

**PORT AUTHORITY OF GUAM
ATURIDAT I PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
GOVERNMENT OF GUAM**

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FELIX P. CAMACHO
Governor of Guam

MICHAEL W. CRUZ
Lieutenant Governor

June 01, 2010

MEMORANDUM

TO: Port Authority of Guam Customers
FROM: General Manager
SUBJECT: Public Utilities Commission Approved Revised Facility Maintenance Fee

Buenas! The Jose D. Leon Guerrero Commercial Port Authority of Guam ("Port") would like to hereby transmit a copy of the order approving the Revised Facility Maintenance Fee. Please be advised that the approved fee is effective June 1, 2010.

If you have any questions or may require further information, please contact Mr. Jose B. Guevara III, Financial Affairs Controller at 477-5931-5 extension 323 or jbguevara@portguam.com.

Sincerely,

ENRIQUE J.S. AGUSTIN
General Manager

Attachments

cc: Deputy General Manager, Interim
Financial Affairs Controller
General Accounting Supervisor
Accounting Technician Supervisor



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

The Port Authority Of Guam)
[PAG] Request For PUC Investigation)
of Rates and Tariffs)
_____)

Port Docket 09-02

ORDER APPROVING REVISED FACILITY MAINTENANCE FEE POLICY

Background

This matter comes before the Guam Public Utilities Commission [PUC] upon the request of the Port Authority of Guam [PAG] to revise its Facility Maintenance Fee Policy.

On January 29, 2010, the PUC authorized the Port Authority of Guam [PAG] to implement a proposed facility maintenance fee of \$25.00 for each bill of lading. The purpose of the fee is to provide funding for the maintenance, replacement, and repair of port facilities. The fee is assessed to port users utilizing the facilities in the receipt and delivery of cargo. Prior to implementation of the Facilities Maintenance Fee, the PAG was required to develop a process and policy for the implementation of the fee. Subsequently, on February 25, 2010, the PUC adopted the Facility Maintenance Fee and Implementation Policy. At present, the policy provides for a fee of \$25.00 per bill of lading, with certain exceptions.

On April 20, 2010, the Port Authority submitted a letter to the PUC requesting that the Facility Maintenance Fee Policy be revised. The PAG has recommended to the PUC that it change the fee from \$25.00 per bill of lading fee to \$25.00 for each container and \$1.35 by revenue ton for breakbulk. The Port includes projected revenue calculations and a Facility Maintenance Fee Policy and Guidelines with its Request.

On April 27, 2010, the Consultants to the PUC on Port Authority matters, Slater, Nakamura & Co. LLC, recommended that the PUC approve the Facility Maintenance Fee Policy and Guidelines proposed by the Port. The Consultants conclude that the proposed policy is "just and reasonable."

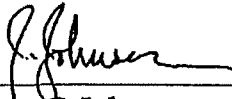
Order

Upon review of the proposed Revised Facility Maintenance Fee Policy submitted by the PAG on April 20, 2010, the Report of Slater, Nakamura & Co., LLC, for good cause

shown, and on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission hereby ORDERS that:

1. The Revised Facility Maintenance Fee Policy submitted by the Port to PUC on April 20, 2010 is hereby approved.
2. The recommendations of Consultant Slater, Nakamura & Co., LLC, filed herein on April 27, 2010, are hereby adopted. The anticipated annual revenues which the Port will obtain from the Revised Facility Maintenance Fee Policy, based upon a container and revenue-ton-based levy fees, is approximately 12% less than the facility maintenance fees previously approved by the PUC in its Order dated January 29, 2010.
3. The fees charged in the Revised Facility Maintenance Fee Policy are "just and reasonable" pursuant to 12 GCA §§12015 and 12017.
4. PAG shall implement its Revised Facility Maintenance Fees in accordance with the Policy and Guidelines submitted by it to PUC on April 20, 2010.
5. PAG shall publish its revised Facility Maintenance Fee Policy and Guidelines on its website.

Dated this 27th day of May, 2010.



