





I MINA 'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FIRST) Regular Session

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Resolution No. 25431 (con)

Introduced by:

T. C. Ada 
R.J. Respicio 
A.B. Palacios, Sr. 
M. Silva Taijeron 

**RELATIVE TO THE AFFIRMATION OF A "BALANCED
MODERNIZATION," AS IT RELATES TO PHASE 1-A OF THE PORT
MODERNIZATION PROGRAM AND RESULTING
SUSTAINABILITY AND ECONOMIC VITALITY OF THE
COMMERCIAL PORT OF GUAM.**

BE IT RESOLVED BY *I MINA 'TRENTAI UNU NA LIHESLATURAN GUÅHAN*:

WHEREAS, the Jose D. Leon Guerrero Commercial Port (the "Port"), established by Public Law 13-87 as a public corporation and autonomous government entity on October 1975, is charged with the responsibility of providing continued support for the diversification of Guam's economy, seaborne commerce, and international trade.

WHEREAS, the Port is vested with the responsibility of developing its assets and the implementation of policies and strategies to enable the efficient loading and unloading of goods and materials destined for retail operations in Guam and Micronesia, and to facilitate a smooth transition to the military-induced expansion and anticipated population growth; and

WHEREAS, The Port Modernization Plan, Phase 1 (1A and 1B), was approved by the Legislature on September 11, 2009, via P.L. 30-57. The Plan is designed to modernize the Port's forty (40) year old commercial facilities and systems, which would provide the capacity to enable Port operations to be efficient and sustainable, especially in preparation for military-buildup-related cargo increases of unprecedented magnitude and the normal increase in the organic (non-military) growth of Guam's population; and

1 WHEREAS, due to events in the Region, a reassessment of the military buildup
2 by the U.S. Congress, and the development of more precise cost estimates, the Phase 1-
3 A Implementation Plan was modified to be consistent with the budget available for the
4 modernization.

5 WHEREAS, as recent as August 9, 2011, the Port had presented to the Legislature
6 the proposed scope of work in the modified Phase 1-A Implementation Plan, a plan that
7 was mutually agreed to by the Port and U.S. Department of Transportation Maritime
8 Administration ("MARAD"), and would be funded by a fifty million dollar
9 (\$50,000,000) Department of Defense ("DoD") grant. That version detailed projects
10 selected to increase capacity, improve safety and security, and to upgrade
11 communication systems, in addition to a new terminal gate, and the strengthening of
12 the Berth F5; and

13 WHEREAS, other improvements to the Port, to include the procurement of at
14 least two (2) gantry cranes, and installation of a Terminal Operating System and Gate
15 Operating System and an upgrade to the Financial Management System, would be
16 funded by the Port through loans from U.S. Department of Agriculture or other lending
17 institutions; and

18 WHEREAS, on October 5, 2011 MARAD announced its intention to recommend
19 to the DoD Office of the Inspector General that the entire fifty million dollar
20 (\$50,000,000) DoD funds be earmarked for the repair of Berth F5 and partial four
21 hundred and forty one feet (441') replacement of Berth F4, an undertaking that if taken
22 to completion, would cost at least ninety eight million dollars (\$98,000,000); and

23 WHEREAS, the Port has separately estimated the costs associated with service
24 life extension repairs to the waterfront structures to be on the order of twelve million
25 dollars (\$12,000,000), excluding program and construction management; and

26 WHEREAS, the implementation of Phase 1A upland improvements presented to
27 the Legislature in August of 2011 is now estimated by MARAD to be in the order of
28 forty six million dollars (\$46,000,000); and

29 WHEREAS, a balanced approach to implementing capital improvements is
30 needed to address throughput capacity, and to improve operational efficiency and
31 sustainability; and

1 WHEREAS, a balanced approach to implementing capital improvements
2 includes adequate funding to see projects through to completion; and

3 WHEREAS, potential funding for Phase 1 of the Port Modernization Program to
4 date consists of a fifty million dollar (\$50,000,000) DoD grant and up to fifty four million
5 and five hundred thousand dollars (\$54,500,000) in authorized Port borrowing capacity,
6 pursuant to P.L. 30-100; and

7 WHEREAS, the requirement for maintaining sustainable operations at the Port
8 extends to all Port facilities directly or indirectly impacted by the Port Modernization
9 Program; now therefore be it

10 RESOLVED, that the Port balance its capital improvement investments and its
11 ongoing maintenance and repair investments, in order to strike an appropriate balance
12 needed to achieve sustainable, life-extending, and enhanced operations, while staying
13 within current financial means; and be it further

14 RESOLVED, that the Port take advantage of the shovel-ready status of planned
15 or agreed upon projects, in order to minimize the erosion of its buying power associated
16 with delays and inflation; and be it finally

17 RESOLVED, that the Port not undertake projects or project components that can
18 not stand on their own in meeting Modernization Program objectives, including
19 efficient operations during and following their completion whether in total or in phases;
20 and be it further

21 RESOLVED, that the Port work with involved stakeholders to secure a more
22 complete financial plan and projected schedule for completing projects either in the
23 near-term or long-term, in their entirety in a timely and efficient manner, preferably in
24 advance of the military buildup, as is practical and affordable within current financial
25 means; and be it further

26 RESOLVED, that the Port build a fiscally viable platform for undertaking near-
27 term loans, such that they can be adequately serviced based on the projected revenues
28 and tariff adjustments linked to projected increases in cargo volumes; and be it further

29 RESOLVED, that the Port make appropriate outreach to its military partners to
30 resolve conflicting and changing priorities, and establish firm financial support
31 commitments for making Port investments that exceed those needed to meet organic
32 growth requirements for Guam and Micronesia; and be it further

1 RESOLVED, that the Speaker certify, and the Legislative Secretary attest to, the
2 adoption hereof, and that copies of the same be thereafter transmitted to
3 Congresswoman Madeleine Z. Bordallo, Guam Delegate to U.S. Congress; Adm. Robert
4 F. Willard, Commander, U.S. Pacific Command; Rear Adm. Paul J. Bushong, Regional
5 Commander, Joint Region Marianas; Ray Mabus, U.S. Secretary of the Navy; Leon E.
6 Panetta, U.S. Secretary of Defense; Ray LaHood, U.S. Secretary of Department of
7 Transportation, and to Eddie Baza Calvo, *I Maga'lahaen Guåhan*.

**DULY AND REGULARLY ADOPTED BY *I MINA'TRENTAI UNU NA*
LIHESLATURAN GUÅHAN ON THE ____ DAY OF OCTOBER 2011.**

JUDITH T. WON PAT, Ed.D
Speaker

TINA ROSE MUÑA-BARNES
Legislative Secretary