

PORT AUTHORITY OF GUAM

JOSE D. LEON GUERRERO COMMERCIAL PORT



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News Release

GM Heads to Washington D.C. to Seek Funding *Senate Staff meetings will focus on need for federal funding for Port upgrades*

FOR IMMEDIATE RELEASE

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The Port Authority of Guam General Manager will leave tomorrow for Washington D.C. to hold talks with U.S. Senate and House Committee members on the need to fund the upgrades to the Jose D. Leon Guerrero Commercial Port.

“Our goal is to prepare the Port for significant growth and to ensure that our agency, which is the lifeline to our community, continues to move our island forward in these exciting times,” said Glenn Leon Guerrero. “We have already made so much progress but we can’t do this alone. We will need the assistance of the U.S. government to bring this critical seaport to the level that meets the needs of our people along with the needs of the U.S. military.”

Leon Guerrero will be meeting with members and committee staff of the U.S. Senate Appropriations Committee, U.S. House of Representatives Committee on Appropriations, U.S. House Armed Services Committee and the U.S. Senate Energy and Natural Resources Committee to seek funding for the Port’s Modernization Plan, which was unveiled in February of 2007. The master plan, which will modernize the Jose D. Leon Guerrero Commercial Port, calls for nearly \$200 million in capital improvement upgrades to the 34-year-old facility. The master plan received conditional approval from the Guam Legislature in December.

Leon Guerrero said that initially the Port will need approximately \$61.8 million for Fiscal Year 2009-2010. This will handle the preliminary planning, design, environmental and other pre-mobilization projects for the Port Modernization Program. The bulk of construction and facility improvements will take place in 2011, which would include major infrastructure work to the tune of \$96.9 million, he said.

According to the General Manager, in 2012 many of the projects initiated in Phase III will be carried over along with equipment purchases, information technology and training of port employees to obtain the necessary skills to operate and maintain the state-of-the-art systems that will be implemented.

The Port is seeking numerous funding sources for the needed upgrades including federal grants from the U.S. Economic Development Authority, Office of Economic Adjustment, Federal Highway Administration, Department of Homeland Security and the U.S. Department of Agriculture. Port officials are also trying to secure supplemental appropriations from Congress, revenue bonds and even potential USDA loans.

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“Through our efforts and the support of partner agencies such as the U.S. Department of Interior, the Office of Economic Adjustment and the U.S. Maritime Administration, we are confident that we will be able to achieve the \$195 Million needed to fund our program and meet the timelines for the military relocation without comprising the level of security or services that our users expect from us,” Leon Guerrero said.

Leon Guerrero will also inform committee members of the progress already being made at the Port in line with the Modernization Plan. Some of the key areas include:

- Master Plan Update:
 - Conducted by PB International and completed in April 2008. Conditional approval was granted by the Legislature on December 14, 2008.
- MARAD Agreement:
 - U.S. Public Law 110-417, National Defense Authorization Act for 2009, designated the U.S. Maritime Administration (MARAD) as the lead federal agency for the “Port of Guam Improvement Enterprise Program.” PAG and MARAD executed an MOU in November 2008 outlining the responsibility of each party.
- MARAD-Program Management Team
 - The company selected as the PMT will oversee the implementation of the entire \$200 Million worth of construction and modernization necessary to bring our Port into the 21st Century. Leon Guerrero joined MARAD officials in D.C. last month for presentations by 23 companies interested in being selected. The selection process will take place in March 2009 and the PMT contract will be awarded the first week of April 2009
- Gantry Cranes
 - PAG entered into a 5 year agreement for the non-exclusive right to use its rails for 3 refurbished crane purchased by Matson and Horizon. The cranes arrived this month and are currently being discharged. The crane owners will pay monthly rent of \$23,556.61 to the Port. The use of rails and cranes is under the control of PAG and port employees will operate and maintain the equipment.
- Performance Management Contract (PMC)
 - Public Law 29-23 authorized the PAG to enter into a Public-Private Partnership through a Performance Management Contract. PAG issued an RFI on January 30, 2009 and the deadline for RFI submission is March 19, 2009.
- Owner’s Agent/Engineer Services (OAE):
 - The OAE will be responsible for establishing the functional, operational, quality, performance, & engineering standards/benchmarks for the modernization program. Three responsive bidders responded to the RFP request.
- Strategic Designation
 - The Port Authority of Guam also is seeking designation as a U.S. Strategic Port, recognizing its critical role for Guam and the Mariana Islands and its strategic importance to National security. This designation will benefit our local economy as well as our nation’s military preparedness. If we are designated as a strategic port then we will receive higher priority after applying for federal funding. The Port this month asked the Governor and Senators to solicit Congresswoman Madeleine Bordallo’s assistance.

For more information, please contact Port Marketing Administrator Bernadette Meno at (671) 477-5931 ext. 545 or via email at bmeno@portguam.com