

**PORT AUTHORITY OF GUAM**



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# News Release

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## **PORT MANAGER CALLS RATE INCREASE UNJUSTIFIED**

Port Authority of Guam General Manager Francisco Camacho today called the rate increase announced by Matson Navigation unfounded and urged the company not to portray the charge as Guam Terminal Charges.

The Port Authority of Guam's charges for off-loading and processing a 40-foot container \$292.50 for the chassis rate and \$362.50 for the grounded rate. Matson generally is charged the lower chassis rate by the Port, but they have charged the people of Guam \$551 as Guam Terminal Charges since 1995. With the current 10 percent increase the charge goes up to \$603, \$258.50 more than the Port actually charges for the same container.

"It is unfair for the carriers to charge the people of Guam for what they call either Guam Wharfage or Guam Terminal Charges when that is not what the Port of Guam is charging for these services," Camacho said. "The Port implemented several Policy Memoranda to help increase Port productivity and recoup costs for services, but none of the tariff rates increased."

Camacho added that he understands that Matson is a private company and must look toward their bottom line and set their rates as necessary. "I just do not appreciate the fact that the carriers have portrayed this charge as a direct recovery of their costs to the Port, when in fact, it is not," he said.

**\*\*More\*\***

The Port Authority of Guam Board of directors unanimously adopted 11 Policy Memoranda affecting the current tariff. The majority of the new policies simply repeal other policy memorandums that have been passed over the years. The most significant of these is the repeal of the 50 Percent Rule to qualify for Chassis Rate added in 1993 and revised in 1995. This rule allowed carriers to qualify for the cheaper chassis rate for every container off-loaded as long as they provided half of the number of chassis needed for the operation.

The rescinding of the policy now requires that the shipping company provide a chassis for every container. If a container has a chassis it will be charged \$185, if it does not it will be charged \$255 as originally intended in the 1993 tariff. With this discount the carriers still get more than enough to offset the expenses of maintaining their chassis fleets.

Another policy change eliminates the Matchback Policy. This policy allows carriers to store their empty containers for free in the Port compound if the Port fails to meet specified productivity quotas. This practice has led to millions of dollars in disputed billings and is not practiced in any other Port in the world. The new policy will charge a flat rate of \$3.50 per day for all empty containers left in the yard. This charge is reduced from the \$7 allowed for in the existing tariff.

Other policies maintain existing discounts and practices including volume discounts for transshipment containers, discounted flat rates for fishing boats, discounted rates for heavy lift equipment and discounted rates for auto devanning services.