

PORT AUTHORITY OF GUAM

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NEWS RELEASE

Port goes before the PUC for interim tariff increases

Increases will recover costs and help implement much-needed Modernization

Piti, Guam, January 25, 2010: Public hearings begin this week before the Public Utilities Commission on the Port Authority of Guam's request for interim rates to help recover operating costs and fund portions of the modernization plan.

"The port's tariffs have not been increased in 17 years and our aging facility has not seen any significant upgrades in that time period," said Port General Manager Glenn A. Leon Guerrero. "We know we need to modernize and upgrade the port to meet the growing needs of our community, improve our financial performance and the level of service and productivity we provide to the people."

The Port recently launched the Modernization Program which calls for more than \$200 Million in upgrades to the facility to bring it to world-class standards. The updated Master Plan included a financial strategy that was approved by the Legislature and signed into law by the Governor. The strategy calls for \$100 Million in federal grants and loans to fund the first phase of the Modernization Program. However, the Port currently does not have enough revenues to meet the debt service of the pending \$50 Million USDA loan that most likely will be approved in the near future.

"These interim increases are needed to recover costs and to help us make our debt service on the anticipated loan," Leon Guerrero said. "We also need these additional funds to support our planned Maintenance and Replacement Capital Program so that we have funds available to maintain our equipment to keep our port running and able to service our people. If we are going to modernize and upgrade our port then we need to be able to perform routine maintenance on the new equipment and technology."

Late last year the Port Authority requested the PUC consider a 3.4% increase for Cargo Handling charges plus various increases in other Port rates and charges. The tariff increase requests include:

- **Cargo Handling charges (including labor charges)**
 - Requested increase – 3.4%

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- Cargo Handling services include the activities related to the mooring and unmooring of ships, loading and offloading of ship's cargo and the movement of goods around PAG.
 - The proposed rate adjustments are necessary to ensure that revenues keep pace with PAG's costs, including maintenance and replacement capital and loan payment coverage.
- **Fuel throughput and Bunkering fees**
 - Requested increase – Fuel bunkering & throughput fees from 125% to 150%. **These are Cost-recovery based tariff increases.** The fuel throughput and bunkering fees are proposed to increase up to 150% as supported by an appraisal prepared by Captain, Hutapea & Associates (CHA).
 - In reviewing the tariff rates, CHA concluded that seven ports in our region had throughput import rates ranging from \$0.41 (American Samoa) to \$1.01 (Darwin, Australia) per barrel. After excluding the high and low indicators, CHA identified a range of \$0.45 to \$0.62 per barrel. The comparable Guam rate of \$0.16 per barrel was considered to be “extremely low on a comparative basis.”
 - According to the CHA appraisals, the resulting rates for fuel throughput and bunkering **will still be at the low end of the market range.**
- **Pipeline Easement Lease Rates**
 - New pipeline easement rate.
 - The PAG is proposing that pipeline easement rates be set at 25% of market value for submerged pipelines within existing easement rights of way and 50% for those not within current easements.
- **Marina Fees**
 - Requested increase – Adjust rates on Agana Marina to match rates in force at Agat Marina
 - While the Agat marina is currently profitable, the Agana marina incurred losses in 2008 and 2009. The PAG proposal is to raise the Agana marina rates to the same level as the Agat marina. This will offset the current financial losses at the Agana marina and allow for improved maintenance of the facilities.
- **Miscellaneous (Facility Maintenance Fee)**
 - Requested fee – Bills of Lading fee of \$25
 - This is a new fee. PAG is proposing to initiate a Facilities Maintenance fee of \$25 per each bill of lading. Over the past three years, the number of bills of lading handled by PAG staff have averaged 49,133.

The first public hearing for the PUC request will be tonight at 6 p.m. at the Public Utilities Commission office located at Suite 202, 2nd Floor GCIC Building in Hagatña. On Tuesday, January 26th a public hearing will be held at 5 p.m. at the Asan Community Center followed by a public hearing that same evening at 7 p.m. at the Dededo Senior Citizens Center. The final event will be a PUC Special Meeting to be held at 6 p.m. on Friday, January 29th at the PUC office in Hagatña.

A copy of the Port Authority of Guam Tariff Rate Table filed with the PUC is attached.

