

I Mina'trentai Sais Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
277-36 (COR) As amended by the Committee on Health, Land, Justice, and Culture; and further amended on the Floor	Therese M. Terlaje Telo T. Taitague Sabina F. Perez Telena Cruz Nelson Christopher M. Dueñas Joanne Brown	AN ACT TO ADD A NEW ARTICLE 2 TO CHAPTER 75A OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE CHAMORRO LAND TRUST COMMISSION (CLTC) TO ENTER INTO COMMERCIAL SUBMERGED LANDS LICENSE AGREEMENTS AND TO BE KNOWN AS THE GUAM UNDERSEA ACCESS FOR HOMES ACT (GUAHA).	3/15/22 2:44 p.m.	3/21/22	Committee on Health, Land, Justice, and Culture	4/22/22 3:30 p.m.	9/13/22 8:59 a.m. As amended by the Committee on Health, Land, Justice, and Culture	Request: 3/21/22 3/25/22	
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	NOTES			
	9/23/22	AN ACT TO ADD A NEW ARTICLE 2 TO CHAPTER 75A OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE CHAMORRO LAND TRUST COMMISSION (CLTC) TO ENTER INTO COMMERCIAL SUBMERGED LANDS LICENSE AGREEMENTS; AND TO BE KNOWN AS THE GUAM UNDERSEA ACCESS FOR HOMES ACT (GUAHA).	9/26/22	9/27/22	10/8/22				



COPY

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
Thirty-Sixth Guam Legislature

September 27, 2022

The Honorable Lourdes A. Leon Guerrero
I Maga'hågan Guåhan
Ufisinan I Maga'håga
Hagåtña, Guam 96910

Dear *Maga'håga* Leon Guerrero:

Transmitted herewith is **Bill No. 277-36 (COR)** which was passed by *I Mina'trentai Sais Na Liheslaturan Guåhan* on September 26, 2022.

Sincerely,

TINA ROSE MUNA BARNES
Acting Legislative Secretary

Enclosure (1)

**Georgiana
Rodrigues**


RCVD AT CENTRAL FILES
SEP 27 '22 PM5:08



I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2022 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*

This is to certify that **Bill No. 277-36 (COR), "AN ACT TO ADD A NEW ARTICLE 2 TO CHAPTER 75A OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE CHAMORRO LAND TRUST COMMISSION (CLTC) TO ENTER INTO COMMERCIAL SUBMERGED LANDS LICENSE AGREEMENTS; AND TO BE KNOWN AS THE GUAM UNDERSEA ACCESS FOR HOMES ACT (GUAHA),"** was on the 26th day of September 2022, duly and regularly passed

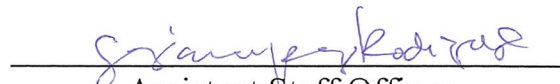

Therese M. Terlaje
Speaker

Attested:



Tina Rose Muña Barnes
Acting Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 27th day of September, 2022, at 5:08 o'clock P.M.



Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2022 (SECOND) Regular Session

Bill No. 277-36 (COR)

As amended by the Committee on Health, Land,
Justice, and Culture; and further amended on the Floor.

Introduced by:

Therese M. Terlaje
Telo T. Taitague
Sabina Flores Perez
Telenia Cruz Nelson
Christopher M. Dueñas
Joanne Brown
V. Anthony Ada
Frank Blas Jr.
James C. Moylan
Tina Rose Muña Barnes
Clynton E. Ridgell
Joe S. San Agustin
Amanda L. Shelton
Jose "Pedro" Terlaje
Mary Camacho Torres

**AN ACT TO ADD A NEW ARTICLE 2 TO CHAPTER 75A
OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE
TO AUTHORIZING THE CHAMORRO LAND TRUST
COMMISSION (CLTC) TO ENTER INTO
COMMERCIAL SUBMERGED LANDS LICENSE
AGREEMENTS; AND TO BE KNOWN AS THE *GUAM
UNDERSEA ACCESS FOR HOMES ACT (GUAHA)*.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1.** This Act shall be known and may be cited as the *Guam Undersea*
3 *Access for Homes Act (GUAHA)*.

1 **Section 2.** A new Article 2 is hereby *added* to Chapter 75A of Title 21,
2 Guam Code Annotated, to read as follows:

3 **“ARTICLE 2**

4 **GUAM UNDERSEA ACCESS FOR HOMES ACT (GUAHA)**

5 § 75A201. Title.

6 § 75A202. Legislative Findings and Intent.

7 § 75A203. Authorization to Enter into Commercial Submerged Lands
8 License Agreements with Telecommunication Providers.

9 § 75A204. Compensation for Submerged Lands License Agreements.

10 § 75A205. License Agreement Requirements.

11 § 75A206. Default and Termination.

12 § 75A207. Deposit of Revenues and Fees.

13 § 75A208. Authorization to Adopt New Fees After 2031.

