

## CHAPTER 2 TERMINAL TARIFF

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### Appendix A - Tariff

**§2100. Introduction. (a) Background.** In 1980 KPMG Peat Marwick (Peat Marwick) assisted the Port Authority of Guam (PAG or Port) in revising and updating their tariff. The purpose of the revision was to develop a tariff capable of generating sufficient revenue to cover direct and indirect operating costs of the Port, and allow for the repair, replacement, and addition of equipment to operate the Port. In 1984 the tariff was again updated based on the 1980 rates. Since 1984 there have been minor revisions to a few charges and some charges were added.

PAG management has recognized the need to revise the Port tariff to reflect changes in Port operations, increasing operating costs and additional traffic. In addition, inequities are assumed to exist in the current tariff structure. In this regard, the Port Authority of Guam asked Peat Marwick to assist in revising PAG's tariff

**(b) Objectives.** The objectives in revising the terminal tariff for PAG are as follows:

- Develop a tariff that generates sufficient revenues to cover operating costs and the cost of replacement equipment and investment in Port facilities.
- Develop a clear and defensible tariff based on cost analysis that equitably distributes the cost of Port operations and gives consideration to Federal Maritime Commission (FMC) guidelines.

**(c) Scope of Assistance.** The tariff study involved the following scope of work:

(1) **Reviewed Federal and Local Laws** - Federal and local laws and regulations were reviewed to determine if they would impact upon the revised tariff.

(2) **Reviewed and Assembled Cost Data** - The existing cost centers and functional areas were reviewed and changed as needed. The cost centers were assembled to accurately reflect Port costs and operations and to correspond with the tariffs. Costs and related statistics were collected from Port personnel and assembled according to the cost centers.

(3) **Review Revenue and Tariff Data** - The existing revenue centers were reviewed and updated as needed. The revenue centers were revised based on the existing tariff, cost centers, comments of Port users and Port personnel. Revenue and tariff data were collected from Port personnel and assembled according to the revised revenue centers.

(4) **Calculation of Costs** - The costs associated with the major tariffs were determined based on the cost allocation method. Costs were allocated to the appropriate revenue centers on an equitable basis.

(5) **Determination of Tariff Rates** - The major tariffs were determined based primarily on allocated costs. Other charges could not be calculated based on the allocated cost method due to insufficient cost data and/or statistics. These charges were developed using a bottom up approach based on estimated direct and indirect costs, special analysis, and/or comparison with other port charges. Free time was also reviewed based on information obtained from comparable ports and interviews with the Port users.

(6) **Interviews with Port Users** - A summary of interviews with nineteen Port users is provided. This section includes recommended changes to the tariff.

(7) **Recommended Changes to the Chart of Accounts** - Based on this study, suggestions are provided to improve the chart of accounts.

(8.) **Revise Tariff** - A new tariff has been drafted

to reflect changes to the charges.

(9) **Prepare Report** - The report describes the methodologies used to update the tariff and presents documentation to allow defense of the proposed Port charges.

**§2101. Federal and Local Regulations.** (a) **Federal Maritime Commission.** The Federal Maritime Commission (FMC) regulates the waterborne foreign and domestic offshore commerce of the United States under a number of statutes including the Shipping Act of 1984. In geographic terms the "United States" includes not only the States, but Commonwealths (e.g., Puerto Rico) and all other United State territories and possessions. Guam is included in the latter category. The FMC carries out its mandate in a number of ways including surveillance over steamship conferences and marine common carriers and assuring that rates on file with the Commission are appropriately charged.

The Port Authority of Guam, which provides port terminal services within the United States, must file its tariffs (in duplicate) with the Bureau of Tariffs of the FMC. Tariffs filings are subject to the rules and regulations described in Part 515 ("Filing of Tariffs by Marine Terminal Operators") located in Chapter W of Title 46 of the Code of Federal Regulations (CRF). This is the only Part of the CRF that need concern PAG in updating its Terminal Tariff

It should be noted that since the passage of the 1984 Shipping Act, there has been considerable debate over whether, and to what extent, combined terminal/stevedoring service arrangements should be regulated by the FMC. Several temporary waivers have already been issued by the FMC to exempt those from being assessed penalties who fail to file agreements or tariffs for terminal services performed for water common carriers. The FMC is now proposing to officially amend Part 515 (as well as Parts 560 and 572) of 46 CRF to eliminate tariff filing requirements for terminal services furnished by marine terminal operators paid for directly by water common carriers (see Docket No. 91-20, "Exemption of Certain Marine Terminal Services Arrangements")

However, PAG's position as a public corporation of

the Government of Guam may preclude it from excluding any tariffs in its Terminal Tariff now charged to customers. For example, tariffs for handling recycled metal scrap do not have to be filed with the FMC according to Part 515 although they are included in the PAG Terminal Tariff now filed with the FMC.

(b) **Port Authority.** The Port Authority is the governing body and authority over the port area of Guam as established by the Guam Legislature in 1987, pursuant to Public Law 13-87. The Authority is defined as a public corporation and autonomous instrumentality of the Government of Guam, which provides for the needs of ocean, commerce, shipping, recreational and commercial boating, and navigation of the Territory of Guam. It is a marine terminal operator as provided in Section 3 of the Shipping Act of 1984 and Section 1 of the Shipping Act, of 1916.

(c) **Local Regulations.** The rule making authority for formulation of the Terminal Tariff naming rates, charges, rules and regulations for the Commercial Port of Guam by the Commercial Port Manager is 10 GCA §10101-§10102.

Chapter 10 of Title 12, Guam Code Annotated contains local regulations governing the Port Authority of Guam. This chapter describes the make-up, duties and powers of the Board of Directors of the Authority, the duties of the Manager of the Port, claim handling procedures, fiscal authority, employment, and penalties for violation of regulations.

Any amendments or revisions to the tariff shall be made by the Port Authority Board of Directors in accordance with formally adopted procedures consistent with requirements established under the Administrative Adjudication Act and by the Federal Maritime Commission

Chapter 9 of the Guam Code Annotated Title 5 describes the procedure for amending the tariff. It establishes a uniform method of making, adopting, promulgating, filing and publishing rules by all agencies of Guam, to permit public participation therein and provide a method of making rules readily accessible to the public.

(d) **Summary.** The current PAG Terminal Tariff would appear to respect the Federal and local regulations. In certain instances (e.g. the publication of tariffs for handling scrap metal), the Tariff goes beyond FMC guidelines. However, regulations and PAG's position as a public corporation obligate PAG to make public its rates and charges.

**§2102. Approach and Methodologies.** (a) **Approach.** Our work involved conducting interviews with Port users to obtain their comments concerning the Tariff, the establishment of cost and revenue centers, collection and assembly of cost data, calculation and allocation of costs and determination of charges. The data gathering phase required assembly of information from accounting records and assembly of statistics provided by records and employees of the Port. Port Authority personnel contributed significantly to collecting and compiling the accounting records and the statistics. Some of the information provided by Port personnel included the appraised value of land, revenue tons by type of cargo, number of containers, number of vessels, total vessel length and expenses by equipment type.

Two different methodologies were used to develop charges. The major charges were developed using allocation of costs to revenue centers using a computer based cost allocation model specifically developed for the Port Authority of Guam. Some charges, representing a small percentage of revenues, were developed using a bottom up approach based on estimated direct and indirect costs, special analysis, and/or comparison with charges at other ports.

(b) **Cost Allocation Methodology.** The methodology applied to determine the major tariffs was structured to capture all the costs of the Port of Guam in a specified time period, six months ending December 31, 1991. Due to significant increases in employee compensation in 1990, the most recent time period would best represent costs currently being incurred by PAG. Costs were gathered and computed for three primary cost centers: (1) Direct expenses, (2) Indirect expenses, and (3) Overhead.

Within each major cost center, costs were aggregated by secondary groups. A total of seventeen secondary cost centers were used. The amount in each cost center was

then allocated, to revenue centers by using a specific allocation basis for each cost. Each revenue center was designed to capture the costs related to a specific tariff.

**§2103. Cost Centers.** The allocation basis for each cost center reflects an equitable allocation of the costs to the cost centers and subsequently to the revenue centers. The costs to be allocated and the allocation basis is described below for the different types of expenses.

(a) **Direct Expenses.**

(1) **Labor.** Direct labor costs are segregated by function in the chart of accounts and by cost centers. The functional areas which include direct labor costs are as follows:

- Stevedoring
- Terminal
- Transportation
- Facility Maintenance
- Equipment Maintenance

The numerous cost centers within each functional area were assembled by the following revenue centers.

- Breakbulk
- Unitized
- Tuna
- Ro/Ro
- Devanning/Stuffing
- Heavylift
- Rental/Charge-Out

Direct labor expenses by function and by revenue center are shown in Exhibit A. Equipment.

(2) **Equipment.** Equipment costs were aggregated by type of equipment operating at the Port of Guam. The equipment categories include the following:

- Gantry
- Straddle hoist
- Manitowac
- Hyster - 20 ton
- Hyster - 10 ton

- Tractor
- Top lifter Side lifter
- Rise truck Fork lift - 5 ton
- Fork lift - 3 ton
- Chassis

Equipment operating costs were based on parts, maintenance and repair expenses incurred for the nine months ending June 30, 1991. Some of the equipment were identified separately by a chart of accounts. These include expenses for the gantry cranes, straddle hoists and Manitowac. Operating costs for the remaining equipment could not be identified by type of equipment. These costs were estimated based on the estimated value of the equipment and the number of pieces of equipment.

Other equipment costs include return on investment and depreciation. The return on investment was calculated based on an appropriate annual return of 10% of the net book value of the equipment. Depreciation was provided for each category of equipment by Port personnel.

The sum of the equipment operating costs, return on investment and depreciation expenses represents the total cost associated with each type of equipment, as shown in Exhibit B

Allocation of equipment expenses to revenue centers was based on the estimated percentage each category of equipment was used for specific services. The services include revenue centers and overhead. Operations personnel of the Port provided the estimated percentage distribution, as shown in Exhibit C

Based on the total costs of each category of equipment and the percentage usage associated with each revenue center the costs were determined by revenue center, as shown in Exhibit D

(3) **Plant.** Plant items include buildings, wharf improvements and other site improvements, as previously shown in Exhibit B. Buildings include all buildings. Improvements on the wharfs include

dredging, berthing wharf and other improvements to the wharf. Site improvements include the following:

- Container storage area
- Gantry crane track
- Container reefers
- Dock facility
- New container yard
- Roads
- Fences
- Sewer lines, etc

Costs associated with plant items include return on investment and depreciation. The return on investment was calculated based on an annual return of 10% of net book value. Depreciation of the original plant items were provided in total by Port personnel and allocated based on the original value. Depreciation on plant items built after the initial construction were provided for each item. Return on investment and depreciation were totaled to determine the costs associated with plant items.

Allocation of plant expenses was based on the percentage of time the item was used for a particular service which corresponds to a revenue center, as previously shown in Exhibit C. If the item could not be identified with a specific service or part of the time was used for administrative functions the percentage of time was allocated to overhead. Port personnel provided the percentage distribution.

Based on buildings and improvement costs and the percentage usage associated with each revenue center the costs are calculated by revenue center and overhead, as previously shown in Exhibit D.

(4) **Land.** The amount allocated to land is equal to the appraised value of the land multiplied by an annual rate of return of 10%, as previously shown in Exhibit B. The amount to be allocated was based on the estimated square footage used for each service as a percentage of the total square footage, as shown previously in Exhibit C. The service corresponds to a revenue center. The estimated value of the land and the allocation basis was provided by Port personnel. Based on the amount allocated for land costs and the percentage usage associated with each revenue center



the costs are calculated for each revenue center, as previously shown in Exhibit D.

(b) **Indirect Expenses.** Indirect expenses include indirect labor, employee benefits, office supplies and other expenses, as shown in Exhibit E. Indirect expenses are tracked by utilizing the Port's accounting system by functional area and expense type. The functional areas include the following:

- Stevedoring
- Terminal
- Transportation
- Facility Maintenance
- Equipment Maintenance
- Administration

In addition to the above functional areas, Harbor Master expenses were deducted from administrative costs to be identified as a separate functional area. These expenses have been totaled by functional area.

(c) **Overhead.** Overhead expenses include equipment and plant costs that were not directly associated with a specific revenue center, as previously shown in Exhibits C and D. It also includes administrative expenses, as previously shown in Exhibit E. Administrative costs primarily include salaries and employee benefits for the areas of management, accounting, finance, personnel, safety, security, clerical and supply. It also includes supplies, utilities, insurance and depreciation for office equipment. Other miscellaneous costs are also included

**§2104. Revenue Centers.** Revenue centers were designed to capture the costs related to the major tariffs, as shown in Exhibit F. Each revenue center represents the allocated cost associated with a particular tariff. Determination of the tariffs are described in the following chapter. The revenue centers and allocation of costs to the revenue centers are described below.

(a) **Estimated Cost by Revenue Center.**

(1) **Containers.** Includes costs for all container movement between the vessel, the container storage' area and through the Port gate. The cost per container of \$214.08 represents the cost for all containers,

including empties and transhipped containers. Cost per revenue ton is estimated at \$12.38

(2) **Breakbulk.** Includes costs for breakbulk, lift off/lift on and preslung items and is calculated on a revenue ton basis. The estimated cost per revenue ton is \$17.61.

(3) **Unitized.** Includes costs for breakbulk, lift off/lift on and preslung items and is calculated on a revenue ton basis. The estimated cost per revenue ton is \$17.61.

(4) **Tuna.** Includes the cost for transferring tuna from the vessel to a warehouse. The estimated cost per revenue ton is \$3.70.

(5) **Roll On/Roll Off.** Includes the cost of loading and unloading vehicles on vessels. The cost per vehicle is about \$29.37 and the cost per revenue ton is estimated at \$2.52.

(6) **Devanning/Stuffing.** Includes the cost of auto devanning and stuffing service. The estimated cost per vehicle is \$251.00.

(7) **Labor Charge-Out and Equipment Rental.** These costs include all costs associated with labor charge-out and equipment rentals. Labor charge-out charges and equipment rental charges are not derived from these costs. The purpose of assessing these costs is to estimate the percentage of indirect and overhead costs to direct costs for labor charge-out rates and equipment rental rates. Indirect and overhead costs represent about 80% of direct costs.

(8) **Dockage.** This cost includes all the costs associated with dockage. The direct costs are plant and land cost. Total costs associated with dockage was \$467,034 for the six month period ended December 31, 1991.

(9) **Wharfage.** Includes the cost of wharfage for the Port. Similar to dockage, the direct costs are plant and land cost. The estimated cost per revenue ton is \$.37.

(10) **Port Entry.** Includes the cost of the Harbor Master and allocated overhead expenses. Total costs associated with port entry was \$408,438 for the six month period ended December 31, 1991.

(b) **Allocation of Costs to Revenue Centers.** The allocation of costs to the revenue centers differ by type of expense, as described below.

(1) **Direct Expenses.** The direct expenses have been assembled by revenue center, as shown in Exhibit F.

(2) **Indirect Expenses.** These costs have been determined for each functional area, in total. For each functional area, the allocation of the costs to the revenue centers is based on the distribution of the functional areas direct labor costs, with one exception. Harbor Master costs are all allocated to Port Entry.