**PORT AUTHORITY OF GUAM
TARIFF RATE TABLE**

<u>CHARGE DESCRIPTION</u>	<u>CHARGE RATE</u>	<u>% INCREASE</u>	<u>PROPOSED RATE</u>
CHASSIS RATE (20',40',&45')			
CHASSIS IMPORT/EXPORT/REHANDLE CONT STUFF - HANDLING	80.00	3.4%	82.72
CHASSIS IMPORT/EXPORT/REHANDLE CONT STUFF - STEVEDORE	105.00	3.4%	108.57
TOTAL	<u>185.00</u>		<u>191.29</u>
GROUNDING RATE (20',40'&45')			
GROUNDING IMPORT/EXPORT/REHANDLE/EMPTY CONTAINER STUFF - HANDLING	150.00	3.4%	155.10
GROUNDING IMPORT/EXPORT/REHANDLE/EMPTY CONTAINER STUFF - STEVEDORE	105.00	3.4%	108.57
	<u>255.00</u>		<u>263.67</u>
BREAKBULK			
BREAKBULK EXPORT - HANDLING	6.80	3.4%	7.03
BREAKBULK EXPORT - STEVEDORING	13.90	3.4%	14.37
	<u>20.70</u>		<u>21.40</u>
UNITIZED			
UNITIZED CARGO IMPORT/EXPORT - STEVEDORE	5.65	3.4%	5.84
UNITIZED CARGO IMPORT/EXPORT - HANDLING	7.00	3.4%	7.24
	<u>12.65</u>		<u>13.08</u>
LIFT OFF/ON			
LIFT OFF/ON AUTO IMPORT/EXPORT - HANDLING	6.80	3.4%	7.03
RO/RO LIFT OFF/ON AUTO IMPORT/EXPORT - STEVEDORE	13.90	3.4%	14.37
	<u>20.70</u>		<u>21.40</u>
RO/RO			
RO/RO IMPORT/EXPORT/TRANSHIPMENT - HANDLING	25.00	3.4%	25.85
RO/RO IMPORT/EXPORT/TRANSHIPMENT - STEVEDORING	10.00	3.4%	10.34
	<u>35.00</u>		<u>36.19</u>
RO/RO VEHICLE (VEHICLE OVER 6,000 LBS)			
RO/RO VEHICLE IMPORT/EXPORT/TRANSHIPMENT - HANDLING	7.00	3.4%	7.24
RO/RO VEHICLE IMPORT/EXPORT/TRANSHIPMENT - STEVEDORE	5.65	3.4%	5.84
	<u>12.65</u>		<u>13.08</u>
DEVANNING/STUFFING AUTO SPECIAL RATE			
DEVANNING	150.00	3.4%	155.10
STUFFING	150.00	3.4%	155.10
HEAVYLIFT			
HEAVYLIFT REGULAR IMPORT/EXPORT/TRANSHIPMENT - HANDLING	2.10	3.4%	2.17
HEAVYLIFT REGULAR IMPORT/EXPORT/TRANSHIPMENT - STEVEDORE	2.10	3.4%	2.17
	<u>4.20</u>		<u>4.34</u>
LONGLENGTH			
LONGLENGTH IMP/EXP > 45' & =< 50'	16.30	3.4%	16.85
LONGLENGTH IMP/EXP > 50' & =< 60'	38.15	3.4%	39.45