14 § 75A209. Guam Coastal Management to Recommend Optimal Submerged
15 Cable Landings Sites.

16 § 75A210. Establishment of Fees.

17 § 75A211. Exemption from Commercial Leases and Licenses.

18 § 75A212. Other Submerged Licenses Allowed.

19 **§ 75A201. Title.**

20 This Article shall be known and may be cited as the *Guam Undersea Access*
21 *for Homes Act (GUAHA)*.

22 **§ 75A202. Legislative Findings and Intent.**

23 *I Liheslaturan Guåhan* finds that it is in the best interest of Guam to support
24 and facilitate the construction of fiber optic submarine cables between Guam and the
25 rest of the world to support future and current telecommunication requirements for
26 its residents and businesses. There are several fiber optic cable systems landing in
27 Guam providing connectivity to Guam. Several companies and consortiums have

1 expressed an interest to construct additional fiber optic cable systems or to extend
2 current leases, which will benefit Guam residents and businesses by creating more
3 connectivity and a more robust infrastructure to support modern commerce.

4 *I Liheslaturan Guåhan* further finds while the government of Guam
5 recognizes the importance of telecommunications cables and enhanced connection
6 capability to the future growth of Guam's economy, the government does not have
7 a uniform policy to govern the leasing of submerged lands for the purposes of
8 submarine cables, nor a plan for taking advantage of the placement of these cables
9 to diversify industry and economic investment fairly.

10 § 1705(a) of the Organic Act of Guam, regarding Tidelands, etc. Conveyed to
11 Guam, states that "subject to valid existing rights, all right, title, and interest of the
12 United States in lands permanently or periodically covered by tidal waters up to but
13 not above the line of mean high tide and seaward to a line three geographical miles
14 distant from the coastlines of the territories of Guam... are hereby conveyed to the
15 governments of Guam... as the case may be, to be administered in trust for the
16 benefit of the people thereof." The bulk of submerged lands on Guam is currently
17 under stewardship of the Chamorro Land Trust Commission (CLTC), and this
18 Article shall apply to CLTC submerged lands.

19 *I Liheslaturan Guåhan* further finds there is a need to update previous cable
20 License Agreements entered into by the government of Guam to bring all
21 telecommunications agreements more in line with the global market.

22 Therefore, it is the intent of *I Liheslaturan Guåhan* to authorize CLTC to
23 negotiate and enter into commercial submerged lands License Agreements for the
24 purpose of bringing additional telecommunications infrastructure for a period
25 exceeding the twenty-one (21) year limit authorized in § 75A122(a)(2) of this
26 Chapter subject to approvals and permits, and concurrence as required by U.S.
27 federal and local laws including permitting application review and approval from

1 the U.S. Army Corps of Engineers for work in U.S. waters, the Guam Coastal
2 Management Program Federal Consistency Certification requirements in accordance
3 with the Coastal Zone Management Act of 1972, and the Guam Territorial Seashore
4 Protection Commission pursuant to the Guam Territorial Seashore Protection Act of
5 1974 for work within the seashore reserve, Guam Environmental Protection Agency,
6 and the National Oceanic and Atmospheric Administration National Marine
7 Fisheries Service.

8 **§ 75A203. Authorization to Enter into Commercial Submerged Lands**
9 **License Agreements with Telecommunication Providers.**

10 (a) Notwithstanding any other provision of law, rule, or regulation, *I*
11 *Liheslaturan Guåhan* authorizes Chamorro Land Trust Commission (CLTC) to enter
12 into commercial submerged lands License Agreements for submerged lands under
13 its jurisdiction for the purpose of construction, installation, operation, maintenance,
14 and use of fiber optic cable telecommunications systems subject to the provisions of
15 this Article.

16 (b) The submerged lands to be licensed (Licensed Properties) shall extend
17 from the line of mean high tide and seaward to a line three (3) geographical miles
18 distant from the coastline and may include an approximate ten (10+/-) feet wide
19 corridor starting from the mean high tide watermark to the exit offshore for
20 underground conduit infrastructure that would consist of such number of submerged
21 cable ducts and landing pipes as necessary to operate its cable landing station;
22 provided, that the licensee shall not locate more than six (6) submarine cables and
23 landing pipes within the Licensed Property. The landing pipes may be installed using
24 the Horizontal Directional Drilling construction method, if required permits and
25 approvals, and concurrence allow. Cut and cover methods on the reef crest and
26 forereef are discouraged.

1 (c) Licensee shall provide to CLTC and Department of Land Management
2 the Global Positioning System [GPS] Survey Depiction of the final permitted
3 conduit infrastructure.

