



PORT OF GUAM

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Port Authority of Guam

Look Ahead 2025: Strategic Vision and Key Priorities

Introduction and 2024 Highlights

The Port Authority of Guam serves as the island's lifeline, handling 90% of incoming goods and 30% which include military-related operations. With the Indo-Pacific region taking center stage in global security, the Port's readiness is critical to commercial and defense priorities.

In 2024, the Port achieved significant milestones that reflect our strategic focus on **sustainability, infrastructure resilience, workforce development, and operational readiness**:

- **Secured Grants:** EPA Clean Ports and DERA funding for zero-emission equipment and emissions reduction. Reprogrammed the MARAD RAISE grant to upgrade Berths F2 to F6, improving earthquake resilience and reliability.
- **Exploring Infrastructure Financing:** Received board approval for bond financing to support major infrastructure projects and long-term modernization.
- **Planning for Fuel Infrastructure Upgrades:** Advanced a public-private partnership (P3) to upgrade fuel supply facilities while minimizing Port costs.
- **Continued Financial Transparency:** Implemented real-time financial monitoring to improve budget discipline, transparency, and prevent unauthorized spending.
- **Critical Infrastructure Planning:** Progressed planning for wharf modernization and gantry crane replacement to maintain operational efficiency and readiness.
- **Workforce Adaptability:** Updated Desk Audit and Out-of-Position Assignments policies to ensure skilled employees can fill critical roles when needed.

As we look ahead to 2025, our priorities will focus on completing critical upgrades, fostering a resilient workforce through ongoing succession planning, and aligning initiatives with Guam's long-term growth and security objectives.

Strategic Framework

Aligned with the Governor's One Guam Strategic Framework and the U.S. Indo-Pacific Strategy, the Port's initiatives continue to integrate national, regional, and local priorities to ensure Guam's critical role in the Pacific is fully supported.

Key Elements

- The Department of Defense (DOD) commits to a strategic One Guam framework for a mutually beneficial outcome from the buildup.

- Advocate for increased defense spending outside the military fence to support civilian infrastructure, aligning with military objectives and benefiting both Guam and the Indo-Pacific region.
- Prioritize healthcare, infrastructure, and skilled labor, in line with national security interests and the military's Indo-Pacific Strategy and Pacific Deterrence Initiatives.
- Implement a One Guam approach to the Guam Buildup, including comprehensive healthcare, streamlined veteran's services, a skilled workforce (with H2B visa waiver program), robust infrastructure, defense access roads, and military spending outside the fence to enhance national security.

Port enhancements are among the Governor and Lt. Governor's following priority concerns (see Efficient Transportation of Goods and Services):

- **Medical Complex, Integrated Healthcare System for Guam and Region:** Ensuring healthcare facilities in Guam are equipped to provide excellent care, including modernizing the public hospital's infrastructure and related medical services and incorporating a veterans' facility.
- **Efficient Transportation of Goods and Services:** Advocating for federal support to enhance the efficiency and reliability of supply chain transportation and logistics networks in Guam, vital for a thriving economy.
- **Road Infrastructure:** Securing funding and technical expertise to improve road safety and connectivity, essential for residents' daily lives and strategic operations in Guam.
- **Utilities, Telecommunications, and Cybersecurity:** Focusing on reliable access to essential services and working to strengthen telecommunications and cybersecurity infrastructure, with an emphasis on facilitating necessary federal assistance.

Port's 2023 Master Plan and Ongoing Priority Initiatives

1. STS Crane Replacement

The Port's aging Ship-to-Shore (STS) gantry cranes, now over 40 years old, remain a top infrastructure priority. A Department of Defense (DoD) gap analysis highlighted the urgent need for replacements, with the risk of a single crane failure delaying critical military readiness programs by up to four years.

Progress in 2024 included securing funding for one replacement crane, but meeting long-term operational needs requires three new cranes. Efforts are underway to address procurement challenges, including cybersecurity risks tied to foreign manufacturing, while securing additional federal funding in collaboration with the DoD and Department of Transportation.

2. Fuel Pier Replacement

The Golf Pier, heavily damaged during Typhoon Mawar, and the aging F1 Pier are vital to Guam's fuel supply chain. The Port Board approved pursuing a public-private partnership (P3) to finance these replacements, ensuring progress without overburdening Port resources.

