Eduardo R. Ilao, Member
Christine Won Pat Baleto, Member*



Resolution No. 2012-04A

**RELATIVE TO THE APPROVAL OF THE TARIFF CRANE SURCHARGE
OF THE PORT AUTHORITY OF GUAM**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PORT AUTHORITY OF GUAM:

WHEREAS, Public Law 30-52 placed the Jose D. Leon Guerrero Commercial Port under the oversight of the Public Utilities Commission (PUC) for establishment or modifications of rates and other charges; and

WHEREAS, Public Law 30-100 mandates the Port to acquire, either through purchase or lease-to-own, at least two (2) Gantry Cranes no later than December 30, 2012; and

WHEREAS, Public Law 31-145 mandates the Port to enter into negotiations for the acquisition of the "POLA" Gantry Cranes owned by Matson/Horizon or its successor; and

WHEREAS, in November of 2011, the Port engaged with an Independent Crane expert, Casper & Phillips, to conduct an assessment on: (1) material condition and life expectancy of the POLA cranes; (2) "as is" valuation assessment and (3) determine range of fair and reasonable value; and

WHEREAS, as mandated by Public Law 31-145, the Port transmitted a copy of the reports to the Governor of Guam and 31st Guam Legislature; and

WHEREAS, in 2006, the U.S. Department of Agriculture (USDA) made available to the Port direct/guaranteed loans in a total amount of \$14 million to acquire at least two (2) new or refurbished gantry cranes; and

WHEREAS, the loans for the acquisition of the cranes is still available to the Port; and

WHEREAS, on June 5, 2012, the Port Board of Directors reviewed and ratified by majority vote the terms and conditions of the sale agreement for the POLA cranes and spare parts and interim agreement for crane maintenance, which was negotiated by the Negotiating Committee; and

WHEREAS, on June 5, 2012, the Board of Directors approved the proposed crane surcharge fee recommended by management to fund the debt service, repairs and maintenance for the POLA cranes and establish a sinking fund to properly plan for a replacement cranes down the line; now therefore be it

RESOLVED, the Board of Directors approves the proposed crane surcharge rate of up to \$125.00 for loaded containers and \$5.00 per tonnage for non-containerized cargos; and be it further

RESOLVED, that the Chairman certify to and the Secretary attest the adoption hereof and that a copy of this resolution be transmitted to the Public Utilities Commission.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF
DIRECTORS THIS 5th DAY OF JUNE, 2012.**

**DANIEL J. TYDINGCO
CHAIRMAN, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**

**MARY MICHELLE GIBSON
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**