4 (d) Term. The License Agreement may be for a term of up to twenty-five
5 (25) years. Licensee may be afforded up to two (2) five (5)-year options to renew
6 such License Agreement at its election upon written notification to CLTC at least
7 one hundred eighty (180) days prior to the end of the twenty-fourth (24th) year of
8 the original term and one hundred eighty (180) days prior to the end of the first (1st)
9 five (5)-year option period. The License Agreement shall be subject to termination
10 by Licensee in the event that Licensee is unable to procure the necessary permits,
11 approvals, and concurrence for the construction and operation of the submarine and
12 terrestrial facilities to support the proposed submarine cable landing activity of
13 Licensee within three (3) years of the start of the term of the initial License
14 Agreement.

15 (e) Such License Agreement, subject to the terms stated herein, shall be
16 binding and enforceable in all respects on the CLTC upon execution.

17 (f) Non-Exclusivity and Non-Interference. Licensee acknowledges that the
18 Cable Easement is non-exclusive. However, CLTC may not unreasonably interfere
19 with the continued operation and maintenance of the Licensee's landing pipes and
20 manholes and will notify Licensee of any proposed crossing or parallel installation
21 at least sixty (60) calendar days (Notice Period) prior to any proposed installation,
22 unless installation is required due to an emergency. Licensee shall notify CLTC
23 within the Notice Period if they object to CLTC's intention to place conduit, utility
24 lines or any other structure or line within the subject easement and shall support with
25 plans and specifications to the satisfaction of CLTC the basis for any contention that
26 there is an unreasonable interference with Licensee's conduit. CLTC shall at its sole
27 discretion determine whether there is an unreasonable interference with Licensee's

1 landing pipes. CLTC shall be authorized to install any parallel or crossing
2 installation if it reasonably determines there is no unreasonable interference with
3 Licensee's landing pipes.

4 **§ 75A204. Compensation for Submerged Lands License Agreements.**

5 In exchange for those rights granted under the Submerged Land License
6 Agreement for up to six (6) cables, Licensee shall pay CLTC landing fees and annual
7 license fees according to the following schedule:

8 (a) For the first cable system: A landing fee of One Hundred
9 Thousand Dollars (\$100,000) shall be paid within thirty (30) days of approval
10 of the Bureau of Statistics & Plans Guam Coastal Management Program when
11 the construction, installation, or repair/upgrade of conduit infrastructure or
12 cables is required. In addition, an initial annual license payment in accordance
13 with § 75A204(h) shall be paid within thirty (30) days of the System
14 Operational Date (as defined in § 75A204(g) of this Article) of the first cable
15 system (First System Operational Date); and thereafter, an annual license
16 payment adjusted in accordance with § 75A204(i) shall be paid beginning on
17 the first anniversary of the First System Operational Date and continuing
18 annually for the term of the License Agreement. If no construction,
19 installation, or repair/upgrade of conduit infrastructure or cables is required,
20 only license payments in accordance with § 75A204(h), (i), and § 75A208
21 shall apply.

22 (b) For the second cable system: A landing fee of One Hundred
23 Thousand Dollars (\$100,000) shall be paid within thirty (30) days of approval
24 of the Bureau of Statistics & Plans Guam Coastal Management Program when
25 the construction, installation, or repair/upgrade of conduit infrastructure or
26 cables is required. In addition, an initial annual license payment in accordance
27 with § 75A204(h) shall be paid within thirty (30) days of the System

1 Operational Date (as defined in § 75A204(g) of this Article) of the second
2 cable system (Second System Operational Date); and thereafter, an annual
3 license payment adjusted in accordance with § 75A204(i) shall be paid
4 beginning on the first anniversary of the Second System Operational Date and
5 continuing annually for the term of the License Agreement. If no construction,
6 installation, or repair/upgrade of conduit infrastructure or cables is required,
7 only license payments in accordance with § 75A204(h), (i), and § 75A208
8 shall apply.

9 (c) For the third cable system: A landing fee of One Hundred
10 Thousand Dollars (\$100,000) shall be paid within thirty (30) days of approval
11 from the Bureau of Statistics & Plans Guam Coastal Management Program
12 when the construction, installation, or repair/upgrade of conduit infrastructure
13 or cables is required. In addition, an initial annual license payment in
14 accordance with § 75A204(h) shall be paid within thirty (30) days of the
15 System Operational Date (as defined in § 75A204(g) of this Article) of the
16 third cable system (Third System Operational Date); and thereafter, an annual
17 license payment adjusted in accordance with § 75A204(i) shall be paid
18 beginning on the first anniversary of the Third System Operational Date and
19 continuing annually for the term of the License Agreement. If no construction,
20 installation, or repair/upgrade of conduit infrastructure or cables is required,
21 only license payments in accordance with Section § 75A204(h), (i), and §
22 75A208 shall apply.