(3) **Overhead.** Overhead expenses have been allocated to the revenue centers based on the distribution of total direct and indirect expenses, as previously shown in Exhibit F.

**§2105. Rates.** This section reviews the proposed rates and major structural changes to the tariff. The rates have been determined by two different methods. The major charges have been determined primarily by the cost allocation method, detailed in Exhibit F. The other minor charges have been calculated based on the bottom up approach, a review of similar costs, the tariff at comparable ports and/or market demands. This section describes how the rates were determined and are presented below and in the Tariff, Appendix A.

(a) **Wharfage Rates.** (1) **Wharfage.** This charge is based on the current rates and rates at comparable ports. It is recommended that there be a rate per container and a rate per revenue ton for all other cargo. The recommended rates are as follows:

Outbound	Inbound
Containers	
Stuffed:	
25 feet or less	\$32.60/container \$62.60/container

Greater than 25 feet 55.50/container 107.50/container

Transshipped other than tuna	\$1.75/revenue ton	\$1.75/revenue ton
Transshipped tuna	\$3.50/revenue ton	\$3.50/revenue ton
Other cargo	\$1.75/revenue ton	\$3.50/revenue ton

Minimal charge per Bill of Lading will be \$3.50 or \$1.75 where applicable. Wharfage for outbound empties is included in the outbound rate.

These charges are comparable to the current rates.

(2) **Bunkering.** This section was previously termed Articles. The charge is based on a study of PAG's petroleum handling facilities conducted by Olive Corrosion Control, Inc. (OCC). OCC recommended the current rates be increased by approximately 33% and increase each year an average of 7-8%. This increase has been reflected in the new rates.

No attempt was made by KPMG to verify or authenticate any information in the OCC study. Accordingly, we express no opinion on the accuracy or completeness of this information.

(b) **Stevedoring and Handling Charges.** These charges have been based primarily on the estimated cost of providing the service. Charges for wharfage, port entry, dockage and line handling will be charged separately and will not be included in the stevedoring and handling charge.

(1) **Containers.** The container charge is a one-way charge for each container moved between the vessel and the Port gate and between the Port gate and the vessel. This charge is \$185.00\* for containers placed on chassis and \$255.00\* for grounded containers. There will be no differentiation for container length, stuffed or empty containers. These differentiations cannot be justified on a cost basis. The only exception is transhipped containers and an additional charge will

be assessed for containers longer than 45 feet.

\*Subject to a minimum charge of ten (10) containers, otherwise the labor charge-out rate will be used.

(2) **Breakbulk.** This charge is based on the estimated cost per revenue ton of breakbulk cargo determined by the cost allocation methodology. The recommended charge is \$20.70 per revenue ton (\$6.80 handling and \$13.90 stevedoring)

(3) **Unitized.** Unitized charge is based on the cost per revenue ton of unitized cargo and the current charge. The charge would remain the same at \$12.65 per revenue ton.

Units which are less than forty (40) cubic feet or less than two thousand (2,000) pounds shall be assessed a minimum charge of one (1) ton.

(4) **Tuna.** This charge is based on the cost per revenue ton of tuna. The charge would remain the same at \$10.25\* per revenue ton.

\*Rate excludes differential where applicable

(5) **Preslung.** This charge is based on the current charges and the cost for breakbulk. The proposed preslung charge is \$15.00 per revenue ton.

(6) **Vehicles Loaded or Unloaded (Lift Off/Lift On).** Motorized vehicles or equipment in excess of 6,000 pounds, which though wheeled, must be lifted off/on the vessel to avoid potential damage to the dock, shall be assessed heavy lift charges per move in addition to the rates it would otherwise be assessed.

(7) **Auto Devanning/Stuffing.** This charge is based on the cost for auto devanning and stuffing. The cost per revenue ton is about \$20.19. The proposed charge is \$250.00\* per vehicle. However, PAG may wish to use a lower rate so the increase over the prior rate of \$5.00 is not so significant.

\*Rate excludes differential where applicable.

(8) **Roll On/Roll Off.** The roll on/roll off charge is based on the cost of this service determined by the cost allocation methodology. The recommended charge is \$35.00 per vehicle and is the current rate.

Vehicles loaded or unloaded weighing more than 6,000 pounds\* will be charged \$12.65 per revenue ton per move.

\*Not otherwise specified in this Tariff.

(9) **Transshipped.** This charge applies to containers only. The charge is estimated based on the cost of moving containers one-way with an adjustment for reduced handling on the terminal. The charge is less than four times the one-way rate or about \$212.00\* per container. PAG has chosen this rate to promote transshipped cargo. A differentiation of the charge by container size cannot be justified by cost, however, PAG management may wish to differentiate due to market demands

\*Rate includes wharfage, stevedoring and handling charges

(10) **Bulk Scrap Metal.** Bulk scrap metal is also based on the current charge and the cost for breakbulk. The recommended charge per revenue ton is \$12.50\*.

\*Does not include penalty charge.

(11) **Overstow.** All overstow cargo shall be charged \$50.00 per container per move. This rate was set by PAG management.

(12) **Specialized Rigging.** This rate is based on the current charge and adjusted for inflation. The proposed charge is \$35.00 per container per move.

(13) **Heavy Lift.** This charge is in addition to the rates it would otherwise be assessed for any single unit of cargo lifted, other than containers, over 6,000 pounds. The current charge appears reasonable at \$2.10 per.

(14) **Long Length.** Long length is charged for any single unit of cargo over 45 feet in length. The current charge appears reasonable. The charges are as follows:

Scale of charges

Over 45 feet and not over 50 feet \$16.30

Over 50 feet and not over 60 feet 38.15

Over 60 feet and not over 70 feet 49.15

For pieces over 70 feet add \$10.15 to \$49.15 for each additional ten feet, or fraction thereof.

(c) **Labor Charge-Out Rates.**

(1) **Regular Rates.** This charge is based on the actual hourly rate of the person providing the labor and an additional 50% charge to cover the indirect and overhead expenses. The percentage add-on was determined by calculating the percentage of indirect and overhead costs to labor charge-out costs. The proposed 1992 charges are shown in the tariff. The tariff provides for an annual inflationary adjustment to these charges for subsequent years.

(2) **Penalty rates.** The current charges have been adjusted to reflect the increase in labor cost. The charges are shown in the tariff, item 42.

(d) **Equipment Rental Rates and Services.** These charges are based on the costs and were calculated on an hourly basis by equipment type, current charges, new equipment costs and charges at other ports. The costs were calculated on an hourly basis, assuming the equipment is operational 6 hours a day. The charge per hour by equipment type is presented in Exhibit G and in the tariff, item 44.

(e) **Wharf Demurrage and Free Time.**

(1) **Free time.** The proposed free time is ten days for non-containerized cargo and dry containerized cargo, based on a review of other ports' free time. A differentiation for inbound and outbound cargo may

be desired by the PAG for marketing reasons. Transshipped dry cargo free time would remain thirty days, tuna transshipped would be first available vessel and refrigerated containers would remain two days. Free time would be exclusive of Saturdays, Sundays and Holidays. The free time period for containerized cargo and dry containers will be reduced from 10 days to 7 days on January 1, 1993.

(2) **Demurrage.** This charge was set by PAG management. The charge for a 20 foot or shorter dry container is \$42.00 per day after the free period. The charge for a dry container longer than 20 feet is \$84.00 per day after the free period. Transit shed wharf demurrage charge would increase to \$15.00 per day per revenue ton after the free period. Outside wharf demurrage charge for other cargo would increase to \$10.00 per day per revenue ton after the free period. Demurrage for operating refrigerated containers would be \$140.00 per day after the free period.

(f) **Dockage.** Dockage is based on charges at comparable ports. Dockage rates will remain at current rates. Rates at comparable ports vary from two and three times the Port's rate to about one-third less than PAG's rates.

(g) **Port Entry Fee.** Based on a review of charges at other ports, the port entry fee should remain unchanged.

**(h) Miscellaneous Services and Charges.**

(1) **Line Handling.** Based on a review of charges at other ports, the port entry fee should remain unchanged.

	Each Movement Straight-Time	Overtime (Note 3)
Vessels not otherwise shown (Note 1)	\$300	\$450
Passenger vessels and vessels 600' and over (Note 2)	400	600

Note 1: Rates provide for 6 men

Note 2: Rates provide for 8 men

Note 3: Rates include two (2) hours of standby and line handling time. Additional standby time will be assessed on the basis of the applicable labor charge-out rates.

Actual overhead costs are estimated higher;



however, the increase in charge was considered when developing these rates.

(2) **Water.** Water should be charged based on current Guam rates and an additional 20% service charge.

(3) **Electrical Service.** The present charges appear appropriate.

(4) **Other.** Other fees are assumed to remain unchanged.

(i) **Passenger Service Fee.** The current rates are comparable to charges at other ports. The charge is \$3.50 for arriving passengers and \$1.50 for departing passengers.

(j) **Structural Changes to the Tariff.** This section describes the structural changes to the tariff.

(1) **Section III - Stevedoring and Handling Charges.** This section is renamed from "Cargo Throughput Rates and Services" to "Stevedoring and Handling Charges." Rates in this section will now only represent stevedoring and handling services and will include port labor and equipment costs to move cargo between the gate and stowage aboard the vessel. Rates for port entry, dockage, wharfage and line handling will now be charged separately.

Containerized cargo rates will be on a per container basis, including empties and stuffed containers, and will be charged on a one-way basis. The only exception would be for transshipped cargo. Heavy lift and long length charges were moved from Section IV to this section.

(2) **Section IV - Labor Charge-Out Rates.** This section is renamed from "Stevedoring and Handling Services" to "Labor Charge-Out Rates." This section now only includes labor charge out rates. Heavy lift and long length charges have been moved to Section III.

**§2106. Interviews with Port Users and Port Personnel.** For the purposes of this study, nineteen

companies (listed in Exhibit H) and various users of the Port, have been interviewed. Some of these companies are agents for several operations, which brings the total number of companies represented in our interviews to approximately 30. We also interviewed several employees at the Port (listed in Exhibit D). The following issues were discussed during the interviews:

- Tariff structure
- Inequities in existing tariffs
- Recommended tariff changes
- Quality of existing services provided by PAG
- Recommended improvements to existing service
- Adjustable tariff increases
- New tariffs
- Fuel surcharge

The questionnaire used during the interviews is shown in Exhibit J. A summary of the interviews is presented below.

(a) **Charges.** Everyone we spoke with indicated the computation of charges should be simplified. By simplifying the structure it will be easier for Port users to calculate their charges and should speed up the billing process for the Port.

**PAG'S Response.** The Port Authority of Guam (PAG) has attempted to simplify the present Port Tariff at the request of users. Additional definitions were added to clarify some of the ambiguities. The PAG is recommending a change from the current revenue ton rate for calculating charges on containers to a box rate since approximately 80% of the cargo handled is containerized. The PAG, where practical, has also made various amendments to clearly define services provided and the charge for such service.

(b) **Box Rate.** All representatives interviewed recommended charging per container rather than per revenue ton. They stated that this would be easier for billing and was common practice among most ports. The majority of the users wanted at least two box rates, one for 20 foot containers and one for 40 foot containers and longer, and did not want to be charged for empty containers. They explained that they wanted different

container rates because they wanted to match their revenues with their costs. Half of those interviewed stated that the rate for chassis and grounded containers should be the same. They thought that the costs would be comparable for both types of containers.

**PAG'S Response.** As mentioned above, the PAG is recommending a box rate for containerized cargo (tariff pages 19-21).

(c) **Wharfage.** The majority preferred having a wharfage rate per container and half of those wanted the wharfage rate included in the container rate. The representatives stated that wharfage rates separate from container rates is common practice in most other ports.

**PAG'S Response.** The wharfage rate, as requested, is now calculated on a box rate for containerized cargo. Wharfage charges will remain separate from the stevedoring and handling box rate for all cargo (tariff page 15)

(d) **Demurrage.** All interviewees concurred that an increase in the demurrage was necessary and reasonable. The majority also thought an increase in the demurrage charge over time was necessary to reduce the number of containers and vehicles left at the Port beyond the free time. The interviewees believed that the Port was being used by some companies as a storage facility

**PAG'S Response.** Demurrage rates have increased as recommended and staggered over an eighteen month period for implementation (tariff pages 37/38)

(e) **Quality of Service.** Most of those interviewed stated that the Port had improved in some areas but there are several areas that still need improvement and some areas in which the Port had gone backwards; A recurring comment was that the productivity of the Port is below what the companies experience at most other ports and what it was in the past, particularly in the number of picks per hour. These same companies also stated that confusion is created when containers are loaded and unloaded in the same area, containers are frequently loaded back on ships from which they were just unloaded.

A few companies stated that they had to wait for equipment to unload their cargo even though the equipment was reserved in advance, and preferential treatment is given to some companies in terms of providing equipment, dockage, and cargo handling.

**PAG's Response.** Due to the increase in vessel traffic and cargo volumes without a commensurate increase in total infrastructure and equipment, the PAG, over a period of time, saw a decline in overall productivity. With the equipment and infrastructure improvements in place at this time, productivity has increased dramatically as evidenced by the letters of appreciation submitted by all the major customers we serve (Exhibit I)

(f) **Port Security.** Several companies stated that the security at the Port is not consistent. At times no paperwork is required to access cargo or gain admittance to the yard. There were also requests for additional.

**PAG's Response.** In order to improve security around port premises, a badge and identification program has been established to control personnel entering or leaving the port compound. In addition, gate passes for vehicles have been restricted and reduced to insure safety of personnel as well as cargo operations. To address the concern of gate house services the tariff has been amended to clearly define the services being provided at the gate house (tariff pages 20 - 21).

(g) **Other Issues.** There was a difference of opinion on the free time. Some thought it was reasonable; one representative thought it should be increased. Most of the Ports employees thought the free time should be decreased and demurrage rates increased. The overstay 10% free limit should also be eliminated.

**PAG's Response.** Demurrage fees have been increased and free time, over an eighteen month period, will be decreased. In addition, 10% free limit on overstay cargo has been eliminated (tariff page 21).

A few of the interviewees asked if the leases could be increased from the current lease term of one year to at least three or five years. This would encourage capital improvements to their leaseholds knowing they would be

in the facility longer than one year.

Extending leases beyond one year cannot be addressed by the tariff. This issue is a matter that must be brought before the Legislature for resolution.

Some companies stated the services provided by the Port would improve if it were operated by a private company. One individual suggested that portions of the Port could be privatized such as facility maintenance..

The PAG has made several efforts to allow for private firms to operate public facilities as recommended. The management of the PAG petroleum fuel pier and tank farm is currently under contract with Pacific Resources, Inc. The industrial park has recently been privatized. Several maintenance functions as well are under contract with private firms. The PAG will continue to review opportunities that may best be handled by the private sector and act accordingly.

Several companies are concerned with the equipment at the Port. The equipment needs to be put on a maintenance schedule and this schedule adhered to. There were also comments about the need for new expensive equipment. Other ports move larger amounts of containerized cargo more efficiently with smaller and cheaper equipment.

