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GOVERNANCE & LEADERSHIP

BOARD OF DIRECTORS

Dorothy P. Harris

Chairperson

Conchita S.N. Taitano

Vice-Chairperson

Fe Valencia-Ovalles

Board Secretary

EXECUTIVE LEADERSHIP

Rory J. Respicio

General Manager

Dominic G. Muna

Deputy General Manager

Operations

Pacifico R. Martir

Deputy General Manager

Administration & Finance

REGIONAL HUB TO THE GLOBAL SUPPLY CHAIN

ABOUT US

The Port Authority of Guam (PAG, Authority, or the Port) was established as a public corporation and autonomous agency of the government by Public Law 13-87 in October 1975. The Port operates the only commercial seaport in the Territory and, as the primary seaport in Micronesia, serves as a transshipment point for the entire Western Pacific region.



Service to Guam and the Region since 1975

MISSION STATEMENT

The Port Authority of Guam is dedicated to providing full services to ocean vessels in support of loading and unloading cargo for Guam and Micronesia. The Port Authority of Guam is the main lifeline of consumer goods into the island, and as such, recognizes its responsibility to deliver these goods in a timely and efficient manner. In support of this mission, the Port Authority of Guam also provides land and infrastructure to private interests to further develop the maritime industries on Guam. As a public corporation, the Port Authority of Guam dedicates all of its profit to the upgrading of equipment and facilities and the continued growth of the island's seaport.

OUR VISION

To modernize the Port as a first class facility in the region providing cargo handling services in a safe, efficient and sustainable manner. To promote economic growth and opportunities for maritime related industries and address the needs of port users.

OUR EMPLOYEES AND CUSTOMERS

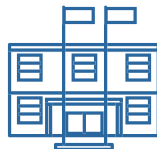
| Department | 2023 | 2022 | 2021 |
|----------------------------|------------|------------|------------|
| Operations | 151 | 147 | 161 |
| Maintenance | 83 | 79 | 84 |
| Administration and Finance | 68 | 69 | 73 |
| Safety and Security | 54 | 53 | 56 |
| Engineering and Planning | 14 | 14 | 11 |
| Total | 370 | 362 | 385 |



151 Operations



83 Maintenance



68 Administration and Finance



54 Safety and Security



14 Engineering and Planning

| Customers | 2023 | 2022 | 2021 |
|--------------|------------|------------|------------|
| Agents | 7 | 6 | 6 |
| Space Lease | 46 | 46 | 30 |
| Marina | 135 | 132 | 109 |
| Others | 597 | 588 | 147 |
| Total | 785 | 772 | 292 |



7 Major Shipping Agents



46 Space Lease
135 Marina
597 Others

THE PORT'S PERFORMANCE

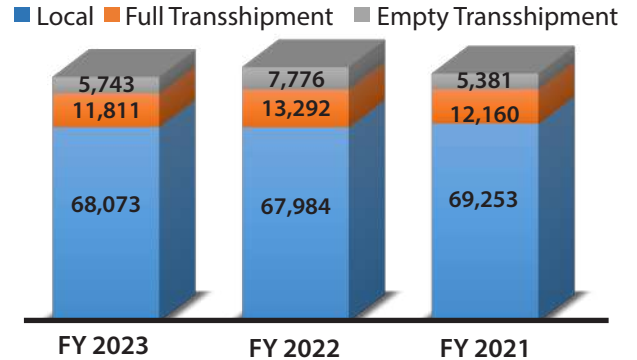
HIGHLIGHTS

- Handles 1-2 Million (M) tons of cargo a year
- Owns five cargo handling piers, one operable fuel pier, and two marinas
- Largest U.S. deep-water seaport in the region
- More than 90% of the region's local goods and supplies passing through its doorway

The basis for gauging annual revenue status of the Port is through the number of cargoes it handles each year. Container cargoes are broken down into local and transshipment categories. Local containers comprise of goods destined for Guam's economy while transshipment containers are unloaded cargo at the Port destined for another vessel to be transported to its final port of discharge.