23 (d) For the fourth cable system: A landing fee of One Hundred
24 Thousand Dollars (\$100,000) shall be paid within thirty (30) days of approval
25 of the Bureau of Statistics & Plans Guam Coastal Management Program when
26 the construction, installation, or repair/upgrade of conduit infrastructure or
27 cables is required. In addition, an initial annual license payment in accordance

1 with § 75A204(h) shall be paid within thirty (30) days of the System
2 Operational Date (as defined in § 75A204(g) of this Article) of the fourth
3 cable system (Fourth System Operational Date); and thereafter, an annual
4 license payment adjusted in accordance with § 75A204(i) shall be paid
5 beginning on the first anniversary of the Fourth System Operational Date and
6 continuing annually for the term of the License Agreement. If no construction,
7 installation, or repair/upgrade of conduit infrastructure or cables is required,
8 only license payments in accordance with § 75A204(h), (i), and § 75A208
9 shall apply.

10 (e) For the fifth cable system: A landing fee of One Hundred
11 Thousand Dollars (\$100,000) shall be paid within thirty (30) days of approval
12 of the Bureau of Statistics & Plans Guam Coastal Management Program when
13 the construction, installation, or repair/upgrade of conduit infrastructure or
14 cables is required. In addition, an initial annual license payment in accordance
15 with § 75A204(h) shall be paid within thirty (30) days of the System
16 Operational Date (as defined in § 75A204(g) of this Article) of the fifth cable
17 system (Fifth System Operational Date); and thereafter, an annual license
18 payment adjusted in accordance with § 75A204(i) shall be paid beginning on
19 the first anniversary of the Fifth System Operational Date and continuing
20 annually for the term of the License Agreement. If no construction,
21 installation, or repair/upgrade of conduit infrastructure or cables is required,
22 only license payments in accordance with § 75A204(h), (i), and § 75A208
23 shall apply.

24 (f) For the sixth cable system: A landing fee of One Hundred
25 Thousand Dollars (\$100,000) shall be paid within thirty (30) days of approval
26 of the Bureau of Statistics & Plans Guam Coastal Management Program when
27 the construction, installation, or repair/upgrade of conduit infrastructure or

1 cables is required. In addition, an initial annual license payment in accordance
2 with § 75A204(h) shall be paid within thirty (30) days of the System
3 Operational Date (as defined in § 75A204(g) of this Article) of the sixth cable
4 system (Sixth System Operational Date); and thereafter, an annual license
5 payment adjusted in accordance with § 75A204(i) shall be paid beginning on
6 the first anniversary of the Sixth System Operational Date and continuing
7 annually for the term of the License Agreement. If no construction,
8 installation, or repair/upgrade of conduit infrastructure or cables is required,
9 only license payments in accordance with § 75A204(h), (i), and § 75A208
10 shall apply.

11 (g) The "System Operational Date" of each cable system shall be
12 that date at which the cable system is fully installed, the associated system-
13 wide testing is completed, and the cable system is approved to carry
14 commercial traffic. Licensee shall notify CLTC within thirty (30) days after
15 the establishment of the System Operational Date of each cable landing within
16 its submerged License Agreement. In the case of existing installed and
17 operational cable systems, the system operational date shall mean the start of
18 the term of the new License Agreement.

19 (h) Annual license fees for cable systems that have a System
20 Operational Date, from the enactment of this Article through December 31,
21 2031, shall be applied as follows:

22	(1)	Enactment - December 31, 2022	\$100,000
23	(2)	January 1 - December 31, 2023	\$102,000
24	(3)	January 1 - December 31, 2024	\$104,040
25	(4)	January 1 - December 31, 2025	\$106,121
26	(5)	January 1 - December 31, 2026	\$108,243
27	(6)	January 1 - December 31, 2027	\$110,408

(7)	January 1 - December 31, 2028	\$112,616
(8)	January 1 - December 31, 2029	\$114,868
(9)	January 1 - December 31, 2030	\$117,165
(10)	January 1 - December 31, 2031	\$119,509

(i) The annual fees for each cable system set forth in this Section shall be adjusted annually on the anniversary of the System Operational Date of each cable system, and for the remainder of the term. All recurring fees shall be adjusted and increased annually for inflation at a fixed rate of two percent (2%) per annum.

(j) The annual fees for each cable system set forth in this Section shall be applicable exclusively to License Agreements granted after the enactment of this Article. All unexpired existing License Agreements signed before enactment of this Article will be honored within the limits already set forth in their respective agreement.

(k) The Chamorro Land Trust Commission and staff shall also utilize this Section for operators with existing cable system agreements which may be expired or expiring who are seeking to renegotiate new Submerged Lands License Agreements.

(l) A cable system is defined as a single end-to-end undersea communications cable and associated facilities owned by a set of joint partners which lands in Guam, recognizing that a cable system may either (1) terminate in Guam via a single cable end, or (2) transit in and out of Guam via two (2) cable ends interconnected at a local cable landing station. A single landing fee and annual license would be applied to each cable system as articulated in Subsections (a), (b), (c), (d), (e), (f), (g), (h) and (i) of this Section or as provided for in other sections of law.

