



EXECUTIVE ORDER NO. 2005 - 37

**RELATIVE TO CREATING A TRANSSHIPMENT INDUSTRY
TASK FORCE TO PROMOTE THE DEVELOPMENT OF GUAM
AS A MAJOR PORT OF ENTRY FOR U.S. BRAND ASIAN
MANUFACTURED IMPORTS**

WHEREAS, California's three major container ports, Long Beach, Los Angeles and Oakland, currently handle about 50% of the total U.S. ocean borne container cargo; and

WHEREAS, virtually all of the two-way containerized cargo moving between California and Asia is handled at the Port of Oakland, ranked as the fourth busiest container port in the U.S., it loads and discharges more than 99% of the containerized goods moving through the region with about 59% of its volume originating in Asia; and as a result, long delays in off loading and de-consolidation of containers has become the norm as opposed to occurring only during seasonal peak times; and

WHEREAS, this situation is not expected to change anytime soon as shippers realize that their attempts to remedy this problem by diverting shipments to East Coast ports did not meet expectations, as the East Coast ports did not have the infrastructure to handle the sudden surge; and

WHEREAS, Guam is in the position to take advantage of this situation to position itself as a location for which to divert some of this California ports bound traffic; it can alleviate the bottlenecks that are currently happening at the West Coast ports by becoming the shippers' entry point to the U.S. for U.S. Brand Asian manufacturer products; Guam would handle customs inspections and clearances, as well as provide consignees of consumer goods a staging place where their products could be bundled, tagged and package for final distribution; and

WHEREAS, Guam's advantages include its proximity to imports from Asian countries, giving Guam the ability to "thru-ship"; Guam is an isolated island, allowing for an improvement in the quality of controlled inspections; Guam is a duty-free location; Guam has air and water transshipment capability; and brands would have the capability to air ship direct to stores to meet immediate needs; and

WHEREAS, a recent audit of U.S. Customs cargo inspections practice reveal numerous flaws and that only five percent (5%) of containers coming into the U.S. are being inspected; the results of this audit report may prompt the federal government to mandate increased inspections, and Guam is an ideal site for customs inspections;

WHEREAS, this Administration believes that our economy is only made stronger through diversification, and that all opportunities to expand our current industries and create new industries on Guam should be pursued aggressively, and Guam's transshipment capabilities make that industry an ideal opportunity to explore and expand.



NOW, THEREFORE, I, FELIX P. CAMACHO, *I Maga'låhen Guåhan*, Governor of Guam, by virtue of the authority vested in me by the Organic Act of Guam, as amended, do hereby order:

1. There is hereby established within the Executive Office of the Governor the Transshipment Industry Task Force.
 - a. The Task Force shall be composed of the Administrator of the Guam Economic Development and Commerce Authority or his designee; the General Manager of the Guam International Airport Authority or his designee; the Homeland Security Advisor to the Governor or his designee; the General Manager of the Port Authority of Guam or his designee; the Director of the Department of Customs & Quarantine or his designee; two representatives of companies in the airlines industry; and two representatives of the transshipment industry.
 - b. Quorum for meetings of the Task Force shall be four (4) members. The Administrator for GEDCA shall serve as chairperson upon appointment by the Governor and GEDCA shall serve as the lead agency for the Task Force. The Task Force shall meet within a week of the Governor's appointments to the airlines and shipping industry positions on the Task Force.
 - c. The Task Force shall prepare a report to the Governor within ninety (90) days of the date of this Executive Order that describes: 1) an analysis of Guam as a transshipment port; 2) a comprehensive plan to develop and market Guam as a transshipment port to U.S. manufacturers in Asia and to other potential markets; 3) the resources needed to carry out such plan; and 4) any legislation required to execute the plan.
 - d. Upon approval or modification by the Governor of the plan described in subsection (c) above, the Task Force shall oversee the execution of said plan, and all government of Guam agencies and departments shall cooperate with the Task Force in executing the plan.
2. This Executive Order will expire when subsequent legislation establishes an equivalent entity on transshipment.

SIGNED AND PROMULGATED at Hagåtña, Guam this 14th day of **November, 2005**.

FELIX P. CAMACHO
I Maga' Låhen Guåhan
Governor of Guam