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LONGLENGTH IMP/EXP > 60' & =< 70'	49.15	3.4%	50.82
LONGLENGTH IMP/EXP > 70' & =< 80'	59.30	3.4%	61.32
LONGLENGTH IMP/EXP > 80' & =< 90'	69.45	3.4%	71.81
LONGLENGTH IMP/EXP > 90' & =< 100'	79.60	3.4%	82.31
LONGLENGTH IMP/EXP > 100' & =< 110'	89.75	3.4%	92.80
LONGLENGTH IMP/EXP > 110' & =< 120'	99.90	3.4%	103.30
LONGLENGTH IMP/EXP > 120' & =< 130'	110.05	3.4%	113.79
LONGLENGTH IMP/EXP > 130' & =< 140'	120.20	3.4%	124.29
PRESLUNG IMPORT/EXPORT/TRANSHIPMENT			
PRESLUNG IMPORT/EXPORT/TRANSHIPMENT - HANDLING	6.80	3.4%	7.03
PRESLUNG IMPORT/EXPORT/TRANSHIPMENT - STEVEDORING	8.20	3.4%	8.48
	15.00		15.51
TRANSHIPMENT STUFF (20',40'&45') 1ST CARRIER - SCALE			
IMPORT CONT TRANSHIPMENT STUFF LESS THAN 10 CONTAINERS	235.00	3.4%	242.99
IMPORT CONT TRANSHIPMENT STUFF 10-29 CONTAINERS	230.00	3.4%	237.82
IMPORT CONT TRANSHIPMENT STUFF 30-69 CONTAINERS	225.00	3.4%	232.65
IMPORT CONT TRANSHIPMENT STUFF 70-99 CONTAINERS	220.00	3.4%	227.48
IMPORT CONT TRANSHIPMENT STUFF 100-129 CONTAINERS	215.00	3.4%	222.31
IMPORT CONT TRANSHIPMENT STUFF 130-149 CONTAINERS	210.00	3.4%	217.14
IMPORT TRANSHIPMENT CONT STUFF 150+ CONTAINERS	195.00	3.4%	201.63
IMPORT EMPTY TRANSHIP FR-2ND CARR (20',40'&45')	100.00	3.4%	103.40
IMPORT EMPTY TRANSHIP FR-2ND CARR (20',40'&45') - DOMESTIC	140.00	3.4%	144.76
OVERSTOW CONTAINER (20',40'&45')			
IMPORT/EXPORT OVERSTOW CONTAINER (20',40'&45')	50.00	3.4%	51.70
SHIFTED CONTAINER (20',40'&45')			
IMPORT/EXPORT SHIFT CONTAINER (20',40'&45')	50.00	3.4%	51.70
SPECIAL RIGGING (20',40'&45')			
IMPORT/EXPORT ALL SPECIAL RIGING OF CNTR	35.00	3.4%	36.19
WHARFAGE RATES			
WHARFAGE EMPTY CONT IMPORT <25 (20' CONTAINER)	2.60	3.4%	2.69
WHARFAGE EMPTY CONT IMPORT >25 (40' & 45' CONTAINER)	3.50	3.4%	3.62
WHARFAGE TRANSHIPMENT TUNA	3.50	3.4%	3.62
WHARFAGE BREAKBULK IMPORT	3.50	3.4%	3.62
WHARFAGE BREAKBULK EXPORT/ALL OTHER CARGO	1.75	3.4%	1.81
WHARFAGE EXPORT CONTAINER STUFF (20' CONTAINER)	32.60	3.4%	33.71
WHARFAGE EXPORT CONTAINER STUFF (40' & 45' CONTAINER)	55.50	3.4%	57.39
WHARFAGE IMPORT CONTAINER STUFF (20' CONTAINER)	62.60	3.4%	64.73