1 (1) “Undersea Cable” or “Submarine Cable” includes a cable
2 used to conduct electricity or light that is placed on the submerged or
3 submersible lands within the territorial sea of Guam.

4 (2) In either case, a single landing fee and annual license
5 would be applied to each cable system as articulated in Subsections (a),
6 (b), (c), (d), (e), (f), (g), (h) and (i) of this Section or as provided for in
7 other sections of law.

8 (3) CLTC reserves the right to modify the Guam Open Access
9 Link (GOAL) from time-to-time as appropriate. CLTC’s decision will
10 be in line with standard industry practices while final decisions are at
11 CLTC’s sole and absolute discretion subject to legislative approval.

12 (m) Existing Agreements set to expire within the six (6) month period
13 after the effective date of this Article may be extended for one (1) additional
14 six (6) month period upon written notification by Licensee to the CLTC unless
15 Licensee provides written notification to the CLTC denouncing such
16 extension within thirty (30) days of the effective date of this Article. The terms
17 of the Existing Agreement shall govern the terms of the six (6) month
18 extension period, except that for cables installed by Licensee prior to the
19 effective date of this Article, if the associated system-wide testing has not
20 been completed and cable system has not been approved to carry commercial
21 traffic prior to such date, it shall be governed by the provisions of this Article.

22 (n) For the purposes of Subsection (a)-(f) of this § 75A204, a landing
23 fee is required for cables that have been installed by Licensee prior to the
24 effective date of this Article if the associated system-wide testing has not been
25 completed and the cable system has not been approved to carry commercial
26 traffic prior to such date.

27 **§75A205. License Agreement Requirements.**

1 From and after the effective date of this Article, the following requirements
2 shall apply to and be incorporated in each submerged lands License Agreement
3 entered into with the CLTC for the construction, installation, operation,
4 maintenance, and use of fiber optic cable telecommunications systems:

5 (a) Interest for Late Payment. All license fees in arrears shall bear
6 interest at a rate of four percent (4%) per annum in excess of the prime rate,
7 calculated daily and compounded monthly, without demand, from the date it
8 should have been paid to CLTC, until actual payment to CLTC.

9 (b) Taxes. Any and all taxes, fees and assessments, to include taxes
10 on gross receipts and improvements to the Licensed Property, levied upon the
11 Licensed Property shall be borne and paid by Licensee upon execution of the
12 License Agreement.

13 (c) Insurance. The License Agreement shall require Licensee to
14 have:

15 (1) General Liability Insurance (GLI) that indemnifies and
16 holds CLTC and the government of Guam harmless, and shall require
17 Licensee to respond to CLTC requests for information on a timely
18 basis. Licensee shall procure, at its own cost and expense, and keep in
19 force during the term of the License Agreement for the mutual benefit
20 of CLTC and Licensee, a policy of General Liability Insurance with
21 such insurance company as CLTC shall approve, and in such amounts
22 as set forth in Subsection (c)(2) of this Section. A copy of such policies
23 shall be provided to CLTC at CLTC's request. CLTC may review the
24 foregoing limits of coverage and require increases therein but shall not
25 require increases more frequently than annually.

26 (2) Licensee shall procure and maintain for the duration of the
27 License Agreement General Liability Insurance against claims for

1 injuries to persons or damages to property which may arise from or in
2 connection with exercise of Licensee's rights under the Cable License
3 Agreement. The GLI shall be of the type, in the amounts, and subject
4 to the provisions described as follows:

5 (A) Commercial General Liability coverage with a limit
6 of not less than Two Million Dollars (\$2,000,000) per
7 occurrence;

8 (B) Business Automobile Liability Insurance with a
9 limit of not less than One Million Dollars (\$1,000,000) per
10 accident;

11 (C) Workers Compensation Insurance;

12 (D) Construction Payment and Performance Insurance
13 or bonding in an amount equal to One Million Dollars
14 (\$1,000,000). Coverage, however, may be discontinued after
15 recordation of the Notice of Termination of Construction
16 Easement.

17 (E) Evidence of Coverage:

18 (i) Prior to commencement of construction
19 under the License Agreement, Licensee shall file
20 certificates of insurance with original endorsements
21 evidencing coverage in compliance with this Section, and
22 in a form acceptable to CLTC. The certificate shall be on
23 an insurer's standard proof of insurance form.

24 (ii) Licensee shall provide to CLTC, upon
25 request, a complete copy, including all endorsements and
26 riders, of any applicable insurance policy.

1 (iii) During the Term, Licensee shall maintain
2 current valid proof of insurance coverage with CLTC at all
3 times. Proof of renewals shall be filed prior to expiration
4 of any required coverage and shall be provided on the
5 insurer's standard proof of insurance form.

6 (F) All insurance coverages shall be provided by
7 insurers with a rating of A-, VII, or better in the most recent
8 edition of Best's Key Rating Guide, Property-Casualty Edition.

