

PORT AUTHORITY OF GUAM

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NEWS RELEASE

PUC Approves Port Interim Tariff Increases

Increases will recover costs and help implement much-needed Modernization

Piti, Guam, January 29, 2010: The Public Utilities Commission tonight approved the Port's request to implement interim tariff increases to help recover operating costs and fund portions of the modernization plan.

The PUC approved the interim increases for cargo handling, fuel throughput and bunkering fees. They also conditionally approved a new \$25 Bill of Lading Fee. However, the request to bring the Agana Marina Fees up to the same level as the Agat Marina Fees was denied and the PUC recommended the work that the Port needs to accomplish in order to bring that request before the PUC again for consideration.

"This is a huge boost to our Modernization efforts and will help strengthen the finances of the port considering this will be the first increase in 17 years," said Port General Manager Glenn A. Leon Guerrero. "These interim tariff increases are yet another milestone in our efforts to modernize and upgrade our island's only commercial sea port. We are working aggressively to prepare our port for the future and to create a world-class facility that will service our island and our region for the years to come."

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. This includes \$49.7 Million in ARRA grants and \$50 Million in USDA-backed loans. 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 tariff increases will be used to pay down the debt service for the USDA loan. Meanwhile, Port Authority of Guam officials are awaiting word on whether the ARRA grants will be approved.

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