A five year equipment acquisition plan has been in place and recently updated to the year 1995. In addition, a comprehensive training and maintenance program is being finalized with American President Lines and Sea Land Service, Inc., to be implemented by September 1, 1992 in order to improve our overall maintenance capabilities. With respect to the concern on the type of equipment used on Port facilities, PAG has worked with the transportation industry and the Chamber of Commerce for identifying equipment needs at the Port. The equipment being employed on the Port facilities are a function of the total land available for the movement of commercial cargo. At this time, we believe that we are meeting the minimum standards for the industry

The Port needs to be dredged to accommodate larger ships. Some of the container ships servicing Guam are

leaving off a row of containers because they cannot fit under the cranes.

Dredging of the port facilities has been initiated. At the present time, the Port along with American President Lines has been working to increase total draft to 40 feet. This project was initiated in May 1992 and will continue until completion.

Bills need to be generated from the Port in a timely manner. This area has improved recently but occasionally invoices are received for charges incurred several months past..

Bills are currently being generated on a monthly basis. The difficulty in issuing billing information on a timely basis is partly attributed to customers not supplying the appropriate information on cargo delivered to the Port. With the new box rate proposed in the tariff, the billing process will be simplified and invoices issued not later than two days after vessel sailing.

Paperwork needs to be submitted to the Port in a timely matter and subject to a penalty charge if turned in late. An automatic rate adjustment needs to be included in the tariff. This would allow the tariff to be increased without going through the public hearing process. This automatic rate adjustment would be used to recover increased operating costs from inflation and salary changes. Fishing vessels are a major user of the Port but only contribute a small percentage of the revenue..

A concern of the PAG is the untimely submission of documents for billing purposes as well as for vessel operations. An amendment to the tariff is being proposed to address this problem requiring documentation to be made available to the Port on a more timely fashion (tariff page 17).

**§2107. Recommended Changes to the Chart of Accounts.** Overall the chart of accounts appears to provide meaningful information necessary to review the tariffs based on cost accounting. A few changes are recommended and are presented below:

- Labor and equipment costs should be completely

separate. All equipment costs directly related to the function of the Port should be included in the equipment maintenance function. Some equipment costs related to the major pieces of equipment are found in stevedoring and the other equipment costs are found under equipment maintenance. All costs, including parts, materials, fuel, diesel and depreciation, related to equipment used for the movement of cargo should be included in the equipment maintenance section.

- The equipment costs need to be more detailed. The costs associated with maintenance, repair, parts and materials, and fuel should be allocated to different charts of accounts similar to those used for labor..
- The Port is not tracking the cost of transshipment. Most of the chart of accounts related to transshipment show zero costs. These costs could not be separately identified as a result.
- Chassis and grounded expenses do not correspond to these costs, but to foreign and domestic shipper's cargo. Tracking the chassis and grounded expenses as well as foreign and domestic shipper's cargo costs are both important. A change to the chart of accounts and/or the method of tracking this information needs to be implemented.
- Costs included in the chart of accounts described as Miscellaneous Overhead Transportation - Other Indirect Costs, account numbers 3.5290.31 and 3.5290.32, include costs which should be included under direct costs. These expenses are the labor costs for rearranging the containers in the container yard and total approximately \$430,000.
- The additions to the chart of accounts need to be inserted in an organized manner related to the original accounts.
- Costs for breakbulk and unitized cargo handling are co-mingled. These costs should be tracked

separately to aid in establishing rates for these services..



10 GAR - HARBOR & NAVIGATION

Direct labor costs by cost center

Cost Center	Rental/	Breakbulk	Unitized	Tuna	Deva
RO	Containers Stuffing	Charge-Out	Total	RO/	
Stevedoring	\$1,153,255	48,182	84	1,472	
22,861	20,034	58,167	1,308,635		
Terminal	404,937	140,837	0	0	
25,700	20,427	31,906	629,807		
Transportation	1,145,080	25,021	66	0	0
0	20,403	1,190,578			
Facility maintenance	0	0	0	0	0
0	89,873	89,873			
Equipment maintenance	55,381	20,028	0	0	0
0	1,774	83,183			
<b>Total</b>	<b>\$2,758,639</b>	<b>238,068</b>	<b>132</b>	<b>1,472</b>	<b>48,58</b>
<b>1 53,061</b>	<b>202,123</b>	<b>3,302,056</b>			

SOURCE: Port Authority of Guam unaudited general ledger accounts for six months ending December 31, 1991

10 GAR - HARBOR & NAVIGATION

Allocation of Plant Costs, Net Book Value and Depreciation

	1979 value		6/30/1991 book value	6/30/1991 depreciation
	\$	%of total		
Improvements - Wharves				
Dredging	\$ 340,200	6%	\$ 329,405	12,834
Berthing Wharf	2,721,631	51%	2,635,272	102,673
Site improvements [Storm sewer & site imp.]	479,845	9%	464,619	18,102
Site improvements				
Container storage area	688,422	13%	666,578	25,971
Gantry crane track	305,965	6%	298,257	11,542
Container reefers	55,030	1%	53,284	2,076
Roads, fence, sewer, etc.	784,843	15%	759,939	29,608
Total	<u>5,375,936</u>	<u>100%</u>	<u>5,205,354</u>	<u>202,806</u>

10 GAR - HARBOR & NAVIGATION

Buildings				
Administration	441,304	16%	706,427	15,066
Office (Sealand)	105,072	4%	168,196	3,587
Warehouse 1 (transportation office and storage of equipment)	672,462	24%	1,076,458	22,958
Warehouse 2	746,874	26%	1,195,574	25,498
CFS	398,332	14%	637,638	13,599
Tower	49,792	2%	79,706	1,700
Operating office	0 0%	0		0
Rigor (equipment shed - cable storage)	49,792	2%	79,706	1,700
Maintenance and repair building	294,202	10%	470,950	10,044
Security headquarters	21,014	1%	33,639	717
Gate House 1	7,986	0%	12,784	273
Gate House 2	7,986	0%	12,784	273
Rest room	24,895	1%	39,851	850
Total	<u>2,819,711</u>	<u>100%</u>	<u>4,513,712</u>	<u>96,264</u>
<b>Grand total</b>	<b><u>\$8,195,647</u></b>		<b><u>\$9,719,066</u></b>	<b><u>299,070</u></b>
	=====		=====	=====

(1) Allocated based on 1979 allocation basis.

10 GAR - HARBOR & NAVIGATION

Equipment and plant estimated value

	Rate base		Operating	Depreciation	[A*B]/2]+ [(C+D)/9]*6
	(book value)A	RBI B	expenses 9 mo end 6/91 C	9 mo end 6/91 D	
<b>Equipment</b>					
Gantry	\$0	0.10	\$ 264,343	11,542	183,924
Straddle hoist	3,950,939	0.10	916,029	337,264	1,033,076
Manitowoc	0	0.10	37,249	7,864	30,075
Hyster-20 ton	0	0.10	38,619	449	26,045
Hyster- 10 ton	76,300	0.10	90,109	7,855	69,124
Tractor	975,809	0.10	179,465	20,383	182,022
Top lifter	465,204	0.10	51,492	6,757	62,093
Side lifter	50,824	0.10	12,873	5,134	14,506
Rise truck	181,535	0.10	0	2,141	10,504
Forklift 5 ton	670,182	0.10	12,873	30,154	62,194
Forklift - 3 ton	249,019	0.10	199,529	3,245	147,634
Chasis	243,853	0.10	0	3,214	14,335
<b>Total</b>	<b>6,863,665</b>		<b>1,802,581</b>	<b>436,002</b>	<b>1,835,572</b>
<b>Buildings</b>					
Administration	706,427	0.10	0	15,066	45,365
Office (Sealand)	168,196	0.10	0	3,587	10,801
Warehouse 1 (transportation office & storage of equipment)	1,076,458	0.10	0	22,958	69,128
Warehouse 2	1,195,574	0.10	0	25,498	76,777
CFS	637,638	0.10	0	13,599	40,948
Tower	79,706	0.10	0	1,700	5,119
Operating office Rigor (equip- ment shed) - store cable	79,706	0.10	0	1,700	5,119
Maintenance & repair building	470,950	0.10	0	10,044	30,243
Security headquarters	33,639	0.10	0	717	21,160
Gate House 1	12,784	0.10	0	273	821
Gate House 2	12,784	0.10	0	273	821
Rest Room	39,851	0.10	0	850	2,559
<b>Total</b>	<b>4,513,712</b>		<b>0</b>	<b>96,264</b>	<b>289,862</b>



10 GAR - HARBOR & NAVIGATION

Improvements - Wharves					
Dredging	329,405	0.10	0	12,834	25,026
Berthing wharf	2,635,272	0.10	0	102,673	200,212
Site					
improvements	464,619	0.10	0	18,102	35,299
<b>Total</b>	<b>3,429,296</b>	<b>0.10</b>	<b>0</b>	<b>133,609</b>	<b>260,537</b>
Site improvements					
Container					
storage area	666,578	0.10	0	25,971	50,643
Gantry crane					
track	296,257	0.10	0	11,542	22,508
Container					
reefers	53,284	0.10	0	2,076	4,048
Roads, fence,					
sewer, etc.	759,939	0.10	0	29,608	57,736
Dock facility	756,410	0.10	0	25,214	54,630
Container yard	3,596,905	0.10	0	119,896	259,776
<b>Total</b>	<b>6,129,373</b>		<b>0</b>	<b>214,307</b>	<b>449,340</b>
Land	10,000,000	0.10	0	0	500,000
<b>Grand total</b>	<b>\$30,936,046</b>		<b>\$1,802,581</b>	<b>880,182</b>	<b>3,335,311</b>
	=====		=====	=====	=====

10 GAR - HARBOR & NAVIGATION

Equipment and plant usage by cost center

	Containers Dockage	Breakbulk Wharfage	Unitized Overhead	Tuna Total	Ro/Ro	Devanning/ Stuffing	Re
Equipment							
Gantry	99%	1%	0%	0%	0%	0%	
0%	0%	0%	0%	100%			
Straddle hoist	100%	0%	0%	0%	0%	0%	
0%	0%	0%	0%	100%			
Manitowoc	46%	46%	0%	0%	0%	0%	
8%	0%	0%	0%	100%			
Hyster - 20 ton	5%	90%	0%	0%	0%	0%	
5%	0%	0%	0%	100%			
Hyster - 10 ton	38%	38%	19%	0%	0%	0%	
5%	0%	0%	0%	100%			
Tractor	90%	10%	0%	0%	0%	0%	
0%	0%	0%	0%	100%			
Top lifter	100%	0%	0%	0%	0%	0%	
0%	0%	0%	0%	100%			
Side lifter	100%	0%	0%	0%	0%	0%	
0%	0%	0%	0%	100%			
Rise truck	0%	0%	0%	0%	0%	0%	
0%	0%	0%	100%	100%			
Forklift - 5 ton	0%	60%	30%	0%	0%	10%	
0%	0%	0%	0%	100%			
Forklift - 3 ton	0%	60%	30%	0%	0%	10%	
0%	0%	0%	0%	100%			
Chasis	100%	0%	0%	0%	0%	0%	
0%	0%	0%	0%	100%			
Buildings							
Administration	0%	0%	0%	0%	0%	0%	
65%	0%	0%	35%	100%			
Office (Sealand)	0%	0%	0%	0%	0%	0%	
100%	0%	0%	0%	100%			
Warehouse 1	0%	0%	0%	0%	0%	0%	
80%	0%	0%	0%	100%			
(transportation office and storage of equipment)							
Warehouse 2	0%	70%	0%	0%	0%	0%	
30%	0%	0%	0%	100%			
CFS	0%	0%	0%	0%	0%	0%	
100%	0%	0%	0%	100%			
Tower	50%	50%	0%	0%	0%	0%	
0%	0%	0%	0%	100%			
Operating Office	0%	0%	0%	0%	0%	0%	
0%	0%	0%	100%	100%			
Rigor (equipment shed-cable storage)	0%	0%	0%	0%	0%	0%	
0%	0%	0%	100%	100%			
Maintenance and repair building	0%	0%	0%	0%	0%	0%	
65%	0%	0%	35%	100%			
Security headquarters		0%	0%		0%	0%	
0%	0%	0%	0%		0%	100%	
100%							
Gate House 1	0%	0%	0%	0%	0%	0%	
0%	0%	0%	100%	100%			
Gate House 2	0%	0%	0%	0%	0%	0%	
0%	0%	0%	100%	100%			
Rest room	0%	0%	0%	0%	0%	0%	
0%	0%	0%	100%	100%			

10 GAR - HARBOR & NAVIGATION

Improvements - Wharves						
Dredging	0%	0%	0%	0%	0%	0%
0%	100%	0%	0%	100%		
Berthing wharf	0%	0%	0%	0%	0%	0%
0%	50%	50%	0%	100%		
Site Improvements		0%	0%		0%	0%
0%	0%	0%	0%		100%	0%
100%						
Site improvements						
Container storage						
area	100%	0%	0%	0%	0%	0%
0%	0%	0%	0%	100%		
Gantry crane track	100%	0%	0%	0%	0%	0%
0%	0%	0%	0%	100%		
Container reefers	100%	0%	0%	0%	0%	0%
0%	0%	0%	0%	100%		
Roads, fence, sewer, etc. [other others]						
0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	100%	100%		
Dock facility	0%	0%	0%	0%	0%	0%
0%	100%	0%	0%	100%		
Container yard	100%	0%	0%	0%	0%	0%
0%	0%	0%	0%	100%		
Land	50%	5%	3%	2%	5%	5%
10%	10%	10%	0%	100%		

SOURCE: Port Authority of Guam  
Equipment and plant costs by cost center (1)

Containers Dockage Equipment:	Breakbulk Wharfage	Unitized Subtotal	Tuna Overhead	Devanning		Stuffing	Rental
				Ro/Ro	Total		
Gantry	182,084	1,839	0	0	0	0	0
0	0	183,924	0	183,924			
Straddle hoist	1,033,076	0	0	0	0	0	0
0	0	1,033,076	0	1,033,076			
Manitowoc	13,835	13,835	0	0	0	0	2,406
0	0	30,075	0	30,075			
Hyster 20 ton	1,302	23,441	0	0	0	0	1,302
0	0	26,045	0	26,045			
Hyster 10- ton	26,267	26,267	13,134	0	0	0	3,456
0	0	69,124	0	69,124			
Tractor	163,820	18,202	0	0	0	0	0
0	0	182,022	0	182,022			
Top Lifter	62,093	0	0	0	0	0	0
0	0	62,093	0	62,093			
Side lifter	14,546	0	0	0	0	0	0
0	0	14,546	0	14,546			
Rise Truck	0	0	0	0	0	0	0
0	0	0	10,504	10,504			
Forklift 5 ton	0	37,316	18,658	0	0	6,219	0
0	0	62,194	0	63,194			
Forklift 3 ton	0	88,580	44,290	0	0	14,763	0
0	0	147,634	0	147,634			
Chasis	14,335	0	0	0	0	0	0
0	0	14,335	0	14,335			



10 GAR - HARBOR & NAVIGATION

<b>Total</b>	1,511,358	209,481	76,082	0	0	20,983	7,165
<b>0</b>	<b>0</b>	<b>1,825,068</b>	<b>10,504</b>	<b>1,835,572</b>			