9 (G) Each insurance policy shall be endorsed to state that
10 coverage shall not be suspended, voided, or canceled, and shall
11 not be reduced in coverage or limits, except after thirty (30) days
12 prior written notice is provided to CLTC. Upon prior request of
13 the carrier, the notice period may be reduced to ten (10) days in
14 the event of non-payment of premium.

15 (H) All liability coverages shall name CLTC, and every
16 elected official, officer, attorneys, agent, and employee of CLTC,
17 as additional insureds with respect to activities undertaken
18 pursuant to the Cable License Agreement or the construction
19 easement.

20 (I) Licensee's insurance and any insurance provided in
21 compliance with these specifications shall be primary with
22 respect to any insurance programs covering CLTC.

23 (J) Where available, the insurer shall agree to waive all
24 rights of subrogation against the CLTC and every officer, agent,
25 and employee of CLTC.

26 (K) In the event that Licensee does not provide
27 continuous insurance coverage, CLTC shall have the right, but

1 not the obligation, to obtain the required insurance coverage at
2 Licensee's cost, and reimbursement of insurance costs shall
3 become a material obligation of the Cable License Agreement.

4 (L) As an alternative to all other requirements of this
5 Section, Licensee may provide self-insurance reasonably
6 satisfactory in kind and amount to CLTC.

7 (M) On or after the fifteenth (15th) anniversary of the
8 Commencement Date, CLTC may increase the minimum amount
9 of the required commercial General Liability Insurance to Four
10 Million Dollars (\$4,000,000) per occurrence by giving written
11 notice to Licensee within thirty (30) days prior to the expiration
12 of Licensee's GLI policy.

13 (d) The general public shall have the right to use the seafloor, water
14 column, and sea surface to enter on or cross any portion of the Licensed
15 Property for fishing and other recreational purposes. Anchoring or any
16 destructive activities to the Licensee's infrastructure is prohibited. CLTC
17 reserves the right to itself and to the agents and representatives of the
18 government of Guam, to enter on and cross any portion of the Licensed
19 Property for the purpose of performing any public or official duties; provided,
20 however, that in the exercise of such rights, CLTC and the general public shall
21 not unreasonably interfere with Licensee's use and enjoyment of the rights
22 granted by the License Agreement.

23 (e) The Licensed Property may be occupied and used by Licensee
24 solely for the activities proposed by Licensee and for incidental purposes
25 related to the landing of submarine cables. In no event shall Licensee conduct
26 any activity on the Licensed Property without obtaining all requisite

1 authorizations and permits from the appropriate Guam and federal
2 government agencies or authorities.

3 (f) Compliance with Environmental Laws. All activities on
4 Licensed Property shall be in compliance and maintained in accordance with
5 existing federal and local environmental laws, including permitting
6 application review and approval from the U.S. Army Corps of Engineers for
7 work in U.S. waters, the Guam Coastal Management Program (GCMP)
8 Consistency Certification in accordance with the Coastal Zone Management
9 Act of 1972, and the Guam Territorial Seashore Protection Commission
10 pursuant to the Guam Territorial Seashore Protection Act of 1974 for work
11 within the seashore reserve, Guam Environmental Protection Agency, and the
12 National Oceanic and Atmospheric Administration (NOAA) National Marine
13 Fisheries. Failure to comply with environmental laws shall be a material
14 default by Licensee.

15 (g) Licensee shall comply with all requirements imposed under all
16 such authorizations and permits and, more generally, shall comply with all
17 applicable Guam and federal government laws, rules, and regulations relating
18 to its activities on the Licensed Property. Licensee shall comply with
19 applicable federal laws, including the Submarine Cable Act of 1921 and the
20 Communications Acts of 1934, as amended, and rules and regulations of the
21 Federal Communications Commission applicable to its interstate and
22 international submarine cable landing authorizations and licensure, including
23 annual reporting obligations. The rights of Licensee under the License
24 Agreement are personal to Licensee and may not be transferred or assigned to
25 any other person, firm, corporation or other entity without the prior written
26 consent of CLTC, which consent shall not be unreasonably withheld; provided
27 however, that Licensee may, without CLTC's consent, lease or transfer

1 conduit or duct space to third parties landing submarine cables; and provided
2 further, that Licensee may, without CLTC's consent, assign its rights to any
3 person acquiring all of Licensee's assets in Guam on condition that the
4 assignee assumes all of Licensee's obligations under the License Agreement.

5 (h) Improvements to CLTC Property. The License Agreement shall
6 require that any improvements made to or upon Licensed Property shall
7 belong in title to the CLTC upon termination or expiration of the License
8 Agreement, and that any removal required by the CLTC of improvements or
9 items remaining on the property shall be the responsibility of Licensee at no
10 cost to the CLTC; provided, however, that upon a finding by the CLTC, in
11 consultation with the GCMP, that removal of any improvements will cause
12 more environmental damage than to abandon such improvements in place,
13 Licensee may be permitted to abandon such improvements, or any portion
14 approved by the CLTC, without any further financial or legal responsibility
15 for such abandoned improvements.