Jeffrey C. Johnson
Chairman

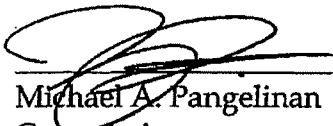


Joseph M. McDonald
Commissioner



Rowena E. Perez
Commissioner

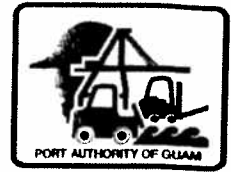
Filomena M. Cantoria
Commissioner



Michael A. Pangelinan
Commissioner



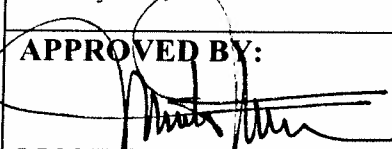
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BOARD POLICY MEMORANDUM NO. 10-02	Subject: Facility Maintenance Fee Policy and Guidelines
PUC Approval Date: February 25, 2010	Effective Date: March 1, 2010
REVISED POLICY PUC Approval Date: May 27, 2010	REVISED POLICY Effective Date: June 01, 2010
APPROVED BY:  MONTE MESA, Chairperson, Board of Directors	

FACILITY MAINTENANCE FEE POLICY AND GUIDELINES

Purpose:

The Jose D. Leon Guerrero Commercial Port (PAG) must refurbish and modernize its facilities. This is necessary to better serve its customers and prepare for substantial expansion of the Port's cargo handling terminal that is needed to handle the anticipated increase in cargo volumes resulting from the Guam Military Buildup. On January 29, 2010, the Guam Public Utilities Commission (PUC) approved the Port's interim tariff rates request. In doing so, one component of the approved interim tariff rates was to implement a facility maintenance fee of \$25.00 per container and \$1.35 per revenue ton for breakbulk subject to the establishment and implementation of a policy. This policy is to implement the \$25.00 facility maintenance fee per container and \$1.35 per revenue ton for breakbulk cargoes to provide funding for the maintenance, replacements, and repair of the port facilities.

Definition:

The "facility maintenance fee" is the fee assessed for use of port facilities to provide funding for the maintenance, replacement and repair of the port facilities. The fee will be assessed to port users utilizing the facilities in the receipt and delivery of cargo to and from vessel and/or in connection with the receipt, delivery, checking, care, custody and control of cargo as required in the transfer of cargo.

The foregoing does not include any services or facilities charge that is included in wharfage, dockage, wharf demurrage, wharf storage or any other individual charges. This fee does not include the handling of cargo, loading nor unloading operations, or any labor other than that which is essential to performing the service.

Facility Maintenance Fee

Facility Maintenance Fee \$25.00 per Full Inbound, Outbound,
and Inbound Transshipment
Container

\$ 1.35 *per revenue ton for Breakbulk

*Exemption = Bills of lading for Breakbulk cargo will be exempted from the facility maintenance fee when the cargo is valued less than \$2,500.

Guidelines:

1. Vessels, their owners, charterers and agents assigned the use of Port facilities in accordance with Section I of the Port Terminal Tariff shall be liable for and shall collect and pay to Port the Facility Maintenance Fee as provided for in this memorandum and the provisions of Item 3, section I of the Port Terminal Tariff shall apply.
2. The Port will bill the facility maintenance fee based on the total number of Full Inbound, Outbound, and Inbound Transshipment Containers on the Master Container Outturn (MCO).
3. Facility Maintenance Fee will be billed to the first carrier for all Inbound Transshipment containers.
4. Vessels, their owners, charterers and agents who are entitled to the Breakbulk bill of lading exemption are required to submit to the Finance division a copy of the cargo invoice for each bill of lading claimed to be below the threshold by vessel and within thirty (30) days of the invoice date. PAG will validate whether the cargo value is within the threshold amount.
5. PAG Finance Division will issue a credit to any vessels, their owners, charterer and agents who are determined to be, on case by case basis, exempt from the facility maintenance fee.
6. When the basis of the freight charges for breakbulk is not shown on the manifest, Port charges shall be assessed on the basis of weight or measurement, whichever will yield the greater revenue.