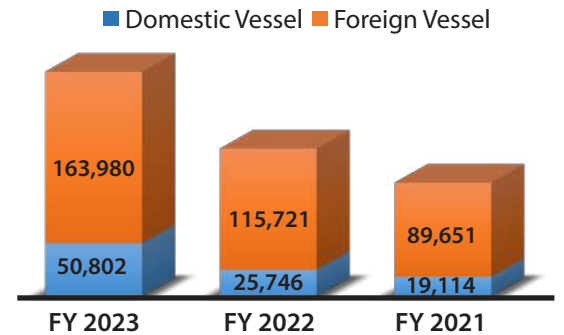
CONTAINER CARGO (Count)

In FY 2023, the Port handled 86K containers, a 4% decrease from the prior year's container count of 89K. Typhoon Mawar hit Guam in May 2023 which attributed to the drop in handling transshipment container cargo as compared to the prior year. However, a slight increase in local containers offsets the decrease in transshipment containers.

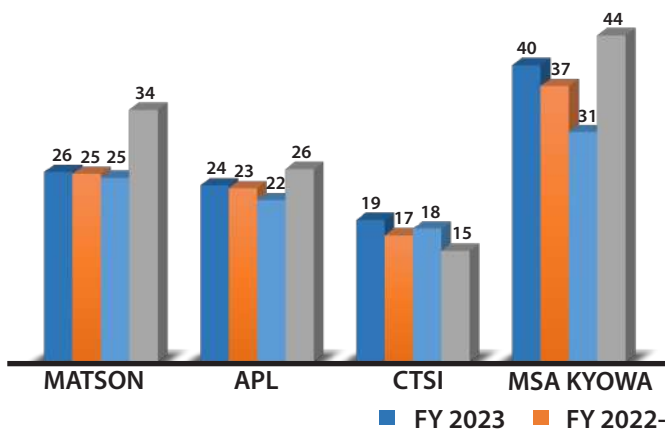


NON-CONTAINER/BREAKBULK CARGO (Tonnage)

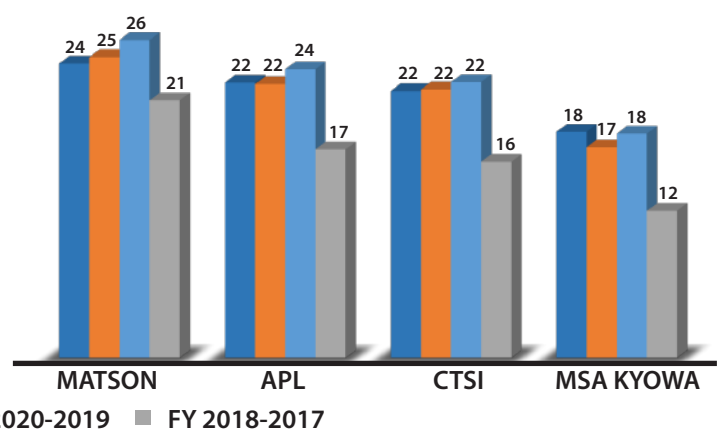
Non-containerized cargo is a cargo that cannot fit into containers and commodities that are more economically transported as breakbulk cargo. In FY 2023, the Port handled 215K tons of breakbulk, a 73K tons or 52% increase from FY 2022. The breakdown of the increase are as follows, 25K tons for domestic cargo and 48K tons for foreign cargo.



CARGO VESSEL BERTH HOURS



CONTAINER VESSEL NET MOVES PER HOUR

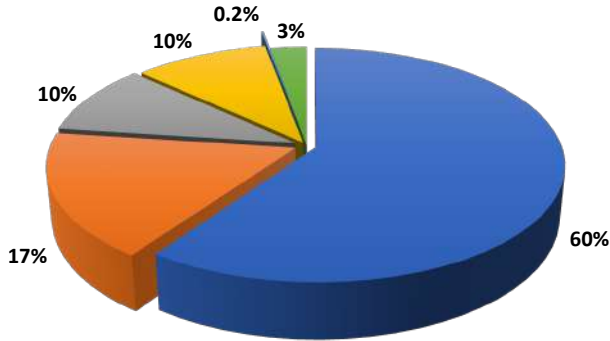


From FY 2019 to FY 2023, the average berth hours for all shipping vessels improved as compared to its FY 2017 to FY 2018 performance which ties to the Port's mission to deliver goods in a timely and efficient manner. Improvement in berth hours mean efficient operations and reduced turn-around times for a ship's calling at the terminal. Higher crane productivity per hour is evident in the improvement of net moves per hour per major shipping agent.