16 **§75A206. Default and Termination.**

17 From and after the effective date of this Article, the following provisions shall
18 apply to and be incorporated into any submerged lands License Agreement entered
19 into with the CLTC:

20 (a) Any failure to comply with this Article, the License Agreement,
21 or a material term of the conditions of any government approval, permit, and
22 concurrence shall be considered a material breach of the License Agreement.
23 The party aggrieved by such breach may deliver a "Notice of Default" to the
24 party in breach specifying such noncompliance and the appropriate cure.
25 Except as otherwise provided in this Article, if the breach has not been
26 corrected within a period of ninety (90) days after receipt of the Notice of
27 Default, then the aggrieved party may terminate the License Agreement.

1 Notwithstanding the foregoing, if the breach cannot reasonably be corrected
2 during its applicable cure period, then the aggrieved party may not terminate
3 the License Agreement if the breaching party begins to correct such
4 noncompliance during the cure period and diligently pursues corrective
5 measures to completion.

6 (b) Upon termination or expiration of the License Agreement, unless
7 extended pursuant to the terms of the License Agreement, the License
8 Agreement shall become null and void, except that CLTC may enforce any
9 and all obligations of Licensee arising out of acts or omissions occurring prior
10 to such termination or expiration.

11 (c) Without limiting any other remedies the CLTC may have arising
12 out of the License Agreement or at law in respect of any default in the
13 performance of Licensee's obligations under the License Agreement, the
14 CLTC shall have the right, in the case of any default and without any re-entry
15 or termination of the License Agreement, to enter upon the Licensed Property
16 and cure or attempt to cure such default (but this shall not obligate the CLTC
17 to cure or attempt to cure any such default or, after having commenced to cure
18 or attempt to cure such default, prevent the CLTC from ceasing to do so) and
19 Licensee shall promptly reimburse to the CLTC any expense incurred by the
20 CLTC in so doing and the same shall be recoverable.

21 (d) The License Agreement may be terminated in any of the
22 following events (each an "Event of Default"):

23 (1) If license fees or any part thereof shall not be paid on any
24 day when such payment is due, CLTC may, at any time thereafter, give
25 notice of such failure to Licensee, and if the failure is not remedied by
26 Licensee within five (5) days after the giving of such notice; or

1 (2) If Licensee fails or neglects to perform or comply with any
2 of the terms, covenants or conditions contained in the License
3 Agreement (other than the covenants to pay license fees) on the part of
4 Licensee to be performed or observed, CLTC may, at any time
5 thereafter, give notice of such failure or neglect to Licensee:

6 (A) if the matter complained of in such notice is capable
7 of being remedied by the payment of money, has not corrected
8 the matter complained of within a period of five (5) days after
9 the giving of such notice; or

10 (B) if the matter complained of in such notice is not
11 capable of being remedied by the payment of money has not
12 corrected the matter complained of within a period of twenty (20)
13 days after the giving of such notice, or if a period of more than
14 such twenty (20) days is reasonably required to remedy, with
15 reasonable diligence, the matters complained of in such notice,
16 has not forthwith commenced to remedy the same and diligently
17 prosecute the remedying of the same to completion; or

18 (C) if an event of insolvency shall have occurred with
19 respect to Licensee; or

20 (D) a breach of an obligation by Licensee which has
21 resulted in cancellation of insurance coverage where Licensee
22 has not prior to or concurrent with such cancellation replaced
23 such coverage with comparable coverage or breach of an
24 obligation where there has been a notice of cancellation of
25 insurance coverage which has not been cured and where
26 Licensee has not, within the period of time set out in such notice,
27 or within ten (10) days where no period is set out therein,

1 replaced such coverage with comparable coverage or which is
2 otherwise a breach of the obligations respecting insurance; or

3 (E) abandonment of the project by Licensee; the CLTC,
4 at its option, may terminate the License Agreement by notice to
5 Licensee, in which event such termination shall be effective
6 immediately upon the delivery of such notice and may enter upon
7 the Licensed Property with or without process of law and take
8 possession thereof.

9 (F) if a cable is decommissioned by Licensee, Licensee,
10 at its option, may terminate the License Agreement by providing
11 written notice to the CLTC, in which event such termination shall
12 be effective twelve (12) months after the delivery of such notice
13 and CLTC may enter upon the Licensed Property and take
14 possession thereof. Upon termination by Licensee, all fees
15 (landing and annual) shall cease for the decommissioned cable.