10 GAR - HARBOR & NAVIGATION

Containers	Breakbulk	Unitized	Tuna	Ro/Ro	Devanning	Rental	
Dockage	Wharfage	Subtotal	Overhead		Stuffing		
Buildings					Total		
Administration	0	0	0	0	0	0	29,487 0
0 29,487	15,878	45,365					
Office	0	0	0	0	0	0	10,801 0
0 10,801	0	10,801					
(Sealand)							
Warehouse 1	0	0	0	0	0	0	55,302 0
0 55,302	13,826	69,128					
(Transportation office & storage of equipment)							
Warehouse 2	0	53,744	0	0	0	0	23,033 0
0 76,777	0	76,777					
CFS	0	0	0	0	0	0	40,948 0
0 40,948	0	40,948					
Tower	2,559	2,559	0	0	0	0	0 0
0 5,119	0	5,119					
Operating	0	0	0	0	0	0	0 0
0 0	0	0					
Office							
Rigor (equipment) -store cable	0	0	0	0	0	0	0 0
0 0	5,119	5,119					
Maintenance and repair building	0	0	0	0	0	0	19,658 0
0 19,658	10,585	30,243					
Security headquarters	0	0	0	0	0	0	0 0
0 0	2,160	2,160					
Gate House 1	0	0	0	0	0	0	0 0
0 0	821	821					
Gate House 2	0	0	0	0	0	0	0 0
0 0	821	821					
Restroom	0	0	0	0	0	0	0 0
0 0	2,559	2,559					
<b>Total</b>	<b>2,559</b>	<b>56,303</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>179,2300</b>
<b>0 238,093</b>	<b>51,768</b>	<b>289,862</b>					
Improvements - Wharves							
Dredging	0	0	0	0	0	0	0
25,026	0	0	25,026	0	25,026		
Berthing	0	0	0	0	0	0	0
100,106	100,106	200,212	0	200,212			
Site	0	0	0	0	0	0	0
0	35,299	35,399	0	35,299			
Improvements							
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>125,132</b>	<b>135,405</b>	<b>260,537</b>	<b>0</b>	<b>260,537</b>			
Site Improvements							
Container Storage Area	50,643	0	0	0	0	0	0
0		0	50,643	0	50,643		

10 GAR - HARBOR & NAVIGATION

Gantry crane track	22,508	0	0	0	0	0	0
0	0		22,508	0	22,508		
Container reefers (2)	4,048	0	0	0	0	0	0
0	0		4,048	0	4,048		
Roads, fence, sewer, etc. [other others]	0	0	0	0	0	0	0
0	0		0	57,736	57,736		
Dock facility	0	0	0	0	0	0	0
54,630	0		54,630	0	54,630		
Container yard	259,776	0	0	0	0	0	0
0	0		259,776	0	259,776		
<b>Total</b>	<b>336,975</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>54,630</b>	<b>0</b>		<b>391,604</b>	<b>57,736</b>	<b>449,340</b>		
Land	250,000	25,000	15,000	10,000	25,000	25,000	50,000
50,000	50,000	500,000	0	500,000			
<b>Grand Total</b>	<b>2,100,892</b>	<b>290,784</b>	<b>91,082</b>	<b>10,000</b>	<b>25,000</b>	<b>45,983</b>	<b>236,395</b>
<b>229,762</b>	<b>185,405</b>	<b>3,215,303</b>	<b>120,008</b>	<b>3,335,311</b>			
=====	=====	=====	=====	=====	=====	=====	=====
=====	=====	=====	=====	=====	=====	=====	=====

(1) Costs based on equipment and plant usage shown in Exhibit C and equipment and plant estimated values shown in Exhibit B.

(2) All reefers are on chasis.

10 GAR - HARBOR & NAVIGATION

	Stevedoring Master	Terminal Administration	Transportation	Maintenance Total
Maintenance Labor/salaries	0	0	130,861	420,870
0	199,983		1,342,362	2,094,076
Employee benefits	724,798	950,818	441,940	157,313
624,526	64,432		805,338	3,769,165
Office supplies	1,406	3,241	1,296	764
2,159	2,868		22,048	33,782
Maintenance and repairs (1)	0	0	0	0
5,450	0		0	5,450
Equipment rental	0	0	0	0
0	0		0	0
Parts & Materials (1)	2,315	0	59	26,339
378,335	145		933	408,127
Gas, diesel, oil usage	2,383	0	0	1,301
4,997	413		3,806	12,900
Depreciation	0	0	0	0
0	0		0	0
Other indirect costs (injuries)	0	0	0	600
160	0		0	760
Unfunded retirement	0	0	0	0
0	0		0	0
P&E	0	0	0	0
0	19,298		1,205	20,503
Miscellaneous/Other	0	0	0	8,586
0	22,536		29,293	60,415
General expenses	0	0	0	0
0	0		1,093,057	1,093,057
<b>Total</b>	<b>\$730,902</b>	<b>954,059</b>	<b>574,156</b>	<b>615,773</b>
<b>1,015,627</b>	<b>309,676</b>		<b>3,298,042</b>	<b>7,498,235</b>
=====	=====	=====	=====	=====
=====	=====	=====	=====	=====

(1) Includes expenses for minor equipment; major equipment expense included with equipment cost, as is show in Exhibit D.

Source: Port Authority of Guam unaudited general ledger accounts for the six months ending December 31, 1991.

10 GAR - HARBOR & NAVIGATION

Ro/Ro	Devanning/ Containers Stuffing		Rental/ Breakbulk Charge-Out		Unitized		Tuna	
	\$	%	\$	%	\$	%	\$	%
<b>Direct expenses:</b>								
Labor (1)	2,758,639	83.5%	238,068	7.2%	132	0.0%	1,472	
0.0% 48,561	1.5%	53,061	1.6%	202,123	6.1%			
Equipment (2)	1,511,358	82.8%	209,481	11.5%	76,082	4.2%	0	
0.0% 0	0.0%	20,983	1.1%	7,165	0.4%			
Buildings (20)	2,559	1.1%	56,303	23.6%	0	0.0%	0	
0.0% 0	0.0%	0	0.0%	179,230	75.3%			
Improvement - Wharves (2)	0	0.0%	0	0.0%	0	0.0%	0	
0.0% 0	0.0%	0	0.0%	0	0.0%			
Site improve- ments (2)	336,975	86.0%	0	0.0%	0	0.0%	0	
0.0% 0	0.0%	0	0.0%	0	0.0%			
Land (2)	250,000	50.0%	25,000	6.0%	15,000	3.0%	10,000	
2.0% 25,000	5.0%	25,000	5.0%	50,000	10.0%			
<b>Total direct</b>	<b>4,859,531</b>	<b>74.6%</b>	<b>528,852</b>	<b>8.1%</b>	<b>91,214</b>	<b>1.4%</b>	<b>11,472</b>	
<b>0.2% 73,561</b>	<b>1.1%</b>	<b>99,044</b>	<b>1.5%</b>	<b>438,518</b>	<b>6.7%</b>			

<b>Indirect expenses (3):</b>								
Stevedoring	644,119	88.1%	25,794	3.5%	36	0.0%	822	
0.1% 12,768	1.7%	14,876	2.0%	32,488	4.4%			
Terminal	613,416	64.3%	213,346	22.4%	0	0.0%	0	
0.0% 38,931	4.1%	40,033	4.2%	48,333	5.1%			
Transportation	552,217	96.2%	12,066	2.1%	33	0.0%	0	
0.0% 0	0.0%	0	0.0%	9,839	1.7%			
Facility mainte- nance (7)	234,855	38.1%	38,945	6.3%	0	0.0%	0	
0.0% 0	0.0%	0	0.0%	123,973	20.1%			
Equipment main- tenance	676,095	66.6%	317,867	31.3%	0	0.0%	0	
0.0% 0	0.0%	0	0.0%	21,665	2.1%			
Harbor master (4)	0	0.0%	0	0.0%	0	0.0%	0	
0.0% 0	0.0%	0	0.0%	0	0.0%			

Ro/Ro	Devanning/ Containers Stuffing		Rental/ Breakbulk Charge-Out		Unitized		Tuna	
	\$	%	\$	%	\$	%	\$	%
<b>Total indirect</b>	<b>2,720,702</b>	<b>64.8%</b>	<b>608,018</b>	<b>14.5%</b>	<b>69</b>	<b>0.0%</b>	<b>822</b>	
<b>0.0% 51,700</b>	<b>1.2%</b>	<b>54,908</b>	<b>1.3%</b>	<b>236,298</b>	<b>5.6%</b>			

Direct & Indirect expenses	7,580,234	70.7%	1,136,870	10.6%	91,282	0.9%	12,294	
0.1% 125,261	1.2%	153,952	1.4%	674,816	6.3%			

10 GAR - HARBOR & NAVIGATION

Overhead:								
Equipment (5)	7,429	70.7%	1,114	10.6%	89	0.9%	12	
0.1%	123	1.2%	151	1.4%	661	6.3%		
Buildings (5)	36,614	70.7%	5,491	10.6%	441	0.9%	59	
0.1%	605	1.2%	744	1.4%	3,260	6.3%		
Improvements -								
Wharves (5)	0		0		0		0	
0	0		0					
Site Improve-								
ments (5)	40,835	70.7%	6,124	10.6%	492	0.9%	66	
0.1%	675	1.2%	829	1.4%	3,635	6.3%		
Administration (6)			2,332,616	70.7%	349,841	10.6%	28,090	
0.9%	3,783	0.1%	38,546	1.2%	47,375	1.4%	207,657	6.3%
<hr/>								
<b>Total overhead</b>	<b>2,417,494</b>	<b>70.7%</b>	<b>362,571</b>	<b>10.6%</b>	<b>29,112</b>	<b>0.9%</b>	<b>3,921</b>	
<b>0.1%</b>	<b>39,948</b>	<b>1.2%</b>	<b>49,099</b>	<b>1.4%</b>	<b>215,213</b>	<b>6.3%</b>		
====	=====	====	=====	====	=====	====	=====	=====
<hr/>								
<b>Total expenses</b>	<b>\$9,997,728</b>	<b>70.7%</b>	<b>1,499,441</b>	<b>10.6%</b>	<b>120,394</b>	<b>0.9%</b>	<b>16,215</b>	
<b>0.1%</b>	<b>165,209</b>	<b>1.2%</b>	<b>203,051</b>	<b>1.4%</b>	<b>890,028</b>	<b>6.3%</b>		
==	=====	====	=====	====	=====	====	=====	=====

10 GAR - HARBOR & NAVIGATION

Revenue tons	807,718	81.1%	85,140	8.5%	23,076	2.3%	4,378
0.4%	65,553	6.6%	10,057	1.0%	N/A	N/A	
====	=====	=====	=====	=====	=====	=====	=====
====	=====	=====	=====	=====	=====	=====	=====
Cost/revenue ton based on:							
Direct expenses	6.02		6.21		3.95		2.62
1.12	9.85		N/A				
Indirect expenses		3.37			7.14		0.00
0.19	0.79		5.46		N/A		
Overhead	2.99		4.26		1.26		0.90
0.61	4.88		N/A				
<b>Total expenses</b>	<b>12.38</b>		<b>17.61</b>	<b>5.22</b>			<b>3.70</b>
<b>2.52</b>	<b>20.19</b>		<b>N/A</b>				
No. of units	46,700		N/A		N/A		N/A
5,626	809		N/A				
=====	=====		=====		=====		=====
=====	=====		=====		=====		=====
Cost/unit	214.08		N/A		N/A		N/A
29.37	250.99		N/A				
=====	=====		=====		=====		=====
=====	=====		=====		=====		=====

- (1) As shown in Exhibit A.
- (2) AS shown in Exhibit D.
- (3) Based on expenses shown in Exhibit E and allocated to revenue centers on direct labor costs shown in Exhibit a.
- (4) all harbor master costs allocated to port entry.
- (5) Based on overhead expenses shown in Exhibit D and allocated to revenue and centers based on total direct and indirect expenses.
- (6) Based on expenses shown in Exhibit E and allocated to revenue canters based on total direct and indirect expenses.
- (7) Based on direct expenses of buildings, improvements-wharves and site improvements.

10 GAR - HARBOR & NAVIGATION

Allocated cost summary report

Entry	Dockage Total		Wharfage		Port
	\$	%	\$	%	\$
%	\$	%			
Direct expenses:					
Labor (1)	0	0.0%	0	0.0%	0
0.0%	3,302,056	100.0%			
Equipment (2)	0	0.0%	0	0.0%	0
0.0%	1,825,068	100.0%			
Buildings (2)	0	0.0%	0	0.0%	0
0.0%	238,093	100.0%			
Improvement - Wharves (2)	125,132	48.0%	135,405	52.0%	0
0.0%	260,537	100.0%			
Site improvements (2)	54,630	14.0%	0	0.0%	0
0.0%	391,604	100.0%			
Land (2)	50,000	10.0%	50,000	10.0%	0
0.0%	500,000	100.0%			
<b>Total direct</b>	<b>229,762</b>	<b>3.5%</b>	<b>185,405</b>	<b>2.8%</b>	<b>0</b>
<b>0.0%</b>	<b>6,517,359</b>	<b>100.0%</b>			
Indirect expenses (3):					
Stevedoring	0	0.0%	0	0.0%	0
0.0%	730,902	100.0%			
Terminal	0	0.0%	0	0.0%	0
0.0%	954,059	100.0%			
Transportation	0	0.0%	0	0.0%	0
0.0%	574,156	100.0%			
Facility Maintenance (7)	124,341	20.2%	93,659	15.2%	0
0.0%	615,773	100.0%			
Equipment maintenance	0	0.0%	0	0.0%	0
0.0%	1,015,627	100.0%			
Harbor master (4)	0	0.0%	0	0.0%	309,676
100.0%	309,676	100.0%			
<b>Total indirect expenses</b>	<b>124,341</b>	<b>3.0%</b>	<b>93,659</b>	<b>2.2%</b>	<b>309,676</b>
<b>7.4%</b>	<b>4,200,193</b>	<b>100.0%</b>			



10 GAR - HARBOR & NAVIGATION

Direct & Indirect expenses	354,103	3.3%	279,064	2.6%	308,676
2.9%	10,717,552	100.0%			
<hr/>					
Overhead:					
Equipment (5)	347	3.3%	274	2.6%	304
2.9%	10,504	100.0%			
Buildings (5)	1,710	3.3%	1,348	2.6%	1,496
2.9%	51,768	100.0%			
Improvements-Wharves (5)	0		0		0
	0				
Site improvements (5)	1,908	3.3%	1,503	2.6%	1,668
2.9%	57,736	100.0%			
Administration (6)	108,966	3.3%	85,875	2.6%	95,295
2.9%	3,298,042	100.0%			
<hr/>					
<b>Total Overhead</b>	<b>112,931</b>	<b>3.3%</b>	<b>88,999</b>	<b>2.6%</b>	<b>98,762</b>
2.9%	3,418,050	100.0%			
<hr/>					
<b>Total expenses</b>	<b>467,034</b>	<b>3.3%</b>	<b>368,064</b>	<b>2.6%</b>	<b>408,438</b>
2.9%	14,135,602	100.0%			
<hr/>					
Revenue tons	N/A	N/A	995,922	100.0%	N/A
N/A	995,922	100.0%			
<hr/>					
Cost/revenue ton based on:					
Direct expenses	N/A		0.19		N/A
	6.54				
Indirect expenses	N/A		0.09		N/A
	4.22				
Overhead	N/A		0.09		N/A
	3.43				
<b>Total expenses</b>	<b>N/A</b>		<b>0.37</b>		<b>N/A</b>
	<b>14.19</b>				
<hr/>					
No of units	N/A		N/A		N/A
	N/A				
<hr/>					
Cost/unit	N/A		N/A		N/A
	N/A				
<hr/>					

