

# **PORT PREPARATIONS FOR THE MILITARY BUILDUP**

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Good morning! The Jose D. Leon Guerrero Commercial Port is an agency in the Government of Guam that is transforming itself into a world-class facility prepared to meet the demands of the anticipated military buildup and those of the 21<sup>st</sup> Century.

About a year and a half ago, our community and our federal partners were worried that the Port Authority of Guam would be the one GovGuam element that would not be ready for the buildup. You would often hear words like “choke-point” when people would refer to our agency. Now, after working closely with our port users, federal counterparts, and with unending support and dedication by the Governor and his staff, I am proud that the Port Authority of Guam is now seen as the “lynchpin” in our local government’s preparation for the buildup.

Despite limited financial resources, the Port forged ahead with our aggressive efforts to modernize the facility and, through the extraordinary efforts of the port employees, our share holders and

this Administration, we have successfully passed many milestones and launched our Port Modernization Program which calls for more than \$200 Million in upgrades to our facility. Once fully implemented, this Modernization Program will transform our port into a world-class facility that will meet the needs of the U.S. military and our local and regional users.

The first mission we set out to accomplish was to update our Master Plan which was accomplished and signed into law earlier this year. We also focused on the need to strengthen our antiquated assets because we estimate that our container cargo will more than double during this buildup and our breakbulk will more than triple during the construction phase. As such, we spent more than \$4 Million from a USDA loan to purchase new equipment for our operations such as top-lifters and yard tractors. Then, in February of this year, we all watched with pride as the three refurbished Port of LA gantry cranes came to our shores which will now ensure that the flow of goods into our island remains uninterrupted.

Meanwhile, we still have a huge challenge before us – to find the \$100 Million needed to pay for the first phase of our Modernization Program. That's why we continue to aggressively

seek federal funding to support the remainder of our Modernization Program and are awaiting word on our applications for \$49.7 Million in ARRA/ (TIGER) federal grants and \$50 Million in USDA funding.

Other key milestones in our efforts include our agreement with MARAD, the U.S. Maritime Administration, which designates them as the lead Federal Agency for the "Port of Guam Improvement Enterprise Program." We are now working closely with MARAD and expect an announcement this month on the issuance of a contract for a Program Management Team which will oversee the entire implementation of our modernization program.

We have also begun the process to secure our Performance Management Contract for the management, operation and maintenance of our cargo handling equipment. And we have engaged Parsons Brinckerhoff as our Owner/Agent Engineer – basically our technical consultants – for the Port Modernization Program. Through our OEA, we have already begun the environmental studies necessary to launch our construction projects next year once the federal funding is approved.

And our program received a big boost a few months ago with the announcement that the Port has been granted federal designation as a U.S. Strategic Port, which recognizes our critical role for Guam and the Mariana Islands and our strategic importance to National security.

While so much has already been accomplished, there is much more to be done in order to bring our port up to the level we all want to see and we will continue to forge ahead. We have truly transformed the Port Authority of Guam from the agency that people were so unsure of, to the agency that is now blazing the trail of progress within our local government. With faith as our anchor, a firm plan laid out before us and a true commitment to our people and our region, we will finish strong and our island's only commercial sea port will soon be a true world class facility. This will all be done through our strong partnerships we have established with the Governor, the Legislature, our Congresswoman, our Port Users Group and the dedicated and hard-working men and women of the Port Authority of Guam.

Thank you for your time this morning.