16 **§ 75A207. Deposit of Revenues and Fees.**

17 Revenues from fees and interest generated from any commercial submerged
18 lands License Agreement(s) authorized in this Article shall be deposited into the
19 Chamorro Land Trust Survey and Infrastructure Fund to be used for all authorized
20 purposes of that Fund.

21 **§ 75A208. Authorization to Adopt New Fees After 2031.**

22 The CLTC shall adopt new landing fees and license fees for submerged lands
23 License Agreements beginning January 1, 2032, and may amend landing and license
24 fees thereafter, subject to the provisions of the Administrative Adjudication Act. The
25 new landing fees shall not be less than One Hundred Thousand Dollars (\$100,000)
26 and license fees shall not be less than One Hundred Twenty-one Thousand Eight
27 Hundred Ninety-nine Dollars (\$121,899) per cable system with a minimum two

1 percent (2%) annual escalation per cable system beginning January 1, 2032, and
2 thereafter. License Agreements entered into after 2032 shall begin at no less than the
3 corresponding annual escalated rate.

4 In the absence of and pending the adoption of new landing fees and license
5 fees pursuant to this Section, the landing fee of One Hundred Fifty Thousand Dollars
6 (\$150,000) shall apply, and the license fees for 2032 shall begin at One Hundred
7 Twenty-one Thousand Eight Hundred Ninety-nine Dollars (\$121,899) per cable
8 system with a minimum two percent (2%) annual escalation per cable system and
9 shall begin at the corresponding annual escalated rate for that year for agreements
10 entered into after 2032.

11 **§ 75A209. Guam Coastal Management to Recommend Optimal**
12 **Submerged Cable Landing Sites.**

13 Within twelve (12) months of the enactment of this Article, the Guam Coastal
14 Management Program (GCMP) shall establish guidelines for initial and periodic
15 review of optimal areas for the landing of submarine cables, and make
16 recommendations to the CLTC which shall be compatible with and minimize
17 adverse impacts to the surrounding coastal area's environment, aesthetic quality, and
18 beach accessibility for fishing and recreation. The areas shall include options for
19 safety corridors, cable landing zones, and multiple access points to strengthen
20 telecommunications connectivity through redundancy in the face of adverse events,
21 including natural disasters and inadvertent breaks to cables caused by human error,
22 as well as provide for the orderly sitings of future cable landings for Guam. The
23 recommendations shall be consistent with the guidelines set forth by federal and
24 local law, including, but not limited to, the Coastal Zone Management Act of 1972
25 and the Guam Territorial Seashore Protection Act of 1974, as well as be consistent
26 with rules promulgated by the Guam Environmental Protection Agency and the
27 Department of Agriculture. CLTC may consult with GCMP, the NOAA National

1 Marine Fisheries Service, and the U.S. Army Corps of Engineers prior to finalizing
2 any future leases of submerged lands. GCMP and CLTC shall consider employing
3 the International Cable Protection Committee's Government Best Practices for
4 Protecting and Promoting Resilience of Submarine Telecommunications Cables.

5 **§ 75A210. Establishment of Fees.**

6 The Bureau of Statistics and Plans may establish a schedule of fees, in
7 accordance with the Administrative Adjudication Law (Title 5 GCA Chapter 9), to
8 be charged for applications when the construction, installation, or repair/upgrade of
9 conduit infrastructure or cables is required. The schedule of fees shall be sufficient
10 to recover the costs associated with the review and approval of applications, the
11 initial and periodic review of optimal areas for the landing of submarine cables, and
12 other costs incurred from ensuring compliance and the monitoring of submarine
13 cables landed on Guam.

14 **§ 75A211. Exemption from Commercial Leases and Licenses.**

15 Submerged Lands License Agreements pursuant to this Article shall not be
16 subject to § 75A122 of Chapter 75A and § 75122 of Chapter 75, both of Title 21,
17 Guam Code Annotated.

18 **§ 75A212. Other Submerged Licenses Allowed.**

19 Nothing herein shall prevent the CLTC from leasing, licensing, or reserving
20 submerged lands for other purposes, including aquaculture, consistent with law and
21 environmental concerns."

22 **Section 3.** The Guam Compiler of Laws is authorized to designate 21 GCA
23 Chapter 75A as Article 1.

24 **Section 4. Exemption from Appraisals.** § 2107(b) of Chapter 2, Title 2,
25 Guam Code Annotated, and Section 6.04(c)(1) of the Standing Rules of *I*
26 *Mina'trentai Sais Na Liheslaturan Guåhan* relative to land appraisals, shall not apply
27 to this Act or License Agreements pursuant to this Act.

1 **Section 5. Effective Date.** This Act shall be effective upon enactment.

2 **Section 6. Severability.** If any provision of this Act or its application to any
3 person or circumstance is found to be invalid or contrary to law, such invalidity shall
4 not affect other provisions or applications of this Act that can be given effect without
5 the invalid provision or application, and to this end the provisions of this Act are
6 severable.