3. Hotel Wharf and Access Roadway Rehabilitation

This \$100 million project, which includes reconstructing the 1948 wharf and upgrading access roadways, is critical for modernizing cargo operations and ensuring structural integrity.

4. Wharf Replacement (Berths F2 through F6)

This critical infrastructure project, supported by a \$17.9 million RAISE grant and an additional \$3.58 million from Port funds, focuses on upgrading 1960s-era berths to enhance earthquake resilience and operational reliability. These wharves are essential for container, bulk, and general cargo operations and directly support Guam's commercial and defense activities.

5. Area A Fuel Storage Facility Rehabilitation

This initiative replaces above-ground fuel storage tanks and related infrastructure to meet growing local, regional, and defense fuel demands. The project, currently in the RFP phase, integrates a P3 model to leverage private-sector expertise. With approvals required from the Port Board, Guam Legislature, and the Governor's Office, the upgraded facility will bolster energy resilience and align with Indo-Pacific military strategies.

6. IT Improvements

Upgrades to the Terminal Operating System (TOS), IT infrastructure, and cybersecurity continue to enhance operational efficiency and data security, aligning with federal collaboration requirements.

These enhancements include strengthening cybersecurity through targeted training programs and adopting industry best practices to safeguard critical infrastructure and data. Efforts also focus on IT succession planning and cross-training initiatives to ensure continuity, flexibility, and preparedness for evolving technological demands. Additionally, integrating IT systems with operational technology (OT) supports both traditional IT functions and specialized operational needs, ensuring seamless and secure digital environments. These improvements prioritize practical, forward-looking IT solutions, aligning with the Port's broader goals of modernization, resilience, and sustainability.

7. Port Buildings Demolition & Replacement

Outdated 1960s structures are being replaced with modern facilities tailored to current and future operational needs.

8. Workforce Development, Succession Planning, and Out-of-Position Assignments

The Port's workforce initiatives focus on preparing employees for long-term success and operational flexibility:

- **Succession Planning:** Formal programs identify high-potential employees and provide targeted development opportunities to prepare them for leadership roles.
- **Mentorship and Leadership Training:** Knowledge transfer and leadership workshops equip employees with the skills needed for future challenges.
- **General Manager's Policy on Out-of-Position Assignments:** Temporary assignments are permitted only for employees who have the necessary skills to perform the assigned duties. Emergency assignments must be certified by the General Manager, specifying the nature of the emergency and the justification for the certification. This ensures assignments align with operational needs while maintaining fairness and compliance with personnel policies.
- **Desk Audit Policy:** Regular desk audits align roles and responsibilities with current organizational needs, identifying redundancies and skill gaps. These audits enable targeted employee development and ensure workforce resources are optimally utilized.
- **Cross-Training:** Employees are empowered to take on diverse roles, ensuring workforce flexibility and operational resilience.
- **Safety and Emergency Preparedness:** Updated certifications, emergency response drills, and lessons learned post-Typhoon Mawar strengthen disaster readiness.

2025 Roadmap: Strategic Priorities

The Port's roadmap for 2025 emphasizes resilience, operational excellence, and sustainability to strengthen its role as Guam's critical hub for commerce and defense.

Key Infrastructure Projects

- Complete essential upgrades, including the Area A Fuel Storage Facility, wharf modernization, and crane replacements to enhance resilience for Guam's commercial and defense demands.
- Leverage Public-Private Partnerships (P3s) to expedite large-scale infrastructure projects while minimizing financial strain.

Workforce Development and Employee Engagement

- **Desk Audit Policy:** Align roles and responsibilities with current needs, eliminate redundancies, and identify skill gaps to target training and optimize resource allocation.

- **Employee Morale and Well-being:** Enhance engagement through recognition programs, team-building activities, and flexible work arrangements.
- **General Manager's Policy on Out-of-Position Assignments:** Temporary assignments are permitted only for employees with the necessary qualifications. Emergency assignments must be certified by the General Manager, ensuring compliance with personnel guidelines and operational priorities.
- **HR Process Automation:** Streamline performance evaluations, employment verifications, and workforce management through E1 system automation.
- **IT-Specific Initiatives:** Workforce development remains a key focus across all divisions, with IT-specific efforts centered on cross-training, succession planning, and mentorship programs. These initiatives equip the IT Division with the skills and continuity needed to address evolving challenges while maintaining operational excellence.
- **Safety and Emergency Preparedness:** Provide updated certifications and emergency response training to strengthen personnel readiness for crises.
- **Succession Planning, Training, and Cross-Training:** Implement mentorship programs, leadership training, and cross-training initiatives, including advanced maintenance technician training, to prepare employees for future roles, enhance workforce adaptability, and maintain seamless operational continuity.

