

COMMONWEALTH PORTS AUTHORITY

CITIZEN CENTRIC REPORT

FISCAL YEAR 2023

MISSION STATEMENT



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WHO ARE WE

The Commonwealth Ports Authority (CPA) is an autonomous government agency that was established by Commonwealth of the Northern Mariana Islands (CNMI) Public Law 2- 48 on October 08, 1981. CPA is responsible for all airports and seaports on the islands of Saipan, Tinian and Rota. The island of Pagan has an airstrip but it is currently unavailable for air travel.

CPA has seven Board of Directors who are appointed by the CNMI Governor and confirmed by the Senate.

CNMI's source of revenue relies heavily on tourism. Over 90% of goods entering the islands are passed through its ports. CPA continues to work hard to improve its ports.



CPA EMPLOYEES

	SAIPAN	TINIAN	ROTA	TOTAL
AIRPORT	138	22	22	182
SEAPORT	19	3	2	24
GRAND TOTAL	157	25	24	206

WHERE ARE WE

DEPARTMENTS

- Accounting
- Administration
- Aircraft Rescue Fire Fighting (ARFF)
- Operations
- Custodial
- Engineering
- Human Resources
- Lease Compliance
- Ports Police
- Terminal Maintenance
- Port of Saipan
- CPA Tinian
- CPA Rota

PROGRESSION



MAJOR ACCOMPLISHMENTS

1. Route 323 Industrial Drive Road Improvements
2. PSGP - Tinian Harbor Perimeter Fencing
3. PSGP - Surveillance Systems for all three seaports
4. FAA Discretionary Funding for SIA Loading Bridges
5. FAA AIP Funding for SIA ARFF Rapid Refill
6. FAA ATP Grant for SIA Commuter Road Paving



Staff Development

- Aircraft Rescue Fire Fighting Training
- Management & Leadership Training
- Writing Workshops
- Procurement Workshops
- Safety Management Training
- Americans with Disability Training



CAPITAL IMPROVEMENT PROJECTS

Francisco C. Ada/Saipan International Airport

- ◆ CTX Replacement Project - Ongoing
- ◆ Airport Master Plan/AGIS - Ongoing
- ◆ ARFF Training Facility Typhoon Repairs - Ongoing
- ◆ Facility Fence Typhoon Repairs – Ongoing
- ◆ Air Traffic Control Tower Renovations – Ongoing
- ◆ Commuter Terminal Construction - Ongoing

Port of Saipan

- ◇ Berth 103 Cavity Repairs – Ongoing
- ◇ South Seaplane Ramp Paving - A&E Design
- ◇ Delta Dock Improvements - A&E Design
- ◇ Office Roof Leak Repairs - A&E Design

Francisco Manglona Borja/Tinian International Airport

- ◆ ARFF Building Renovations—Completed
- ◆ Parking Lot Expansion – Ongoing
- ◆ Sewer System Project – A&E Design
- ◆ Departure/Arrival Terminal Federalization – A&E Design

Tinian Harbor

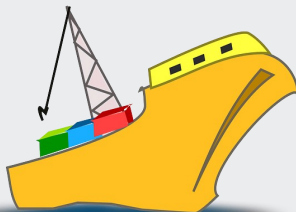
- ◇ Marina Beautification Improvements - Ongoing
- ◇ Perimeter Fence Replacement – Pending Award

Benjamin Taisacan Manglona International Airport

- ◆ Airport Drainage Improvements – Ongoing
- ◆ Canopy Roof Replacement - A&E Design
- ◆ Apron Rehabilitation – A&E Design

Rota West Harbor

- ◇ Small Commercial Dock Fence Installation A&E Design



OUR FINANCES

The Commonwealth Ports Authority (CPA) generates revenues from port users to fund operating expense, capital projects, and debt service requirements. The CPA also receives federal grants from the Federal Aviation Administration (FAA), Department of Homeland Security (DHS), and the Department of Interior (DOI) to fund improvements throughout the ports.



CPA manages its funds separately for the airports and seaports. CPA's enabling legislation (CNMI Public Law 2-48), federal grant assurances and CPA's Bond Indentures do not allow the comingling of funds between the airports and seaports. CPA operates on a fiscal year (FY) from October 1 through September 30.

