



BEFORE THE PUBLIC UTILITIES COMMISSION

IN RE: REVIEW OF \$12 MILLION)
ANZ COMMERCIAL LOAN)
FOR PURCHASE OF THE)
POLA CRANES)

PAG DOCKET 12-01
STATUS REPORT

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This matter comes before the Guam Public Utilities Commission (the "PUC") pursuant to the Petition filed by the Jose D. Leon Guerrero Commercial Port, Port Authority of Guam ("PAG") on September 14, 2012, whereby PAG requests review and approval of the \$12 million ANZ commercial loan related to the acquisition of Port of Los Angeles cranes 14, 16, 17, and Gantry Crane 3 (hereinafter referred to as the "PoLA Cranes") owned by Matson Navigation Company, Inc. ("Matson") and Horizon Lines, L.L.C. ("Horizon").

On August 27, 2012, the PUC approved the Sales Agreement and the Interim Maintenance Agreement. Pursuant to the recommendations contained in the August 27, 2012 Report of the Tariff Investigation filed by Slater Nakamura, L.L.C., as well as the August 27, 2012 ALJ Report, the PUC also ordered PAG to complete its development of its Structured Maintenance Program for its cranes; begin repairs to the PoLA cranes; develop a tariff that fully funds the acquisition, financing, and maintenance of the cranes; develop a projection for cargo throughput used to forecast revenues from the tariff; and file a report regarding the status, future plans, or demolition of PAG's Gantry Crane 2.

On September 12, 2012, ANZ transmitted a revised "Letter of Offer" to PAG (hereinafter referred to as the "Offer"), detailing the essential terms and conditions of the \$12 million loan secured for the purchase of the PoLA cranes. On September 14, 2012, PAG

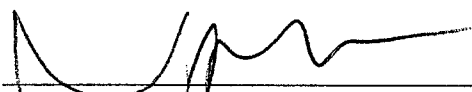
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petitioned the PUC for review and approval of the ANZ commercial loan, as summarized in the Offer.

On September 20, 2012, the ALJ filed an ALJ Report detailing his review of the ANZ Offer. In the Report, the ALJ recommended that the PUC authorize PAG to agree to the terms and conditions of the ANZ commercial loan contained and referenced in the Offer. The ALJ, however, also recommended that the PUC defer its approval of the ANZ loan until the ALJ has had an opportunity to review the final loan documents, which include the Promissory Note and other supporting documentation.

In its September 25, 2012 meeting, the PUC authorized PAG to proceed with finalizing the ANZ loan documents. As the Offer from ANZ does not constitute ANZ's approval of the loan, the ALJ shall review the final loan documents once such documents are filed with the PUC.

Dated this 11th day of December, 2012.



DAVID A. MAIR
Administrative Law Judge

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