



Information Briefing

to

**Committee on Transportation
31st Guam Legislature**

Termination of Service to Guam by Horizon Lines:

Impact to the Port Authority of Guam

November 3, 2011

6:30 p.m.

Chronology Horizon Lines Exit

- Oct. 25, 2011- Termination of FSX Services announced by Horizon Lines
- Nov. 10, 2011 - Final sailing to Guam
- Nov. 21, 2011 - Final Port Call to Guam

Contributing Factors

- Over 37⁰% drop in east bound freight over past 12 months
- 40⁰% increase in bunker fuel charges since launch of FSX
- Delays in expected infrastructure-driven cargo growth (i.e. Military Buildup) in Guam a contributing factor.

Anticipated Impacts to Port

- Operations
 - Containers
 - Hours of Operations
 - Personnel

Anticipated Impacts to Port (cont'd)

- Vessel Activities
 - Port Calls
 - Vessel Capacity
 - Draft Capacity

Anticipated Impacts to Port (cont'd)

- Container Yard Resources
 - Equipment (assets)
 - Reefer Capacity
 - Crane Capacity
 - Trucking Capacity

Anticipated Impacts to Port (cont'd)

- Revenues

- Financial Consequences

- Normal Transactions Specific to Horizon Lines
 - Potential Rental Revenue Loss: \$84,000
 - Potential Misc. Operational Income: \$125,000



Si Yu'os Ma'ase

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