THE PORT'S FINANCES

The independent financial auditors have issued an unmodified (clean) opinion on the Port's financial statements for FY 2023, affirming the accuracy and reliability of the financial reporting. The auditors also reported no material weaknesses or significant deficiencies in the Port's internal control over financial reporting. Furthermore, a clean opinion was issued regarding the Port's compliance with major federal programs for the same period, with no identified material weaknesses or significant deficiencies in internal controls related to these programs. These findings underscore the effectiveness of the Port's financial and compliance controls and reflect a strong commitment to maintaining rigorous standards.

REVENUES



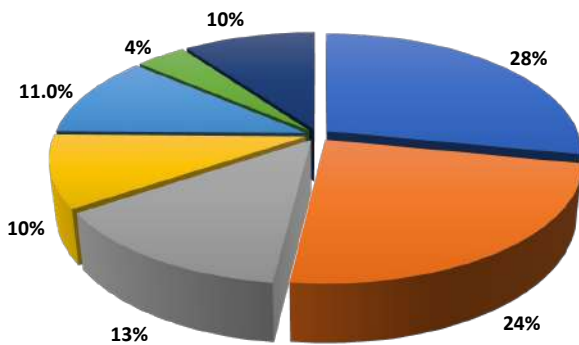
Operating Revenues (In millions)

| | FY 2023 | FY 2022 | FY 2021 | FY 23 vs FY 22 % Change |
|----------------------------|----------------|----------------|----------------|-------------------------|
| Cargo throughput charges | \$36.28 | \$35.98 | \$34.78 | 0.84% |
| Equipment and space rental | \$10.53 | \$9.55 | \$8.29 | 10.27% |
| Crane surcharge | \$5.93 | \$6.03 | \$5.98 | -1.63% |
| Wharfage surcharge | \$6.18 | \$6.02 | \$5.80 | 2.76% |
| Special services | \$0.10 | \$0.09 | \$0.09 | 6.52% |
| Other operating income | \$1.68 | \$0.03 | \$0.11 | 5088.03% |
| TOTAL | \$60.70 | \$57.70 | \$55.06 | 4.79% |

In FY 2023, despite the challenges posed by Typhoon Mawar, operating revenues increased by \$2.9M, rising from \$57.7M in FY 2022 to \$60.6M in FY 2023. One of the increase in operating revenues was equipment and space rental fees due to increase in demurrage fees. Additionally, cargo throughput charges improved, reflecting higher revenues from various cargo categories, including breakbulk, roll-on/roll-off cargo, cargo on chassis, and overstowed containers. Roll-on/roll-off cargo, which includes construction equipment, vehicles, and heavy machinery, contributed significantly to this rise. Increase in other operating income amounting to \$2M is due to proceeds from insurance claim.



EXPENSES



Operating Expenses (In millions)

| | FY 2023 | FY 2022 | FY 2021 | FY 23 vs FY 22 % Change |
|---------------------------------------|----------------|----------------|----------------|-------------------------|
| Management and administration | \$17.50 | \$15.09 | \$14.88 | 16.02% |
| Operations | \$14.81 | \$13.37 | \$13.66 | 10.71% |
| General expenses | \$8.49 | \$9.54 | \$7.95 | -11.04% |
| Retiree healthcare and other benefits | \$6.05 | \$7.96 | \$6.95 | -24.09% |
| Equipment maintenance | \$6.83 | \$6.40 | \$6.43 | 6.76% |
| Depreciation | \$6.19 | \$6.14 | \$6.26 | 0.73% |
| Facility maintenance | \$2.37 | \$2.19 | \$2.14 | 8.14% |
| TOTAL | \$62.23 | \$60.70 | \$58.27 | 2.53% |

In FY 2023, operating expenses increased by \$1.5M from \$60.7M in FY 2022 to \$62.2M in FY 2023. This can be attributed to increases in management and administration, operations, equipment maintenance, facility maintenance, and depreciation totalling \$4.5M. This is offset by decreases in general expenses and retiree healthcare related benefits amounting to \$3.0M.