OPERATING REVENUES

Operating revenues include revenues earned for operational activities and do not include federal grant funding

AIRPORT - FY 2022 operating revenues for the airports increased by 262% as compared to FY 2021. This significant increase was due to the return to operations of limited international flights and the implementation of a new rate methodology. Aviation fees include landing fees and terminal rental rate charges. Other revenues include parking fees, permit fees and citation and training fees.

SEAPORT - FY 2022 operating revenues for the seaports remained steady with a 5% increase as compare to FY 2021. The increase was due to a slight increase in inbound revenue tonnage. Harbor fees include wharfage fees, docking fees, special services, berthing fees and port entry fees. Other revenues include permit fees, citations and security service fees.

OPERATING EXPENSES

AIRPORT & SEAPORT - Other expenses include fuel, travel, communications, promotional expenses and penalties and interest expenses.

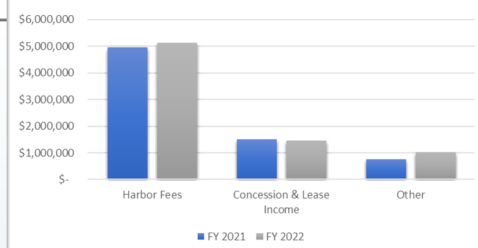
AIRPORT - Overall FY 2022 operating expenses for the airports increased by 27% as compared to FY 2021. This increase is mainly due to the increase in utility costs and restoration of regular hours for employees due to the receipt of federal grant funds for operations.

SEAPORT - Overall operating expenses for the seaports increased by 37% as compared to FY 2021. This increase is due to the increase in utility costs and the restoration of regular hours for employees.

FY 2022 AIRPORT REVENUES



FY 2022 SEAPORT REVENUES



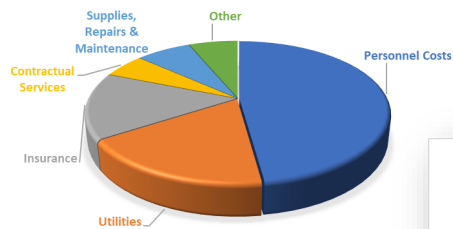
AIRPORT REVENUE	FY 2021	FY 2022	% Change
Aviation Fees	\$ 174,567	\$ 1,212,891	595%
Concession & Lease Income	\$ 1,060,515	\$ 2,884,048	172%
Other	\$ 80,559	\$ 667,074	728%
TOTAL	\$ 1,315,641	\$ 4,764,013	262%

SEAPORT REVENUE	FY 2021	FY 2022	% Change
Harbor Fees	\$ 4,950,798	\$ 5,119,141	3%
Concession & Lease Income	\$ 1,518,589	\$ 1,464,314	-4%
Other	\$ 761,249	\$ 1,017,719	34%
TOTAL	\$ 7,230,636	\$ 7,601,174	5%

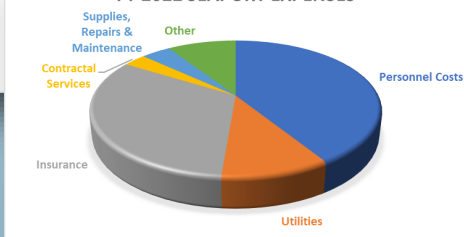
AIRPORT EXPENSES	FY 2021	FY 2022	% Change
Personnel Costs	\$ 5,291,871	\$ 7,059,367	33%
Utilities	\$ 1,704,394	\$ 2,664,497	56%
Insurance	\$ 1,818,033	\$ 2,256,093	24%
Contractual Services	\$ 1,034,632	\$ 807,789	-22%
Supplies, Repairs & Maintenance	\$ 865,400	\$ 1,046,861	21%
Other	\$ 873,500	\$ 931,455	7%
TOTAL	\$ 11,587,830	\$ 14,766,062	27%

SEAPORT EXPENSES	FY 2021	FY 2022	% Change
Personnel Costs	\$ 1,177,403	\$ 1,601,432	36%
Utilities	\$ 274,933	\$ 397,185	44%
Insurance	\$ 1,026,394	\$ 1,267,081	23%
Contractual Services	\$ 128,860	\$ 119,139	-8%
Supplies, Repairs & Maintenance	\$ 96,464	\$ 153,182	59%
Other	\$ 137,289	\$ 358,110	161%
TOTAL	\$ 2,841,343	\$ 3,896,129	37%

