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Congress of the United States House of Representatives

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October 5, 2009

The Honorable Ray LaHood
Secretary of Transportation
U.S. Department of Transportation
400 Seventh Street, SW
Washington, D.C. 20590

Dear Secretary LaHood,

I write in support of an application recently submitted by the Port Authority of Guam for a \$49.7 million Transportation Investment Generating Economic Recovery (TIGER) grant and I respectfully request your approval of their application. This grant, if approved, would enable the Port to begin major work on its Master Plan, a multi-year program to upgrade and modernize the Port's facilities in preparation for the military build-up on Guam. These improvements will both allow the Port to meet increased capacity demands associated with the military build-up as well as promote economic growth throughout the Western Pacific. Moreover, this TIGER grant is necessary in order for the Port to gain approval of an additional \$50 million loan from the U.S. Department of Agriculture (USDA) for additional improvements.

The Department of Defense recently designated the Port of Guam as a Strategic Port in recognition of its strategic importance in the Pacific region and to prepare it for future military contingency operations. However, the Port's infrastructure is in need of significant repairs and upgrades in order to meet the requirements of strategic port designation. The Port has difficulty meeting current cargo load demands and could become a chokepoint in the delivery of construction materials if upgrades are not made to its infrastructure. This chokepoint could delay the completion of the military build-up and add billions of dollars to constructions costs.

The Port of Guam's Master Plan, when fully implemented, would enable the Port to handle the increased cargo demands and requirements associated with the military build-up. The first phase of the project, which would be funded by the TIGER grant, involves the demolition of obsolete buildings, renovating the power and water systems, and paving the pier and storage areas. These steps will immediately increase the capacity of the port and lay the groundwork for larger upgrades in the next few years.

Investing in the Port of Guam will also generate substantial economic growth in a historically underdeveloped area. Guam's unemployment rate is significantly higher than

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the rest of the United States and per capita income on the island is less than half of the national average. The planned upgrades in the Port's application are shovel ready projects and would immediately and directly create hundreds of jobs. Many more jobs would be indirectly created over the next few years as the Master Plan moves forward. Moreover, as the primary point of entry for cargo destined for all of Micronesia, improving the port's cargo capacity will enable the entire region to ship goods both faster and cheaper, generating economic growth not just on Guam but in the whole region. The TIGER grant program was originally created to rapidly spur economic growth and create jobs and the Port of Guam's proposed projects clearly meet these criteria.

The military build-up on Guam has been described as a fifty year strategic decision with major consequences for the United States' interests in the Asia-Pacific region. We need a Port that is capable of supporting an undertaking of this magnitude. An initial TIGER investment would lay the groundwork at the port for additional projects and would be multiplied many times over the next few years. The planned upgrades are shovel-ready projects and the TIGER funds would immediately create jobs. The Port of Guam's application is an opportunity to bolster the security of the United States and spur economic growth at the same time and I request your approval. I make this request in accordance with all applicable laws, rules and regulations. Thank you for your kind consideration of this request. If you need additional information regarding the Port's application, please contact my Legislative Director, Matthew Herrmann. Matt can be reached by phone at 202-225-1188 or by e-mail at matthew.herrmann@mail.house.gov.

Sincerely,


MADELEINE Z. BORDALLO
Member of Congress