10 GAR - HARBOR & NAVIGATION

- 
- (1) As shown in Exhibit A.
  - (2) As shown in Exhibit D.
  - (3) Based on expenses shown in Exhibit E and allocated to revenue centers based on A
  - (4) All harbor master costs allocated to port entry.
  - (5) Based on overhead expenses shown in Exhibit D and allocated to revenue centers b
  - (6) Based on expenses shown in Exhibit E and allocated to revenue centers based on
  - (7) Based on direct expenses of buildings, improvements-wharves and site improvement

## EXHIBIT G

**Proposed equipment rates**

Hourly	
<u>Equipment</u>	<u>Charge</u>
Gantry	\$394.00
Straddle hoist	170.00
Manitowac	315.00
Hyster - 20 ton	56.00
Hyster 10 ton	50.00
Tractor	34.00
Top lifter	60.00
Side lifter	35.00
Forklift - 5 ton and 3 ton	30.00
Pickup, 3/4 ton	20.00
Dump truck	23.00
Welding machine	34.00
Dock Mule	11.50
Dolly Trailer, 30 ton	11.50
Passenger platform	13.50
Battery Charge	16.00
dolly, 2,000 lbs	2.50

Exhibit H

Representatives of Companies Interviewed  
for the Port Authority of Guam Tariff Study

American President Lines  
1026 Cabras Highway, Suite 115  
Piti, Guam 96925  
County Manager: Joe J. Kelly

Sea-Land  
P.O. Box 8897  
Tamuning, Guam 96931  
General Manager: Kurt Pruitt

Pan Oceania Maritime Services, Ltd  
1026 Cabras Highway, Suite 219  
Piti, Guam 96925  
President: Tom Nolte

Shell Guam, Inc.  
545 West Marine Drive  
Anigua, Guam 96910  
Regional Manager: John Keily

Casamar Guam, Inc  
P.O. Box 3607  
Agana, Guam 96910  
Manager: Wanda Mcwey

Pacific Resources, Inc.  
P.O. Box GO  
Agana, Guam 96910  
Manager: Glen Leon Guerrero

10 GAR - HARBOR & NAVIGATION

U.S. Naval Supply Depot  
FPO San Francisco, CA 96630-1500  
Commanding Officer: Eugene C. Trimpert

Military Traffic Management Command  
Ocean Cargo Booking Office, Guam  
Chief: Gordon D. Lowe

Pacific Network  
P.O. Box 4444  
Agana, Guam 96910  
Manager: Joseph Bourland

Zim Israel Navigation Co., Ltd.  
Mier Chinsky  
Regional Operations Director

Mobil Oil Guam, Inc.  
P.O. Box EU  
Agana, Guam 96910  
Supply: Scott Klassen

Ambyth Shipping and Trading, Inc.  
1026 Cabras Highway, Suite 205  
Piti, Guam 96925  
Vice President: Greg David





10 GAR - HARBOR & NAVIGATION

Mapship-Maritime Agency of the Pacific 1026 Cabras Highway, Suite 101  
Piti, Guam 96925  
President: Robert Hahn

Kaiser Cement  
P.O. Box K  
Agana, Guam 96910  
Manager: John Price

Pacific Trucking  
P.O. Box 10838  
Tamuning, Guam 96931  
Vice President: John Limtiaco



10 GAR - HARBOR & NAVIGATION

Atkins Kroll, Inc.  
1026 Cabras Highway, Suite 116  
Piti, Guam 96925  
Manager: Dan Batema

Corrosion Control, Inc.  
P.O. Box 12215  
Tamuning, Guam 96931  
Consultant: M.J. "Red" Olive

Saipan Shipping Company, Inc.  
Saiship Building  
P. O. Box 8  
Saipan, CM 96950  
Manager: Darlene Cabrera

Tuna Clipper Services  
1026 Cabras Highway, Suite 102  
Piti, Guam 96925  
Contact: Bruce Sorman

Partial listing of employees interviewed for the Port Authority Tariff Study

David B. Tydingco  
Franklin P. Leon Guerrero  
Francisco A. Cruz  
Fred Mendiola  
Charo Concepcion  
Franklin Badar  
Ernie Villaverde  
Al Dundea  
Greg Sanchez

Greg Santos  
Kin Cruz Beverly Borja  
Simon Delos Santos  
Dennis Perez  
Francisco Santos  
Francisco Reyes  
Ray Quinini





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GOVERNMENT OF GUAM

PORT AUTHORITY OF GUAM

A.M.	Ante Meridiem
ASO	American Organization for Standardization
Cu/Ft	Cubic Feet
Diff	Differential
ETC.	Et Cetera - and so forth
EX	Removal Out of or Front
ISO	International Organization for Standardization
Lbs.	Pounds
MBM	1000 Board Feet
N.O.S.	Not Otherwise Specified in this Tariff
PAG	Port Authority of Guam
S/T	Straight Time
U.S.	United States of America
&	And
%	Percentage
\$	United States Dollars
¢	Cents
—	Addition
—	Change in wording resulting in neither an increase nor reduction in charges
—	Increase
●	Reduction

APPENDIX A

GOVERNMENT OF GUAM  
PORT AUTHORITY OF GUAM

**§2201. Definitions.** (1) *Arrival and Departing Facility Service* shall mean a charge assessed against a passenger departing or arriving through the Port facilities for the purpose of tourism. Terminating passengers are subject to compliance with all applicable Federal and Territorial Laws, Rules and Regulations.

(2) *Authority* means the Port Authority of Guam.

(3) *Board* means the Board of Directors of the Port Authority of Guam.

(4) *Breakbulk Cargo* means cargo which is not classified as unitized or containerized.

(5) *Bulk Scrap Metal* shall mean the loading of any salvaged "Bulk" scrap metal to clean up the island of Guam.

(6) *Bunker* the loading of fuel into a vessel's bunker for its own use. the meaning of the term is usually to the conveyance of the fuel over the ship's sides.

(7) *Cargo* goods, wares, materials, merchandise or any other object that is or is to be transported.

(8) *Containers* shall mean rigid, re-usable, dry cargo, insulated, refrigerated, flat rack, liquid tank or open top cargo container capable of being readily mounted onto or dismounted from wheels, chassis or flat bed trailer. The container shall be 8 feet wide, 20 feet, 24 feet, 27 feet, 35 feet - 40 feet, or longer and 4 feet to 13 feet high, subject to restrictions of shoreside gantries. Except for dimensions, which are given above, it shall be constructed in conformity with the specifications for freight containers adopted by the International Organization for Standardization (ISO) and the American Standardization (ASO). The container will have to and bottom corner castings conforming to ISO/ASO specifications.

(9) *Containerized Cargo* shall mean cargo in a container

conforming to the above definition and is within the container. (See item 8)

(10) *Container Chassis Operation* that which requires the continued utilization of shipping agents/carriers chassis for the receiving/delivering of revenue loaded containers to/from vessel and/or to/from customer.

(11) *Container Grounding Operation* that which requires the utilization of Ports equipment (Rubber tired gantry crane and other related container handling equipment) for the receiving/delivering of revenue loaded containers to or from a ground area.

(12) *Container Overstow* The single movement or single crane lift of a container from a vessel slot or cell to another position in stowage or from vessel stowage to deck or dock or from deck or dock to vessel stowage.

(13) *Dock* Any bulkhead structure, piling structure, pier, quay landing, or wharf to which a vessel may make fast to discharge or load cargo and/or passengers for any purposes.

(14) *Dockage* the charge assessed against a vessel for berthing or made fast to a wharf, dolphin or other structure; or laying alongside of or tied up to a vessel which is made fast to or is lying alongside of a wharf, dolphin or other structure; or, not tied up to or lying alongside of but using a wharf by means of boats, rafts, lighters, barges, or otherwise.

(15) *Free Time* The specified period of time during which cargo may occupy space assigned to it in the terminal area free of demurrage charges prior to loading or subsequent to the discharge of such cargo from or off the vessel.

(16) *Handling Services* Services rendered for the benefit of the cargo, during the period it is in the care and custody of the Port, when received at the place of rest assigned to the cargo by the Port, and from which cargo may be delivered to/from consignee/shipper trucks within the Port premises.

(17) *Manager* Means the General Manager of the

Authority.

(18) *Overstowage* Means faulty loading, as when cargo for another port of discharge is stowed above, next to, or around cargo for Guam and therefore the latter cannot be discharged at Guam.

(19) *Port* Means Port Authority of Guam, located in the Territory of Guam located on Cabras Island, Apra Harbor.

(20) *Port Facilities* Means channels, basins, sea walls, docks, piers, land areas, utilities, warehouses, cargo handling machinery and equipment, and any other works, properties, structures or other facilities necessary for the development or operation of the Port of Guam.

(21) *Preslung Cargo* Shall mean cargo received and/or delivered as one unit at the Port premises in unbroken loads bearing one mark and consigned to one consignee such cargo(s) shall be in 2 ton preslung bags and/or in 2 ton preslung bundles. The slings must remain with the cargo for issue, otherwise the breakbulk rate will be charged.

(22) *Revenue Ton* Shall mean the revenue ton used by the carrier according to the vessel's manifest to assess the carrier's freight charges. Based on the following as appropriate:

(a) MBM (thousand board measurement) - 1,000 board feet.

(b) LONG TON - two thousand two hundred forty (2,240) pounds.

(c) MEASUREMENT TON - a ton of forty (40) cubic feet.

(d) METERED TON - two hundred forty (240) U.S. gallons.

(e) METRIC TON - two thousand two hundred four and six tenth (2,204.6) lbs. weight, or 35.314 cubic feet.

(f) SHORT TON - two thousand (2,000) lbs.

weight.

When the basis of the freight charges is not shown on the manifest, port charges shall be assessed on the basis of weight or measurement, whichever will yield the greater revenue.

(23) *Roll On Roll Off Vessels* Shall mean vessels with adjustable ramps. Ro/Ro shall be defined as the discharge or loading of cargo without Port equipment.

(24) *Stevedoring Services* Services rendered by the Port in removing or handling cargo from the end of the vessel's tackle or place of rest on pier to the vessel's hold, dock, between decks and deep tanks or to any spaces in the vessel; from any space in the vessel, remove and handle cargo, including on deck, between decks, holds, and deep tanks, and place said cargo at rest on the pier.

(25) *Throughout* A charge assessed for the movement of cargo from vessel storage to point of issue from the Port facilities or such other container storage facilities as authorized by the port General Manager, and return of the empty container from point of receipt to vessel storage or, in the case of export cargo, from the point of receipt at the Port to vessel storage.

(26) *Transshipment Rate* Shall mean a charge assessed against cargo(s) received from a vessel for the purpose of passing or conveyed through Guam.

(27) *Unitized Cargo* Shall mean cargo received and/or delivered as one unit at the Port premises in unbroken unitized loads bearing one mark consigned to one Consignee. Such cargo must be securely strapped or fastened together on pallets or skids or shipped in a manufactured re-usable cargo van, vanpac, or cargo van, vanpac, or other synonymous term for van, with the exception of containers. Any single unit load which is otherwise unsuitable for forklift handling will not be considered as unitized cargo.

(28) *Vehicle* Shall mean any device for carrying

passengers, goods or equipment, usually one moving on wheels, i.e., passenger cars, sedans, station wagons, pick-up trucks to 3/4 ton capacity, ambulances, hearses or panel trucks to 3/4 ton capacity.

(29) *Vessels* Shall mean steamboats, motorboats, sailing vessels, motor vessels, barges, lighters, liners, pleasure craft or any structure(s) made to float on the water for navigation.

(30) *Wharf* See Dock.

(31) *Wharfage* A charge assessed against all cargo passing or conveyed over, onto or under any wharves or between vessels (to or from barge, lighter, or water) when berthed at a wharf or moored in any slip, channel, basin, or canal or made fast to another vessel which is made fast to a wharf or moored in any slip, channel, basin or canal. Wharfage is solely the charge for the use of the wharf, slip, channel, basin, and canal, and does not include charges for any other activity or service.

**§2202. General Rules and Regulations.** (a) **Application for Rates, Laws, Rules and Regulations.** [Item No. 1] This tariff, published and filed by the Port after public hearings and made effective is notice to the public, to shippers, consignees and to carriers or their agents that the rates, charges, rules and regulations apply to all traffic without specific notice, quotation to (except as hereinafter may be specified) or arrangements with shippers or carriers.

The rates, charges, rules and regulations, additions, revisions, or supplements named in this tariff, apply on all freight received at the terminal or wharves of the Port on and after the effective date of this tariff, or effective dates of additions, revisions of supplements thereto

The use of the commercial waterways and facilities under the jurisdiction of the Port Authority shall constitute a consent to the terms and conditions of these rules, and evidences an agreement on the part of all vessels, their owners and agents, and other users of such waterways and facilities to be governed by, and to pay all charges specified by, these rules.

If any owner, master, operator, agent, charterer, partnership, trust, corporation or individual who is duly accredited with the Port purports to act for a vessel by communicating with the Port in behalf of a vessel, he/it thereby assumes responsibility for all sums due the Port in accordance with the fee schedules as set forth in these rules and for timely submission of required Port reports on forms provided by the Port for that vessel and its cargo as well as for any barge and its cargo which the vessel may have in tow. For agents, this applies only for the period they are engaged as agents for the vessel. Any agent whose request through Harbor Master for "Acceptance of Agency ship" for any vessel will be responsible for all charge and until the account is satisfied financially, only then can agencyship be terminated.

Whenever any vessel under the terms of these rules shall become obligated to pay any sum of money for any purpose whatsoever, the owner, charterer, agent, master, operator, possessor and person in whose service the vessel is operated or maintained shall be jointly and severally liable for the payment of such sums.

Use of territorial harbors and harbor facilities is subject to compliance with all applicable federal or territorial laws, rules and regulations.

Particular attention is directed to:

(1) Rules of the United States Public Health Service and of the territorial department of health, relating to the use of rat guards, and other measures required to prevent rodents from leaving the vessel.

(2) Rules of the Guam Environmental Protection Agency pertaining to air and water pollution.

(3) Rules of the Department of Public Safety.

A certificate of financial responsibility or equivalent property and indemnity insurance shall be required for all commercial vessels entering port facilities. The responsibility shall cover the cost of any hazards that may be caused by subject vessels. The certificate of financial responsibility or equivalent shall include, but not limited to, coverage for oil pollution liability and property and

indemnity insurance. Carriers or agents representing a vessel shall be responsible for providing proof of such certificate of financial responsibility or equivalent. If a carrier or agent fails to provide the Port Authority of Guam with a certificate of financial responsibility or equivalent for a vessel it represents, then such carrier or agent shall become financially responsible for any hazard that may be caused by such vessel.

**(b) Penalty for Violation of Regulation.** [Item No. 2] Violation of regulation; penalty. Every person who violates, causes or permits to be violated, or fails or refuses to comply with any rule of regulation is guilty of a misdemeanor, punishable by a fine of not more than One Thousand Dollars (\$1,000) or by imprisonment of not more than one (1) year; or by both fine and imprisonment. (Refer to Public Law 13-87, Section 14004 - G)

**(c) Payment of Charges.** [Item No. 3] Use of the terminal facilities or wharves of the Port shall be deemed as acceptance of this tariff and the terms, charges, and conditions named herein.