FY 2022 AIRPORT OPERATING EXPENSES



FY 2022 SEAPORT EXPENSES



OUTLOOK



- ◆ OLDCC Grant through CBMA—Owner Agent Engineer Program—contractual services for Project Management Support, CIP Technical Oversight, Airport Supplemental Baseline Condition Assessment, Seaport In-Water Condition Assessment and Ferry Terminal Planning—\$1,500,000.00
- ◆ CPA has applied for FAA ATP grants for the Rota Airport Roof Canopy Replacement Project. If approved, CPA anticipates funding by 2024. Project includes replacement of entire canopy and repairs to existing concrete roof.
- ◆ The U.S. Department of Transportation Rebuilding America infrastructure with Sustainability and Equality (RASE) grant program awarded the Commonwealth Ports Authority \$3,3135,000.00 for the Saipan Harbor Navigation Improvements. This planning project will study potential navigational improvements in the Saipan Harbor, for two potential future projects: 1) extend Charlie-1 Dock, and 2) associated dredging to allow larger vessels to dock at the port, including cruise ships and updated liquid bulk vessels.



CHALLENGES

- ⇒ **COVID 19:** The pandemic continues to affect travel to the CNMI which makes it difficult to forecast future budget.
- ⇒ **Loss of Airlines / Flights:** Since the inception of COVID-19, the majority of airlines ceased operations and have pulled out of the CNMI. There are currently four airlines that have resumed travel to Saipan
- ⇒ **Financial Constraints:** CPA employees were the first government employees to have their hours reduced and the last to be restored. CPA continues to implement cost-cutting measures on operational cost.
- ⇒ **Personnel Shortage:** All departments were faced with personnel shortage due to the tight cost-cutting measures. Only critical positions were approved for replacements.
- ⇒ **Trainings on Hold:** Departments' personnel job enhancement trainings were put on hold due to lack of funding since the pandemic.
- ⇒ **Rota Quarry:** Due to limited quarry operations, construction projects have been delayed. Contractors import quarry from Saipan or Guam driving the cost of construction up



ARFF Academy Courses

WHAT'S NEXT

- ◇ **Promote Additional Airlines:** CPA will continue to promote for additional airlines for international and inter-island travel and improve the airport facilities for better service.
- ◇ **Airport and Seaport Improvements:** CPA will continue to make improvements to its airports and seaports on Saipan, Tinian and Rota to ensure that passengers and cargoes are processed effectively and efficiently.

TRAINING AND EXERCISES

- ◇ **FAR Part 139 Live Fire Recertification:** Annual mandatory requirement for all airport fire fighters under FAR Part 139 to participate in a live fire recertification burn. Total number recertified only accounts for CPA's airport fire fighters from Saipan, Tinian and Rota for a total of 27.
- ◇ **Firearms Semi/Annual Recertification:** Mandatory Annual requirement for all Ports Police officers.
- ◇ **Canine Unit:** Under TSA National Explosive Detection Canine Team Program requires all Canine Teams to undergo an Annual Evaluation Exam
- ◇ **Triennial Exercise:** Mandatory every three years, every airport needs to conduct the Triennial Exercise to test its Airport Emergency Plan in order to meet FAR Part 139 requirements



Ports Police Firearms Bi-annual Recertification



NFPA	Certificate Issued	NFPA	Certificate Issued
1001-10 Fire Fighter I	27	1041-10 Fire Instructor I	0
1001-20 Fire Fighter II	17	1041-20 Fire Instructor II	0
1002-10 Driver/Operator FAEPF	23	1072-10 HazMat AW	67
1002-50 Driver/Operator ARF	13	1072-20 HazMat OPS	27
1003-10 Airport Fire Fighter	17	1072-30 HazMat OPS PPE	19
1021-10 Fire Officer I	0	1072-34 HazMat OPS PCMSC	19
1031-20 Fire Inspector II	0	1072-40 Hazardous Material Technician	15