Maintain Operational Efficiency and Capacity

- Optimize vessel operations by adhering to established service standards and schedules.
- Align decision-making with the Port's financial objectives, ensuring cost efficiency.
- Leverage data-driven tools to monitor performance metrics and trends, fostering cross-divisional collaboration to address underbilling and align operational reporting with financial systems.
- Ensure compliance with CBA schedules, tying overtime directly to vessel operations for improved fiscal accountability and operational effectiveness.

Maintenance and Equipment Reliability

- **Preventive and Predictive Maintenance:** Automate maintenance systems to improve equipment reliability and reduce downtime.
- **Vendor Collaboration:** Strengthen partnerships with suppliers to ensure cost-effective and timely access to spare parts and equipment.
- **Automated Budget Dashboard:** Implement real-time monitoring to enhance financial planning and resource allocation for maintenance.

Financial Strategy

- **Revenue and Reporting Improvements:** Address underbilling and align operational data with financial systems for transparency and compliance with management tariff initiatives.
- **Sustainable Debt Management:** Maintain fiscal discipline while utilizing board-approved bond financing for key infrastructure projects.

Commercial Division and Tenant Relations

- **Lease Management:** Streamline workflows and strengthen compliance processes to address tenant non-compliance efficiently.
- **Stakeholder Communication:** Enhance relationships with tenants through the Tenant Feedback System, improving service delivery and communication.

Sustainability and Environmental Initiatives

- Set measurable goals for emissions reduction, waste management, and energy efficiency.
- Leverage the Zero Emission/Zero Waste Study as a framework for sustainable operations, integrating findings into the 2023 Master Plan.
- Secure additional funding from programs like EPA Clean Ports to advance green initiatives.
- Strengthen the role of the Environmental Compliance Administrator to oversee sustainability efforts and compliance with local, federal, and international regulations.

National Readiness and Federal Collaboration

- Advocate for the Port Readiness Plan, aligning infrastructure projects with national security priorities.
- Pursue federal funding for critical infrastructure upgrades and crane replacements.
- Develop resilience-focused initiatives, including an updated white paper emphasizing the Port's strategic importance in the Indo-Pacific.

Conclusion: A Vision for the Future

Building on the accomplishments of 2024, the Port Authority of Guam's 2025 Look Ahead reaffirms its commitment to modernization, sustainability, and resilience. As Guam's lifeline—facilitating 90% of incoming goods and supporting 30% of military operations—the Port's readiness remains essential to both the economy and national security.

Over the past six years, under the collaborative leadership of the Leon Guerrero-Tenorio Administration, a progressive Board of Directors, and the unwavering dedication of management and staff, the Port has achieved clean audits, improved bond ratings, and demonstrated resilience during crises such as the COVID-19 pandemic and Typhoon Mawar. These milestones have solidified a strong foundation for the future.

In 2025, the Port will prioritize advancing critical infrastructure projects, enhancing workforce development through mentorship, succession planning, and cross-training, and implementing sustainability initiatives. Public-private partnerships will remain pivotal in funding and expediting vital projects like fuel pier replacements and gantry crane procurement, ensuring the Port's infrastructure is ready to meet the evolving needs of commerce and defense in the Indo-Pacific region.

The urgency of modernization is underscored by aging infrastructure, such as the 40-year-old gantry cranes, which pose significant risks to operational efficiency and military readiness. Addressing these challenges through collaboration and innovation, the Port continues to thrive, adapting to evolving demands and laying the groundwork for long-term success.

The accomplishments of these past six years reflect the unified efforts of the Port's leadership, management, and staff. By advancing modernization, workforce development, and sustainability, the Port Authority of Guam is well-prepared to maintain its critical role as a resilient and dependable hub for commerce and defense in the Indo-Pacific.