All charges for services shall become due and payable upon presentation of invoice for such services. All PAG charges will be billed within 90 calendar days of the service being performed and all documentation provided. Any invoice unpaid for a period of thirty calendar days from the date of invoice is delinquent.

**(1) Interest Charges** - Any invoice unpaid thirty (30) days from the date of invoice shall accrue interest at the rate of two (2%) percent per month

**(2) Disputed Billings** - Interest will not be assessed against disputed portions of any invoice provided, however, such dispute shall not constitute reason for non-payment of the undisputed portion of the billing

**(3) Delinquent Accounts** - Delinquent accounts which require legal action for collection shall be assessed interest charge at aforesaid rate plus two (2%) percent per annum. Interest charges shall begin to accrue thirty (30) days after the invoice is first issued. All expenses, including legal fees, shall be assessed against such accounts.



The carrier or its agent will be financially responsible for the collection of all charges on behalf of the Port including but not limited to stevedoring, handling and wharfage of all inbound and outbound cargo including demurrage charges. No cargo will be received or issued without proper documentation and clearance from the carrier or its agents and the Port Entry Section. No cargo will be received or issued until it is properly prechecked and accounted for in accordance with the procedures of accountability of the Port.

(1) Minimum Billing Charge - No invoice shall be issued by the Port for any service, or combination of services, as provided in this tariff, for less than ten (\$10) dollars. Such minimum billing charge shall take precedence over any other provision in this tariff. Service charges of less than ten (\$10) dollars will be accumulated and invoiced when the aggregate total exceeds the minimum amount.

(2) Partial clearance of any Bills of Lading will not be allowed.

(3) The carrier or its agent is authorized to retain one fourth of one percent (0.25%) of all charges assessed against cargos to defray the cost of collecting these charges on behalf of the Port Authority.

The Port reserves the right to withhold delivery of cargo until all accrued terminal charges against such cargo have been paid. For the purpose of enforcing the payment of charges named in this tariff, on cargo handled over or stored on the Port Authority of Guam facilities, the Board may take possession of such cargo and may remove and store the same at the risk and expense of the owner or consignee thereof or may sell the goods at public auction or pursue such other remedies as may be provided by law.

Any agent, charterer, master, operator or owner who proposes to enter a vessel, other than a small craft, within the jurisdiction of the Port and utilize any of the facilities shall deposit in cash or other legal tender, funds in an amount determined by the General Manager as being sufficient to guarantee the payment of any and all bills for normal charges incurred by, for, or on behalf of such vessel or its cargo for a period of ninety days. This deposit will not be required for those agents, charterers, masters,

operators or owners who are placed on the Authority's approved credit list following submission of a written application in which they agree to:

(1) Ensure payment of any and all bills for normal charges incurred by, for, or on behalf of such vessel or its cargo (for agents, only during the period while so engaged as the vessel's agent).

(2) Provide a bond or irrevocable letter of credit from a bank doing business in Guam equivalent to the amount of expected charges to be incurred within a ninety-day period. This requirement is waived for those who have maintained a satisfactory payment record with the Port Authority for the immediate preceding two-year period.

The Port shall remove those agents, charterers, masters or owners from the credit list should they become delinquent for three successive months except in cases where a bona fide dispute is being negotiated..

Claims for recovery of overcharges must be filed in writing with the Port within six (6) months following the date of billing or payment date against which such overcharge is claimed.

**(c) Claims, Liability for Loss or Damage.** [Item No. 4]  
The Port will not be responsible for loss or damage caused by: fire, heating, leakage, evaporating, natural shrinkage, wastage or decay, animals, rodents, moths, weevils or other insects; leakage or discharge from fire protection system; breakdown of plant machinery or equipment; dampness; floats, logs or piling required for breasting vessels away from wharves or piers; strikes of any persons in its employ or in the employ of others or from any consequences arising therefrom; insurrection, war, or shortage of labor; insufficient notification; the elements or any causes unavoidable or beyond the Port's control; concealed damage; spoilage of dry or refrigerated cargo; and in particular (but without limitations) the Port will not be responsible for damage by the elements to goods or property stored in open or unshedded areas.

Claims to the Port for loss or damage to freight or merchandise occurring while in the custody of the Port, on its terminals or property, must be filed in writing within

one (1) year following the final delivery of such freight or merchandise from its terminals or property. If delivery was not made then the date that delivery would have been made.

The person, or persons, responsible for, and the person or persons to whom a wharf, facility or other Port property may be assigned, or by whom it is being used, and the master, owner, operator or agent of any vessel, vehicle or other instrumentality involved in any damage to such Port properties for facilities, in excess of fair wear and tear shall promptly give a full report thereof to the Harbor Master, giving the date and hour the damage occurred, the names and addresses, or, if unknown, a description of witnesses and other persons, vessels or instrumentalities involved in the damage, as well as all other pertinent facts and information that may be available. Refusal, neglect or failure to make or give any such report shall subject such person to applicable penalties under these rules. In addition, the Port may refuse the use of any wharf or facility until such report has been received.

Any person responsible for damage to Port property shall make repairs in accordance with Port specifications. Failure to do so will result in the Port making such repairs at the expense of the responsible party or parties.

**(e) Requests and Availability of Port Services and Facilities.** [Item No. 5] The Port Manager or his authorized representative must be given twenty (20) hours advance notice during normal working hours prior to reporting time for services, in writing. For services to be performed on Saturday, Sunday or Monday, notice must be given no later than 15:00 hours on the previous Friday. Special services will be provided only upon presentation of a properly signed and approved special service request form.

The Port will not accept for storage frozen or chill cargo when such storage facilities are not available or are inadequate. Written instructions from the carrier must be submitted to the Port Manager as to the disposition of such cargo before it is discharged from the vessel.

Stevedoring and Handling service will be provided by the Port subject to availability of longshoremen, checkers and equipment on a first come first serviced basis.

The Port may designate areas to be used only for specific purposes or operations. These areas shall be designated by appropriate signs.

Whenever another vessel is standing by, awaiting the use of a berth where handling equipment is located, the vessel on berth will be required to work until loading or discharging has been completed. Any vessel on berth which refuses to work continuously shall vacate the berth upon order of the General Manager. When a vessel loses her right to a berth by refusing to work continuously, such vessel will forfeit her turn and go to the bottom of the list of vessels scheduled and available.

Any and all vessels at a berth where handling equipment is located, after completion of loading or discharging, will be required to vacate the berth. However, at the discretion of the General Manager, two hours grace may be allowed after completion of loading or discharging before sailing, and any and all vessels finishing loading or discharging after midnight shall be allowed to remain on berth until six o'clock that morning. Should any vessel fail to vacate the berth under the above conditions, the General Manager shall have the right, authority and privilege to move the vessel at the vessel's own risk and expense.

The Port Authority reserves the right to refuse the handling of any commodity which, in its opinion, is not suitable for the handling equipment.

**(f) Requirements and Conditions for the Export of Cargo.** [Item No. 6] Outbound cargo will be received by the Port when such cargo is firmly booked with the carrier or its agent, properly marked as to cube, weight and consignee, no less than twenty-four (24) hours in advance of the scheduled arrival of the vessel on week days. Cargo booked for vessels departing during weekends will be received no later than five (5) hours before vessel departure. Charges for such vessels will be computed on labor charge-out and equipment rental rates in addition to the Cargo Throughout Rate for the account of the consignee being serviced. Such requests must be acknowledged and approved by the General Manager or authorized representative of the Port.

**(g) Dangerous Cargo and Explosives.** [Item No. 7] Handling of shipments of explosives and other dangerous

articles as defined by the Interstate Commerce Commission, will be permitted only after a full compliance by shipper, carrier, and terminal operator with all applicable rules and regulations of that Commission, and of the United States Coast Guard governing the packaging, marking, labeling, handling, and transporting of such articles. Failure to comply with this directive shall be subject to penalties provided in item 2.

(h) **Amendment of Tariff.** [Item No. 8] Amendments or revisions to this tariff shall be made by the Port Authority Board of Directors in accordance with formally adopted procedures consistent with requirements established under the Administrative Adjudication Act and by the Federal Maritime Commission..

(i) **Port Authority General Manager's Duties and Responsibilities.** [Item No. 9] The General Manager and such other persons as he may designate may enter upon and inspect any vessel using port facilities or upon any premises rented or leased from the Port for the purposes of either ascertaining the kind and quantity of cargo thereupon or to insure the safety, welfare and health of the general public.

The General Manager or authorized representative may order the suspension of any loading or unloading operation when in his opinion such suspension is necessary to insure the safety, health and welfare of the public.

The provisions of this tariff and its application shall be interpreted and enforced by the General Manager or authorized representative of the Port Authority of Guam. Such interpretation shall be recorded and made available for public inspection.

Requests and complaints on matters relating to these rules must be made to the General Manager in writing.

Special services and rates can be established by the General Manager, until sufficient cost data are available to establish a rate. Special arrangements may be made by written contract for stevedoring scrap cargo, bulk cement and other cargos that are not normally handled by the Port and/or of great volume. Contracts may also be executed when vessels' characteristics or cargo stowage require

special or unusual provisions for stevedoring; or when Port employees are called upon to salvage cargo, equipment, stores or personal effects; or when the vessel is owned by the United States Government. These arrangements will be based on estimated loading rates, manhour and hazardous pay rates presented in this tariff.

All such special rates shall be established in accordance with the Port Authority Law. Such Special Rate shall apply for a maximum of one (1) year after which a rate for the services provided shall be adopted by the Board of Directors or the Special Rate shall be discontinued. These rates will be afforded to all similarly situated port users..

**(j) Responsibility of Cleaning of Property by User.** [Item No. 10] Users of Port Authority property will be required to maintain same in an orderly manner as prescribed by the General Manager.

If the User does not properly clean property used, the General Manager shall order the work performed and the User will be billed at cost plus twenty percent.

**NOTE:** Does not apply to cleaning of berths, except as to excessive or unusual cleaning thereof.

**§2203. Wharfage** [Item No. 11] (a) **Wharfage Rates.** Wharfage rates in dollars per unit shall be assessed as set in the following schedule:

	Outbound	Inbound
Stuffed Containers:		
25 feet and less	\$32.60/container	\$ 62.60/per container
Over 25 feet	\$55.50/container	\$107.50/per container
All other cargo:		
Transhipped Other Than		
Tuna	\$1.75/revenue ton	
Transhipped Tuna	\$3.50/revenue ton	
All other cargo	\$1.75/revenue ton	\$ 3.50/revenue ton

Minimal charge per Bill of Lading will be \$3.50 or \$1.75 where applicable. Wharfage for outbound empties is included in the inbound rate.

**(b) Bunkering/Fuel Throughput/Waste Oil.** [Item No. 12] Wharfage rates for the use of Port facilities in order to

import, export, or store petroleum products, per 41-US gallon barrel shall be:

	RATES
Import	\$.16
Export	\$.075
Bunkering	\$.21
From truck to vessel when serviced at port piers	\$.16
Direct to or from vessel through privately owned pipelines located on Port property	\$.14
Vessel to vessel	\$.16
Storage	\$.40

Unless otherwise provided, there will be additional charges for:

(1) All services not specifically described in the Tariff.

(2) Use of Port facilities and any other terminal services for which specific rates are named in the Tariff which because of unusual conditions or requirements of users not normally incidental to such use or services precludes the use of Port facilities or performance of such services at the rates named...

(3) Services of clearing terminals of damage or cleaning up releases of petroleum products caused by Users.

(4) Services of Bunkering or oversight of waste oil facility or for any operation delayed on account of Bunkering, or oversight of waste oil facility.

(5) The PAG or its Manager may recover its labor cost at \$25 per hour, TO and holiday cost at \$27.50 per hour for all bunkering and waste oil operation or tank truck loading in Area A.

All services and use of Port facilities will be charged based on these rates plus an adjustment for local inflation or costs incurred by the Port or its manager due to compliance with new governmental laws, rules and regulations.

**(c) Articles on Which no Wharfage will be Charged.**  
[Item 13]

(1) Authorized carrier or consignees' equipment taken on a wharf to move merchandise (but not for shipment).

(2) Baggage when accompanying travelers, not including automobiles.

(3) Cargo which a Vessel discharges and reloads prior to departure, in order to load or discharge other cargo (overstowed cargo).

(4) Ship's stores, repair materials, and dunnage lumber for use in ordinary stowage of freight, when all are intended for vessel's use, crew's consumption or repairs, unless Port Authority employees are required to account for such supplies or stores as may be received or discharged on the wharf.

**(d) Conditions for Non-assessment of Wharfage Charges on Transshipped Cargo.** [Item No. 14] Provided the cargo does not leave the control of the Port Authority of Guam while awaiting transshipment and the second carrier's bill-of-lading provided by the agent involved indicates the first carrier's vessel's name, voyage number, and other pertinent information, freight assessed full inward wharfage may be transshipped by water from the same wharf where received or may be transferred direct to any other wharves or facilities owned by the Port Authority for transshipment or delivery to an outbound carrier without being subject to further assessment of wharfage..

**(e) Responsibility for Collection of Wharfage Charges.** [Item No. 15]

(1) All wharfage charges applicable to outbound containerized tuna cargo are for the account of the cargo, to be collected by the outbound carrier.

(2) The charge for wharfage is due to be paid by the owners of cargo but the collection of the wharfage shall be guaranteed by the vessel, her master, operator, charterer, agents, or owners for the loading



or unloading of cargo shall be deemed an acceptance and acknowledgement of this guarantee.

(f) **Manifest** [Item No. 16] All inbound documentation shall be made available to the Port Authority officials two (2) days prior to vessel operation. Vessels calling from the CNMI must submit documentation 16 hours prior to vessel arrival. Outbound dock receipt and/or load list shall be distributed to Port Authority of Guam prior to loading. All outbound cargo and freight manifest shall be made available to the Port Authority of Guam officials three (3) days after completion of vessel operation, in numerical order as manifested. If PAG must sort this information, the rate to provide this service is \$25 per hour. If documentation is not furnish within this time schedule a penalty of \$250 per day will be assessed by PAG until the documentation is furnished. In addition, the vessel will be sent to anchorage and standby time assessed by PAG.

**§2204. Stevedoring and Handling Charges.** [Item No. 17]. (a) **Description.** Stevedoring and Handling charges shall be assessed for, and include all services listed below provided for the movement of import cargo from vessel storage to point of issue from the Port facilities or such other container storage facilities as authorized by the Port General Manager, or, in case of export cargo, from the point of receipt at the Port to vessel storage.

(b) **Fees and Charges not Assessed on Vessel or Cargo, When Cargo Throughput Rate is Applied.** [Item No. 18]

(1) Port Entry Fee

(2) Dockage

(3) Line handling

(4) Equipment Rental, unless otherwise specified.

(5) Labor Charge-Out Rates, including differentials, unless otherwise specified.

(c) **Minimum Tonnage Requirements** [Item No. 19] Discharge and/or loading (provided it is done on a single operation) of vessels or hatches of 50 tons or less shall be

charged as per the labor charge out (schedule) and equipment rate.