PORT AUTHORITY OF GUAM
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WHARFAGE IMPORT CONTAINER STUFF (40' & 45' CONTAINER)	107.50	3.4%	111.16
EXPORT THROUGHPUT	0.07	3.4%	0.07
IMPORT THROUGHPUT/TRUCK TO VESSEL	0.16	3.4%	0.17
FUEL STORAGE	0.40	3.4%	0.41
BUNKERING	0.21	3.4%	0.22
DIRECT TO/FR VSL THRU PIPELINE	0.14	3.4%	0.14
MARITIME SECURITY FEE			
MARITIME SEC. BB/PRESLUNG/UNITIZED	0.10	3.4%	0.10
MARITIME SEC. FEE BUNKERING	0.02	3.4%	0.02
MARITIME SEC. FEE STUFFED IMPORT/EXPORT	2.00	3.4%	2.07
MARITIME SEC. PASSENGER VESSEL	1.00	3.4%	1.03
MARITIME SEC. FEE RO/RO	1.00	3.4%	1.03
MARITIME SEC. SAND/SCRAP/AGGRE	0.02	3.4%	0.02
MARITIME SEC. VESSEL DOCKAGE	0.05	3.4%	0.05
DEMURRAGE			
DEMURRAGE- GREATER THAN 20' (40' & 45')	42.00	3.4%	43.43
DEMURRAGE CONTAINER EMPTY	7.00	3.4%	7.24
OUTSIDE WAREHOUSE DEMURRAGE BREAKBULK	10.00	3.4%	10.34
INSIDE WAREHOUSE DEMURRAGE BREAKBULK	15.00	3.4%	15.51
REFRIGERATED CT DEMURRAGE	70.00	3.4%	72.38
DEMURRAGE 20' CONTAINER	21.00	3.4%	21.71
REISSUE OF EMPTIES			
CHASSIS EMPTY CT DEMURRAGE	25.00	3.4%	25.85
GROUNDING EMPTY CT DEMURRAGE	50.00	3.4%	51.70
OTHER RATES			
CLAIMS FEE	25.00	3.4%	25.85
BULK SCRAP METAL	12.50	3.4%	12.93
BULK SCRAP METAL (SPECIALRATE)	2.50	3.4%	2.59
BULK SAND STEVEDORING IMPORT	3.50	3.4%	3.62
PASSENGER FEE ARRIVAL	3.50	3.4%	3.62
PASSENGER FEE DEPARTURE	1.50	3.4%	1.55
BUNKER LABOR COST OT/HOLIDAY	27.50	3.4%	28.44
BUNKER LABOR COST ST	25.00	3.4%	25.85
PRE-TRIP POWER SURCHARGE	49.00	3.4%	50.67
LCOR - LINE HANDLING O/T 6 MEN	450.00	3.4%	465.30
LCOR - LINE HANDLING O/T 8 MEN	600.00	3.4%	620.40
LCOR - LINE HANDLING S/T 6 MEN	300.00	3.4%	310.20
LCOR - LINE HANDLING S/T 8 MEN	400.00	3.4%	413.60

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CHASSIS CHANGE	30.00	3.4%	31.02
METERED WATER RATE	54.47	3.4%	56.32
WATER CONNECT/DISCONNECT HOLID	80.00	3.4%	82.72
WATER CONNECT/DISCONNECT REGUL	35.00	3.4%	36.19
WATER FIXED RATE	6.00	3.4%	6.20
REGULAR WATER CHARGE	12.32	3.4%	12.74
EXPORT EMPTY CONTAINER	150.00	3.4%	155.10
IMPORT EMPTY CONTAINER	150.00	3.4%	155.10
TUNA SERVICES	10.25	3.4%	10.60
PORT ENTRY FEE	25.00	3.4%	25.85
FORTLIFT BELOW 20000	30.00	3.4%	31.02
FORTLIFT 10 TON	50.00	3.4%	51.70
FORTLIFT 20 TON	56.00	3.4%	57.90
EQUIPMENT RENTAL			
Forklift, rated capacity below 20,000 lbs	30.00	3.4%	31.02
Forklift, rated capacity 20,000 lbs but less than	50.00	3.4%	51.70
Forklift, rated capacity 40,000 lbs or greater	56.00	3.4%	57.91
Top Lifter	60.00	3.4%	62.04
Side Lifter	35.00	3.4%	36.19
Tractor	34.00	3.4%	35.15
Rubber Tired Gantry Crane	170.00	3.4%	175.78
Manitowoc, 140 tons	315.00	3.4%	325.71
Crane, Gantry, Heavy Lifts	394.00	3.4%	407.39
Pick-up Truck, 3/4 ton capacity or less	20.00	3.4%	20.68
Truck, Dump	23.00	3.4%	23.78
Welding Machine	34.00	3.4%	35.15
Dock Mule	11.50	3.4%	11.89
Dock Dolly, rated 2,000 lbs	2.50	3.4%	2.59
	11.50	3.4%	11.89
DIRECT LABOR			
<u>STRAIGHT TIME</u>			
Stevedoring	31.05	3.4%	32.11
Crane Operator	30.54	3.4%	31.58
Equipment Operator	28.93	3.4%	29.91
Auto Mechanics	30.25	3.4%	31.28
Diesel Mechanic	30.62	3.4%	31.66
Crane Mechanic	34.07	3.4%	35.23
Riggers	30.50	3.4%	31.54
Electrician	31.51	3.4%	32.58
Cargo Checkers	27.95	3.4%	28.90