THE PORT'S FUTURE

The Port Authority of Guam remains resilient, moving forward through challenges with the implementation of its modernization initiatives. This is evident in management's proactive approach in elevating the Port's strategic importance to key policy makers in Washington, D.C. in pursuit of funding opportunities. Additionally, the Port continues to network with other port jurisdictions facing similar challenges to strengthen the Port's voice.

CHALLENGES

Typhoon Mawar

Typhoon Mawar struck Guam causing major destruction throughout the island. Many Port facilities and structures were severely damaged, even rendering one of the island's only two fuel piers inoperable. The Port's initial estimated damage assessment was at \$9M, excluding assessments to fuel piers, Golf and F1. The Port's main berthing assets also were impacted. Though initial damages and estimates were documented immediately following the typhoon, the Port found more extensive damages upon further assessment and continues to work with FEMA and its insurance provider to help mitigate the necessary repairs to damaged assets.



Although devastating, Typhoon Mawar highlighted the Port Strong spirit that has always prevailed in times of crisis. Recognizing their role as the region's lifeline, Port employees sprang into action to get the Port operational in just three days.

Ship-to-Shore (STS) Gantry Cranes

Replacement of three STS gantry cranes continues to be a major challenge for the Port of Guam. Nearing their service life cycle, the replacement is crucial to properly serve the people of Guam, the neighboring islands, and the military's mission capabilities in the region. Although the Port continues to pursue federal funding, submission of grant applications remains challenging due to the Buy American Act compliance requirement. Currently, there are no manufacturers producing this equipment in the United States. The Port is hopeful that federal agencies will consider and grant waivers for funding this acquisition.

OUTLOOK

FY 2024 Key Capital Improvement Project Initiatives:

- Procure three STS gantry cranes
- Waterline Replacement and Relocation Project
- EQMR Building Upgrades
- Warehouse I Hardening – Installation of Roll Up Doors
- Installation of Radar Intrusion and Vessel Tracking System
- Construction of Bathroom Facility at the Agat Marina
- Installation of CCTV System at the Agat Marina
- Fendering System Repair and Upgrades
- Agat Marina Dock B Repair

Equipment Acquisition

The Port was awarded grant funding from America's Marine Highway Grant to expand its fleet of specialized container yard equipment to include:

- Two 40-ton loaded container handlers
- Three 10-ton empty container handlers
- Five 5.5-ton forklifts
- One 180-foot boom lift
- Nine container yard tractors
- Two 40-plug mobile reefer generators



Sustainable Port Development

The Port has been working diligently to develop quality, reliable, sustainable and resilient infrastructure, upgrade Port assets to make them sustainable with increased resource-use efficiency and adopt clean and environmentally sound technology and industrial processes.

CONTACT US

The Port is pleased to present this year's citizen centric report. Do you like the report? Do you believe it should include any other information? Let us know by contacting Jose B. Guevara, III at (671) 477-5931 or email jbguevara@portofguam.com.

Follow us on social media to stay current with your Port Authority of Guam.



Port Authority of Guam



portofguam



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Port of Guam's FY 2023 Citizen Centric Report

1 message

Jojo Guevara <jbguevara@portofguam.com>

Fri, Sep 27, 2024 at 2:28 PM

To: bjcruz <bjcruz@guamopa.com>

Cc: rjrespicio@portofguam.com, "Dominic G. Muna" <dgmuna01@portofguam.com>, prmartir@portofguam.com, avlegaspi@portofguam.com, marketing@portofguam.com, fjones@guamopa.com

Hafa Adai Public Auditor Cruz,

Transmitted herewith is the Port Authority of Guam's Citizen Centric Report for fiscal year 2023 in compliance with Title 1 Guam Code Annotated Chapter 19 Section 1922 (a). A digital copy may also be found at our website: <https://portofguam.com/citizen-centric-report> .

Sincerely,

Jojo Guevara

Jose B. Guevara III, CGFM, MBA, PMP, MPE

Chief Financial Officer

Port Authority of Guam

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