(d) **Waiver of Charges on Transshipment Cargo.** [Item No. 20] Provided the cargo does not leave the control of the Port Authority of Guam, while awaiting transshipment and the second carrier's bill-of-lading provided by the agent involved indicates the first carrier's vessel's name, voyage number, and other pertinent information, freight assessed full inward charges may be transshipped by water from the same wharf where received or may be transferred direct to any other wharves or facilities owned by the Port Authority for transshipment or delivery to an outbound carrier without being subject to the handling charges included in the Cargo Throughput Rate applicable to the inbound and outbound cargo.

(e) **Rates for Containers.** [Item No. 21]

	Handling	Stevedoring	Total
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Containers:

Chassis	\$52	\$133	\$184* per container
Grounded	\$87	\$168	\$255* per container

\* This is a one-way charge for every container loaded or empty, and is subject to a minimum charge of ten (10) containers, otherwise the labor charge-out rate will be used.

Once a domestic container is discharged from the vessel to the ground any future movements of that container after normal business hours will be charged through a special service request at the labor and equipment charge out rate.

(f) **Containerized Cargo Stevedoring and Handling Services.** [Item No. 22]. (1) **Inclusions:** Use of working areas, facilities at the terminal, and services in connection with receipt delivery, checking, care, custody and control required by vessel in the transfer of containers between vessel and container yard and/or inland carrier, including:

(i) Opening and closing hatches within capacity of

container crane.

(ii) Preplanning meeting with vessel agents.

(iii) Conventional lashing, unlashng in stowage.

(iv) Sorting of containers in the container yard as determined by the Port Authority.

(v) Documentation (for Port operation)

(vi) Ordinary securing by bottom corner locking devices on compatible chassis.

(vii) A single sequence of sorting and stacking empty and loaded containers as may be specified by the vessel.

(viii) Planning layout of containers and chassis in the container yard.

(ix) Providing Guards and protective security within the Port Container Yard and onboard the vessel, as the labor charge out rate subject to availability, if requested.

(x) Weighing containers as may be required on scales at the container yard and supplying vessel or agent with a record of such weights. Cost of weights tags and scale services not included.

(xi) Any shoreside equipment utilized in discharging or loading the vessel.

(xii) Tower services.

(xiii) Gate house services (receiving/issuing containers)

(a) Import Delivery Services

(1) A customer presents a Bill of Lading at the gatehouse window, all information is verified on the document (s) and on the PAG's Container Tracking System. Storage fees are charged when applicable, the Seal is

also inspected. If the seal is damaged or missing while in the yard, the proper shipping agency is notified and the container is resealed. For Domestic Carriers, a copy of the Equipment Interchange Report (EIR) is filed with related documents until at such time the container is returned to the Port as an empty container. When the container is returned as an empty, the empty receipt is entered into the Container Tracking System and a copy of the Container Delivery Receipt (CDR) is attached to the filed documents. These documents are given to the appropriate Carriers and the PAG's Tariff Section.

(2) When a customer is issued a CDR for an import and the container is not removed from the container yard, the container data must be re-entered into the Container Tracking System. All documents are filed until such time that the container is actually delivered.

(b) Export Receipt Services:

(1) A customer presents a Dock Receipt at the gatehouse window, all information is verified on the document (s) and on the PAG Container Tracking System. The container seal is inspected, the container will not be accepted if the seal is missing or damaged. The customer is then given a copy of the Container Delivery Receipt and instructed to the proper yard location for storage.

(c) Foreign Empty Receipts:

(1) Special documents are not required for foreign empty receipts. The container number is entered into the Container Tracking System and the customer is directed to the proper yard location for storage. A copy of the Container Delivery Receipt is given to the customer.

(xiv) Requests to open gates not normally open during this time will be assessed the appropriate

Labor Charge Out Rate.

(xv) Issuing and receiving of containers during straight-time hours, Monday through Friday, 0800 to 1200 and 1300 to 1700 except weekends, Government of Guam holidays, and during normal meal time.

(2) Exclusions:

(1) Any services associated with containerized cargo other than those outlined in Inclusions above shall be performed by the Port on the basis of its labor charge out and equipment rates, plus materials..

(2) Overstow/shifted container(s) shall be charged fifty (\$50.00) dollars per container per move.

(3) Specialized rigging for containers which cannot be routinely accommodated by the container crane's lifting devices. Such specialized rigging services shall be charged thirty-five (\$35.00) dollars per container per move..

(g) **Rate for Breakbulk.** [Item No. 23]

Breakbulk

Handling           \$ 6.80 per revenue ton

Stevedoring       \$13.90 per revenue ton

(h) **Rate for Unitized Cargo.** [Item No. 24]

Unitized Cargo

Handling           \$ 7.00 per revenue ton

Stevedoring       \$ 5.65 per revenue ton

\* Units which are less than forty (40) cubic feet or less than two thousand (\$2,000) pounds shall be assessed a minimum charge of one (1) ton.

(i) **Breakbulk and Unitized Cargo Services.** [Item No. 25] (1) **Inclusions.** Included are used of working areas, facilities at the terminal, and services in connection with

receipt, delivery, checking, care, custody and control required by vessel in the transfer of cargo between vessel and ultimate point of rest within the Port includes:

- (i) Opening and closing of hatches as part of one continues operations.
- (ii) Preplanning meetings with vessels' agents.
- (iii) Documentation.
- (iv) Sorting of cargo in the transit shed.
- (v) Planning layout of cargo in the transit shed or outdoor storage areas.
- (vi) Port labor and equipment, in providing the above services, at Straight-Time Rates, unless otherwise specified in the tariff.

**(2) Exclusions.**

- (i) Reoopering services shall be charged at the Port labor charge-out and equipment rates, plus materials.
- (ii) Any services associated with handling of breakbulk and unitized cargo not enumerate din (a) Inclusions above shall be charged at Port labor charge-out and equipment rates plus materials.
- (iii) Overstow cargo shall be charged at the Port labor charge-out and equipment rates.
- (iv) Handling for outbound cargo received by the Port during weekends and/or Holidays shall be charged at Port labor charge-out and equipment rates.

**(3) Accountability.** The Port will not be responsible for accountability of contents of unitized cargo. Accountability will be for the number of units manifested only.

**(j) Rate for Tuna Stuffing.** [Item No. 26]

Tuna Stuffing                      \$10.25 per revenue ton\*



(B) Opening and closing of hatches as part of one continuous operation.

(C) Preplanning meetings with vessel agents.

(D) Documentations.

(E) Sorting of cargo in the transit shed.

(F) Planning layout of cargo in the transit shed or outdoor storage areas.

(G) Port Labor and Equipment. Providing the above services, at straight time rates unless otherwise specified in the Tariff.

This rate shall be exclusive of the following services.

(A) Recoopering services shall be charged at the Port labor charge-out and equipment rates, plus materials.

(B) Any services associated with handling preslung cargo not enumerated in inclusions above shall be charged at Port labor chargeout and equipment rate plus materials.

(C) Penalty charge as described in item No. 41 is not included at this rate.

**NOTE:** The port shall not be responsible for accountability of contents of preslung cargos, accountability will be for the number of units manifested only.

**(n) Auto Devanning and Stuffing Rate.** [Item No. 30]

Auto Devanning and Stuffing      \$ 2 5 0 . 0 0 p e r  
vehicle\*

\* Rate excludes differential where applicable.

**(o) Auto Devanning and Stuffing Services.** [Item No. 31] Such services shall include blocking, unblocking, and surveying of vehicles. Blocking materials ex carriers devanned vehicles shall be made available for stuffing





(1) Container(s) will not leave the control of the Port Authority of Guam while awaiting shipment.

(2) The second carrier's bill of lading provided by the agent involved must indicate the first carriers' vessel's name and voyage number.

(3) Minimum number of 40 containers to be transshipped per vessel for the second carrier. No minimum number of containers for the first carrier. These containers must be shipped within 15 calendar days to qualify for the 40 minimum. If the 40 minimum is not met, the second vessel will be charged two times the grounded container rate less the previously billed transshipment rate. If the 40 minimum is not met, the second vessel will be charged two times the grounded container rate less the previously billed transshipment rate per container.

(4) All other services rendered would be through the Port's "Special Service Request" i.e., transferring cargos in containers, devanning, stuffing, etc

(t) **Bulk Scrap Metal.** [Item No. 36]

"Bulk" Scrap Meal            \$12.50 per revenue ton

**NOTE:** Does not include penalty charge as described in Item No. 41.

(u) **Bulk Scrap Metal Services.** [Item No. 37] This tariff shall include the following services:

(1) Use of working areas, facilities at the terminal and services in connection with the loading of scrap cargo.

(2) Opening and closing hatch.

(3) Preplanning meeting with vessels agent.

(4) Documentation of Port services.

(e) Planning layout of cargo in open storage.

(f) Services of clearing or cleaning terminals of scrap debris.

(g) Labor Charge-Out rates, including differentials, unless otherwise specified.

**NOTE:** Operation delays through no fault of the Port will be assessed as per the Port's Terminal Tariff Labor Chargeout Rates as scheduled. The Penalty Charge as described in Item No. 41 is not included on this rate.

(v) **Heavy Lift Charges.** [Item No. 38] Any single unit of cargo other than containers as defined in this tariff over 6,000 pounds and above shall, in addition to the rates it would otherwise be assessed, be assessed \$2.10 per 2,000 pounds, or fraction thereof, for stevedoring and/or \$2.10 per 2,000 pounds or fraction thereof for handling, except for motorized wheeled 38 vehicles which are driven off/on the vessel over a ramp without utilizing any lifting equipment. However, motorized equipment or vehicle in excess of 6,000 pounds, which though wheeled, must be lifted off/on the vessel to avoid potential damage to the dock, shall be assessed heavy lift charges per move.

(w) **Long Length Charges.** [Item No. 39] Any single unit of cargo over 45 feet in length and above shall, in addition to rates it would otherwise be assessed, shall be assessed the following rates:

Scale of Charges

Over 45 feet and not over 50 feet \$16.30

Over 50 feet and not over 60 feet \$38.15

Over 60 feet and not over 70 feet \$49.15

Pieces or packages over 70 feet add to rate specified above for lengths over 60 feet and not over 70 feet \$10.15 for each additional ten (10) feet, or fraction thereof.

**§2205. Labor Charge Out Rates.** (a) **Applicability of Labor Charge Out Rate.** [Item No. 40] Unless otherwise provided, man-hour charge out rates will be charged for:

(a) All services not specifically described in the

tariff.

(b) Services of loading, unloading, handling or transferring cargo for which the Cargo Throughput Rate is not applicable and cargo in packages or units of such unusual bulk size, shape or weight as to preclude performing such services at rates named under individual items in the Tariff.

(c) Services of loading and unloading cargo and any other terminal services for which specific rates are named in the Tariff but which because of unusual conditions, or requirements of shippers not normally incidental to such services, precludes the performance of such services at rates named.

(d) Services of extra sorting, special checking, inspection, recooling, reconditioning or for any operation delayed on account thereof.

(e) Services of cleaning or preparing cars, trucks or containers for loading.

(f) Services of clearing terminals of damage.

(g) Operations involving less than 50 revenue tons per hatch loaded or unloaded in a continuous operation or unusual vessels and conditions.

(h) Stevedoring and handling overstowed breakbulk and unitized cargos.

(i) Except as otherwise provided in individual items, charges for materials furnished in connection with services will be assessed at actual cost plus thirty (30%) percent.

(j) Exceptions - Labor Charge-Out Rates shall not be applied to cargo subject to Cargo Throughput Rate except where labor charge-out rate pay differentials are otherwise expressly applied..

(b) **Labor Charge Out Rates** [Item No. 41] All services billed at the charge Out rate in 1992 will be charged at the hourly rates shown below. Subsequent years will be charged based on these rates plus an adjustment for local

inflation, or legislative mandated increases. This rate includes straighttime, overtime, holiday and night differential.

#### Schedule of Man Hours Charge Out Rates

Labor Classification	Straight Time	Over Time	Over Time Diff	Holiday Diff	Night Diff
1) Stevedores	\$22.50	\$33.75	\$11.25	\$17.85	\$1.80
2) Crane Operators	22.13	33.20	11.07	17.54	1.77
3) Equipment Operator (excluding crane operators)	20.97	31.46	10.49	16.62	1.68
4) Auto Mechanics	21.92	32.88	10.97	17.37	1.76
5) Diesel Mechanics	22.19	33.29	11.10	17.58	1.77
6) Crane Mechanics	24.69	37.04	12.35	19.56	1.97
7) Riggers	22.10	33.15	11.04	17.51	1.77
8) Electrician	22.83	34.25	11.42	18.09	1.82
9) Cargo Checkers	20.25	30.38	10.13	16.05	1.62
10) Security Guard	22.46	33.69	11.24	17.79	1.79
11) Carpenters	22.56	33.84	11.28	17.88	1.80
12) Plumbers	22.56	33.84	11.28	17.88	1.80
13) Painters	20.07	30.11	10.04	15.90	1.61
14) Refrigeration Mechanics	21.77	32.66	10.	817.25	1.74
15) Preventive Maint. Mechanic	22.56	33.84	11.28	17.88	1.80
16) Welders	24.00	36.00	12.00	19.02	1.91
17) Clerks	16.08	24.12	8.04	12.74	1.29
18) Guahan Crew	21.47	32.21	10.74	17.01	1.73

#### (c) Description of Miscellaneous Charges and Penalty. [Item No. 42]

(1) **Overtime Rates.** All work performed in normal stevedoring activities at regular cargo rates on an overtime basis and legal holidays observed by the Government of Guam, in connection with any stevedoring function except special services, shall be charged an overtime differential in addition to the regular stevedoring charges, or differential of 100 percent on regular employees working on legal holidays according to the schedule of Man-Hour Charge Out Rates. Overtime hours shall be defined as any hours in excess of eight hours of any workday or forty (40) hours in a normal workweek. Overtime shall also include Saturdays and Sundays for operations employees as signed to the loading and unloading of cargoes whose work week begins on Saturday, provided that when there is no work assigned on Saturdays or Sundays the normal work week shall be

from Monday through Friday and all hours worked in excess of eight hours a day shall be on overtime rate of pay.

(2) **Night Differential.** A surcharge will be added for all work performed between 1800 hours to 0600 hours and will be charged on the basis of rates shown in the schedule of Man-Hour Charge-Out Rates.

(3) **Detention or Stand-By Time.** When employees of the Port are ordered for water carriers and are required to standby due to vessel power failure, vessel gear failure, or for any other reasons through no fault of the Port Authority, the charge-out rate will be assessed. If employees of the Port are directed to stand-by at the request of the carrier or agent the charge-out rate will be assessed.

(4) **No Work Provided.** When employees of the Port are ordered for water carriers and the vessel completes loading or discharges prior to completion of a shift or half shift, water carriers will be assessed the unused hours on the basis of the Labor Charge-Out Rate if no other port work is available..

(5) **Cancellation Time.** When employees of the Port are ordered for water carriers and cancellation notice is given to the Port before reporting time, the water carriers will be assessed a minimum charge of two straight time or overtime hours at the appropriate Charge-Out rate for each employee notified.

When employees of the Port have reported to work and cancellation notice is given to the Port, before four hours have elapsed since the scheduled starting time, the water carriers will be assessed four hours at the Charge-Out Rate for each employee involved at straight time or overtime rate with other differentials as appropriate.