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Security Guard	30.99	3.4%	32.05
Carpenters	31.13	3.4%	32.19
Plumbers	31.13	3.4%	32.19
Painters	27.69	3.4%	28.63
Preventive Maint. Mechanic	31.13	3.4%	32.19
Welders	33.12	3.4%	34.24
Clerks	22.20	3.4%	22.96
 <u>OVERTIME</u>			
Stevedoring	46.58	3.4%	48.17
Crane Operator	45.82	3.4%	47.38
Equipment Operator	43.41	3.4%	44.88
Auto Mechanics	45.38	3.4%	46.92
Diesel Mechanic	45.94	3.4%	47.50
Crane Mechanic	51.12	3.4%	52.86
Riggers	45.75	3.4%	47.31
Electrician	47.27	3.4%	48.88
Cargo Checkers	41.93	3.4%	43.36
Security Guard	46.49	3.4%	48.07
Carpenters	46.70	3.4%	48.29
Plumbers	46.70	3.4%	48.29
Painters	41.55	3.4%	42.97
Preventive Maint. Mechanic	46.70	3.4%	48.29
Welders	49.68	3.4%	51.37
Clerks	33.28	3.4%	34.41
 <u>OT DIFFERENTIAL</u>			
Stevedoring	15.53	3.4%	16.06
Crane Operator	15.27	3.4%	15.79
Equipment Operator	14.48	3.4%	14.97
Auto Mechanics	15.13	3.4%	15.64
Diesel Mechanic	15.32	3.4%	15.84
Crane Mechanic	17.04	3.4%	17.62
Riggers	15.24	3.4%	15.76
Electrician	15.76	3.4%	16.30
Cargo Checkers	13.98	3.4%	14.45
Security Guard	15.51	3.4%	16.04
Carpenters	15.57	3.4%	16.10
Plumbers	15.57	3.4%	16.10
Painters	13.86	3.4%	14.33
Preventive Maint. Mechanic	15.57	3.4%	16.10
Welders	16.56	3.4%	17.13

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Clerks	11.10	3.4%	11.48
<u>HD DIFFERENTIAL</u>			
Stevedoring	24.63	3.4%	25.47
Crane Operator	24.21	3.4%	25.03
Equipment Operator	22.93	3.4%	23.71
Auto Mechanics	23.97	3.4%	24.78
Diesel Mechanic	24.27	3.4%	25.09
Crane Mechanic	26.99	3.4%	27.91
Riggers	24.16	3.4%	24.98
Electrician	24.97	3.4%	25.82
Cargo Checkers	22.15	3.4%	22.91
Security Guard	24.55	3.4%	25.38
Carpenters	24.68	3.4%	25.52
Plumbers	24.68	3.4%	25.52
Painters	21.94	3.4%	22.69
Preventive Maint. Mechanic	24.68	3.4%	25.52
Welders	26.24	3.4%	27.13
Clerks	17.58	3.4%	18.17
<u>NIGHT DIFFERENTIAL</u>			
Stevedoring	2.48	3.4%	2.57
Crane Operator	2.44	3.4%	2.53
Equipment Operator	2.32	3.4%	2.40
Auto Mechanics	2.43	3.4%	2.52
Diesel Mechanic	2.44	3.4%	2.53
Crane Mechanic	2.71	3.4%	2.80
Riggers	2.44	3.4%	2.53
Electrician	2.51	3.4%	2.59
Cargo Checkers	2.23	3.4%	2.31
Security Guard	2.47	3.4%	2.56
Carpenters	2.48	3.4%	2.57
Plumbers	2.48	3.4%	2.57
Painters	2.22	3.4%	2.30
Preventive Maint. Mechanic	2.48	3.4%	2.57
Welders	2.63	3.4%	2.71
Clerks	1.78	3.4%	1.84
Bunkering/Fuel Throughput/Waste Oil Fees-			
• Import	0.16		0.40
• Export	0.075		0.19
• Bunkering	0.21		0.53

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· From Truck to vessels when serviced at port piers	0.16		0.40
· Direct to or from vessel through privately-owned pipelines located on port property	0.16		0.35
· Vessel to Vessel	0.16		0.40
· Storage	0.40		0.90
 Wharfage Rates-Transshipment of Other Cargo utilizing pipelines, and or Hoses			
· Inbound	3.70		8.75
· Outbound	1.80		4.38
 Pipeline Easement Lease Rates			
a. Within Existing Right of Way			25% of Fair Market Rent
b. Not Within the Right of Way			50% of Fair Market Rent