When employees of the Port have reported to work and cancellation notice is given to the Port, after four hours of work has been performed but prior to the completion of a minimum eight-hour shift, the water carriers will be assessed the unused hours at the Charge-Out Rate for each employee involved.

(6) **Meal-time Penalty.** When stevedores and related personnel are required to work through their regularly scheduled meal period, the water carriers will be assessed the penalty rate (overtime differential) for each employee involved in addition to the regular stevedoring charges.

(7) **Penalty Pay.** Charges assessed carriers agents

or persons responsible for stevedoring charges other than those included with the rate schedule above, in addition to the straight-time rates included in the Stevedoring and Handling Charge for inbound and outbound cargo for penalties compensated to individuals under applicable Personnel Rules and Regulations of the Government of Guam.

Penalty Rate Schedule (Inbound and Outbound)

	Rate	Basis
Cleaning Ship's Oil Tanks (Hatch work only)	\$3.50	Per Man Hour
Reefer Cargo (Hatch and container work only)	\$5.35	Per Man Hour
Bagged Cement (Hatch work only)	\$3.50	Per Man Hour
Scrap Metal Cargo (Hatch work only)	\$3.50	Per Man Hour
Ammunition or Explosive Cargo	\$3.50	Per Man Hour
Bulk Cement (Hatch work only)	\$5.35	Per Man Hour

**§2207. Equipment Rental Rates and Services.** (a) **Applicability.** [Item No. 43] The following charges are for use or services of the equipment in conjunction with any services not included in the Cargo Throughput Rate or for other purposes. The rates listed below are in charges per hour, or fraction thereof, and include fuel and maintenance. Equipment operators will be charged at the applicable labor Charge-Out Rate.

(b) **Equipment Listing-Hourly Rates/Minimum Charges**

Equipment description	S/T Rate Per Hour	Minimum Charge
Forklift, rated capacity below 20,000 lbs	\$30.00	1 hour
Forklift, rated capacity 20,000 lbs., but less than 40,000	50.00	1 hour
Forklift, rated capacity 40,000 lbs. or greater	56.00	1 hour
Top Lifter	60.00	1 hour
Side Lifter	35.00	1 hour

Tractor	34.00	1 hour
Rubber Tired Gantry Crane	170.00	1 hour
Manitowoc, 140 tons Crane, Gantry, Heavy Lifts	315.00 394.00	2 hours 2 hours
Pick-up Truck 3/4 Ton capacity or less	20.00	1 hour
Truck, Dump	23.00	1 hour
Welding Machine	34.00	1 hour
Dock Mule	11.50	1 hour
Dock Dolly, rated 2,000 lbs.	2.50	1 hour
Dock Trailer, rated capacity 20 tons	11.50	1 hour
Passenger Platform	13.50	8 hours
Battery Charge 16.00	---	

(c) **Additional Equipment Rental Charges.** [Item No. 45] The following will be billed at regular hourly rates on equipment rental:

(1) Actual travel time to and from site of work, if site is not within Port Authority.

(2) Time consumed in removing crane boom for traveling and reassembling.

(d) **Use of Handling Equipment.** [Item No. 46]

(1) When equipment listed above is used in special service or other purposes is diverted to other uses at the discretion of the Port, the user shall be charged on an accumulated time basis that the equipment is used per shift, but not less than the minimum charges specified.

(2) No mechanical equipment may be brought for use on the terminals of the Port except as authorized by the Port. Right is reserved to refuse permit when similar equipment, in capacity or nomenclature, is available for use, or when the equipment does not meet with the approval of the Port. The rental cost of any equipment so hired will be borne by the requesting agent, owner, or operator.



**(e) Rules and Charges Governing the Use of Cargo Boards (Pallets).** [Item No. 47] The term *Cargo Boards* and *Pallets* as used herein are understood to have the same meaning. When available, stevedore type cargo boards (pallets, as it will be used hereafter) may be used directly in the transfer of waterborne cargo to and from the terminals under the terms and conditions outlined herein.

(1) Use of the Port's owned and controlled pallets:

(i) To return said pallets to Port terminals in like order and condition within a period of ten (10) calendar days from date of receipt and to pay a charge for the use of the pallet at the rate of \$0.50 per pallet per day.

(ii) The port will issue receipt for pallets returned in good condition and order.

(iii) To reimburse the Port at the rate of \$35 per pallet for any pallet not returned at the end of this period.

(2) Interchange of standard stevedore pallets: When a trucker, consignee, shipper, or other party carries a stock of pallets constructed in a manner identical to and in all other ways acceptable for interchange with the standard pallets controlled by the Port, the Port will:

(i) Release cargo on pallets and accept in exchange a like number of identical pallets in like good order and condition, or,

(ii) Release empty pallets for a like number of identical pallets received for outbound cargo, all pallets to be in good order and condition.

**§2208. Wharf Demurrage and Free Time.** (a) **Free Time Periods.** [Item No. 48] Free time is exclusive of Saturdays, Sundays and holidays observed by the Government of Guam, and unless otherwise specified, is computed from the first 8:00 a.m. occurring after freight is received or unloaded on the wharf or wharf premises, or in case freight is from a vessel, from the first 8:00 a.m. occurring after vessel completes discharge.

<b>Traffic Classification</b>	<b>Free Time Allowed</b>
Non containerized cargo	10 days*
Containers (CY) Dry	10 days aggregate*
Transshipped Dry Cargo	15 days
Tuna Transshipped	First available vessel
Operating Refrigerated Containers	2 days

\*The free time period for non containerized cargo and dry containers will be reduced from 10 days to 7 days six months after the tariffs effective date.

**(b) Free Time Exceptions.** [Item No. 49]

(1) Regulated commodities, such as explosives, firearms and ammunition, inflammables, and hazardous commodities shall be allowed no free time and shall be subject to immediate removal from the wharf premises.

(2) Livestock shall be allowed no free time and are only permitted to pass over the wharf subject to immediate loading or removal.

(3) Salvaged or offensive freight, etc: Salvaged freight in damaged or offensive condition or offensive freight of any nature may, at the option of the Port, be refused any free time on the wharf and shall be subject to immediate removal.

**(c) Extension of Free Time.** [Item No. 50] The Port Manager may allow extension of free time for good cause.

**(d) Wharf Demurrage Rates.** [Item No. 51] (1) Transit Shed Wharf Demurrage charges are fifteen dollars (\$15.00) per day per revenue ton after the free period.

(2) Outside Wharf Demurrage charges for paved area are ten dollars (\$10.00) per day per revenue ton after the free period.

(3) In the case of export or transshipment cargos which are accruing demurrage charges, such charges shall case on the date stevedoring services are performed. When the carrier, or its agent, request for

stevedoring services to commence within twenty-four (24) hours of the vessel's arrival and, through no fault of the carrier or its agent, the Port is unable to provide such services, demurrage charges shall cease on the date of vessel arrival.

(4) Each full container that has been in the yard, past the free time allowed will be charged a daily rate of:

20 foot dry container or less	\$ 42.00
Greater than 20 feet	84.00
All Operating Refrigerated Containers	140.00

(5) Daily demurrage charges applies for a 24-hour period, or fraction thereof, commencing with 08:00 of one day to 08:00 of the following day and includes Saturdays, Sundays, and holidays/

(6) Empty containers will be placed on the next available carriers vessel, otherwise there will be a daily charge of seven dollars (\$7.00) per day subject to force majur.

**§2209. Port Entry Fee. (a) Applicability.** [Item No. 52]  
 All vessels (except military, government-owned, non commercial fishing, commercial fishing vessels under sixty-five (65) feet and pleasure boats, the home waters of which are in Guam) shall pay a PORT ENTRY FEE as indicated in the schedule below when entering.

(b) **Rates.** [Item No. 53]

For vessels of 1,000 gross tons and under	\$25.00
For vessels between 1,000 gross tons and 2,000 gross tons	51.00
For vessels over 2,000 gross tons, \$51 plus an additional charge per each 2,000 gross tons or fraction thereof in excess of 2,000 gross tons	38.00

**§2210. Dockage. (a) Basis or Computing Dockage Charges.** [Item No. 54] Dockage charges shall be based

upon the vessel's length overall as published in "American Bureau of Shipping" or "Lloyd's Register of Ships." Length overall shall mean the linear distance, expressed in feet, from the most forward point of the stem of the vessel to the aft most part of the stern of the vessel, measured parallel to the base line of the vessel. If the length overall of the vessel does not appear on "American Bureau of Shipping" or "Lloyd's Register of Ships," the Port may obtain the length overall from the "Vessel's Register" or may measure the vessel. The following will govern the disposition of fractions: Five (5) inches or less disregard, over five (56) inches, increase to the next whole figure.

(b) **Dockage Period.** [Item No. 55] Dockage shall commence against a vessel:

- (1) When making fast to a wharf, dolphin, or other structure.
- (2) When occupying the berth immediately alongside a wharf.
- (3) When making fast to a vessel lying alongside a wharf.
- (4) When first boat, raft, lighter, etc., reaches wharf and shall continue upon such vessel until she is completely freed from and vacates her mooring or anchoring until last boat, raft, lighter, etc., leaves wharf.

(c) **Free Dockage.** [Item No. 56] Free dockage shall be afforded as follows:

- (1) At discretion of the General Manager.
- (2) Free time totaling one hour may, at the discretion of the Harbor Master, be allowed to an idle vessel when it arrives and departs within one hour.
- (3) To government owned or operated vessels paying courtesy, training or recreational visits, or engaged in dredging or repair of harbor facilities, or as approved by the General Manager when no cargo or passengers are loaded or off-loaded.

**(d) Rates.** [Item No. 57]

Overall Length of Vessel in Feet Overall Length of Vessel in Feet

Over	But Not Over	Charge Per 24-Hour Day	Over	But Not Over	Charge Per 24-Hour Day
0	100	\$ 37.00	550	575	\$ 663.00
100	150	55.00	575	600	736.00
150	150	72.00	600	625	840.00
200	250	128.00	625	650	977.00
250	300	188.00	650	675	1,112.00
300	350	251.00	675	700	1,251.00
350	375	308.00	700	725	1,568.00
375	400	343.00	725	750	1,663.00
400	425	379.00	750	775	1,883.00
425	450	420.00	775	800	2,113.00
450	475	457.00	800	850	2,428.00
475	500	500.00	850	900	2,764.00
500	525	565.00	900	----	(d)
525	550	608.00			

**(e) Regulations Governing the Application of Dockage Rates.** [Item No. 58]

(1) **Vessels Anchoring in Territorial Vessels,** other than small craft, anchoring within a port-controlled harbor shall be assessed at the rate of one-fourth the full dockage per day or any fraction of a day.

(2) **Charges for Vessel Shifting** When a vessel is shifted directly from one wharf or anchorage (berth) to another wharf or anchorage (berth) operated or utilized by the Port, the total time at such berths will be considered together in computing the dockage charge.

(3) **Application of Full Dockage Rate.** Dockage shall be assessed against all vessels at the full dockage rates except as otherwise provided. In computing dockage only, halves of days shall be assessed as follows.

(i) Twelve hours or less shall be charged one-half of one full day's dockage.

(ii) Over 12 hours and not more than 24 hours

shall be charged the full dockage rate.

(4) Dockage charges for vessels over 900 feet in overall length shall be \$3.40 per 24-hour period for each foot of overall length or fraction thereof in excess of 900 feet, in addition to the above rate of \$2,764.

**(f) Modified Rate for Non-Operative and Miscellaneous Vessels.** [Item No. 59]

(1) Dockage for vessels or other floating equipment being dismantled, salvaged, repaired, or rebuilt at piers not currently required for other purposes, as available only, shall be charged at the rate of three-fourths the full dockage per day, or any fraction of a day.

(2) One-half the full dockage rate shall be assessed against vessels subject to dockage charges as follows.

(i) When vessel is lying alongside of, or tied up to, any vessel made fast to or lying alongside a port wharf.

(ii) When vessel is a floating drydock, floating crane or equipment barge.

(3) One fourth (1/4) the full dockage rate shall be assessed when a vessel is a fishing vessel homeported in Guam and regularly fishing within the territorial waters of Guam and the Northern Marianas.

**§2211. Miscellaneous Services and Charges.** [Item No. 60] (a) Line Handling is the taking, releasing or shifting of vessel's lines on terminal facilities. At the request of water carriers, the Port will provide line handlers.

The charges for line handling services for line handling services for vessels will be as follows:

	Each Movement	(Note 3)
	Straight-Time	Overtime
Vessels not otherwise shown (Note 1)	\$300	\$450
Passenger vessels and		

vessels 600" and over (Note 2)	\$400	\$600
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Note 1: Rates provide for 6 people

Note 2: Rates provide for 8 people

Note 3: Above rates include two (2) hours of standby and line. Additional time will be assessed on the basis of the applicable labor charge-out-rates.

(b) Fresh water will be furnished to vessels at a rate 20% over the Public Utility Agency of Guam's current rate per ton or a fraction of a ton.

In addition, a charge of \$35 will be levied to connect and disconnect hoses and couplings except on Saturdays, Sundays and holidays. On Saturdays, Sundays and holidays, a charge of \$80 will be levied for this service.

(c) At the request of the carrier, or their agent, electric power shall be supplied to vessels at the same rates that the Guam Power Authority would charge for the service if supplied directly, plus the following service charges:

(1) For connecting light or power circuits to vessel when shore cables, plus or motor connections are supplied by the vessel, the service charge shall be \$8. If the vessel temporarily leaves the terminal and returns during the same voyage, an additional charge will be made for again connecting the light or power circuits as herein provided.

(2) For connecting light or power circuits to vessel when shore cables, plugs or motor connections are supplied by the Port, or for the extension of light or power circuits, the service charge shall be \$11 plus time at the established manhour rates.

(3) For installation of submeter, where necessary, the charge shall be \$2.50 and such charge shall be in addition to charges provided in paragraphs (1) and (2).

(4) Vessels moving of their own volition from one pier to another and requiring light or power connections shall be charged for such connection as provided in paragraphs (1), (2), and (3) hereof;

however, vessels berthed for repairs and moved by order of the Port will not be required to pay additional service charges, but shall, in lieu thereof, pay the time at the established labor charge-out rates and materials at cost in effecting connections and/or submeter charges provided in paragraph (3)

(d) A fee of \$25 must accompany each claim filed against the Port for any loss or damage to freight or merchandise. Where the Port is liable for loss or damage to freight or merchandise, subject fee will be refunded.

(e) A fee of \$5 shall be charged for each weight tag for the use of the Port scale.

(f) Rates for lease or rental of any port facility or portion thereof, shall be established and published by the Port Authority Board of Directors, exclusive of the Terminal Tariff, in accordance with provisions of the Administrative Adjudication Act. Any such lease or rental agreements in effect at the date of adoption of this tariff by the Board of Directors shall be continued in effect at existing rates until expiration of such agreements, unless otherwise provided in the subject agreements..

**§2211. Passenger Service Fee.** (a) **Arrival and Departing Facility Service Charge.** [Item No. 61] The Arrival Facility Service Charge for vessels originating outside Port of Guam shall be \$3.50 per each terminating or arriving passenger.

The Departing Facility Service Charge for vessels originating at the Port of Guam bound for destination outside territorial waters of Guam shall be \$1.50 per each departing passenger.

**NOTE:** All Passengers are subject to compliance with all applicable Federal and Territorial laws, rules and regulations.