

*I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN*  
**Informational Briefing/Hearing/ Oversight Hearing / Roundtable Hearing**

STANDING COMMITTEE / SENATOR	HEARING	COMMITTEE REPORT	HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
Committee on Education, Self-Determination and Historic Preservation, Infrastructure, Border Safety, Federal and Foreign Affairs, and Maritime Transportation	Oversight Hearing	Digital Oversight Committee Report on the Guam Customs and Quarantine Agency	2/9/21 10:00 a.m.	3/30/21 2:39 p.m.	




# THE OFFICE OF SENATOR TELENA CRUZ NELSON

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN | 36th GUAM LEGISLATURE

COMMITTEE ON  
EDUCATION,  
SELF DETERMINATION  
AND HISTORIC  
PRESERVATION,  
INFRASTRUCTURE,  
BORDER SAFETY,  
FEDERAL AND  
FOREIGN AFFAIRS,  
AND  
MARITIME  
TRANSPORTATION

March 11, 2021

**The Honorable Tina Rose Muña Barnes** 

Chairperson

Committee on Rules

*I Mina'trentai Sais na Liheslaturan Guåhan*

163 Chalan Santo Papa

*Hagåtña*, Guam 96910

**RE: Committee Report on Virtual Oversight Hearing on Guam Customs and Quarantine Agency**

*Håfa Adai* Chairperson Muña Barnes:

Transmitted herewith is the Committee Report on the Guam Customs and Quarantine Agency to discuss cargo throughput inspection schedule: per day, per month, and per year for Fiscal Years 2017, 2018, 2019 and 2020; staffing pattern: K9 unit handlers for Fiscal Years 2017, 2018, 2019 and 2020; and Customs Fines and Penalties Revolving Fund status: manifest information for all incoming cargo containership prior to Guam's point of entry relative to Public Law 35-105.

Sincerely,



**Senator Telena Cruz Nelson**

Chairperson

Committee on Education, Self-Determination and Historic Preservation, Infrastructure, Border Safety, Federal and Foreign Affairs, and Maritime Transportation

**COMMITTEE ON RULES**

**RECEIVED:**

March 11, 2021

2:14 P.M.



**Revisions Rec'd:**

March 30, 2021 @ 12:48 P.M.



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AND  
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TRANSPORTATION

## COMMITTEE REPORT

### VIRTUAL OVERSIGHT HEARING

On

**Guam Customs and Quarantine Agency to discuss cargo throughput inspection schedule: per day, per month, and per year for Fiscal Years 2017, 2018, 2019 and 2020; staffing pattern: K9 unit handlers for Fiscal Years 2017, 2018, 2019 and 2020; and Customs Fines and Penalties Revolving Fund status: manifest information for all incoming cargo containership prior to Guam's point of entry relative to Public Law 35-105.**

**by Senator Telena Cruz Nelson**



Telena Cruz Nelson <senatortcnelson@guamlegislature.org>

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## **FIRST NOTICE of Virtual Oversight Hearing on Tuesday, February 9, 2021 at 10:00 a.m.**

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Office of Senator Telena Cruz Nelson <senatortcnelson@guamlegislature.org>

Fri, Jan 29, 2021 at 8:00 AM

To: phnotice@guamlegislature.org

Cc: Ed Pocaigue <sgtarms@guamlegislature.org>, mis <mis@guamlegislature.org>, Audio / Video <av@guamlegislature.org>

Bcc: ike.peredo@cqa.guam.gov, Vince Perez-Customs <vincent.perez@cqa.guam.gov>, philip.taijeron@cqa.guam.gov, darlene.merfalen@cqa.guam.gov, k9@cqa.guam.gov

January 29, 2021

### **MEMORANDUM**

To: All Honorable Senators, Stakeholders and Media

From: Senator Telena Cruz Nelson

Subject: **FIRST NOTICE of Virtual Oversight Hearing on Tuesday, February 9, 2021 at 10:00 a.m.**

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#### **Tuesday, February 9, 2021 at 10:00 a.m.**

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#### **Guam Customs and Quarantine Agency:**

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- Cargo throughput inspection schedule: per day, per month, and per year for Fiscal Years 2017, 2018, 2019, and 2020;
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Written testimonies may be delivered to the Office of Senator Telena Cruz Nelson at 173 Aspinall Avenue, Suite 202A, Ada Plaza Center, Hagåtña, Guam 96910 or via email to [senatortcnelson@](mailto:senatortcnelson@guamlegislature.org)

[guamlegislature.org](http://guamlegislature.org). The Committee requests that testimonies be submitted at least forty-eight (48) hours prior to the scheduled hearing. In compliance with the Americans with Disabilities Act (ADA), individuals requiring assistance or accommodations should contact the Office of Senator Telena Cruz Nelson via phone call at 671-989-7696 or via email at [senatortnelson@guamlegislature.org](mailto:senatortnelson@guamlegislature.org).

The hearing will broadcast on local television, GTA Channel 21, Docomo Channel 117/60.4, and stream online via I Liheslaturan Guåhan's live feed on YouTube. A recording of the hearing will be available online via Guam Legislature Media on YouTube after the hearing. We look forward to your participation!

*Si Yu'os Ma'åse'!*



**The Office of Senator Telena Cruz Nelson**

*Committee on Education & Infrastructural Advancement, Border  
Protection & Maritime Transportation, Guåhan Preservation  
& Self-Determination, & Federal & Foreign Relations*

I Mina'trentai Sais na Liheslaturan Guåhan | 36th Guam Legislature

173 Aspinall Avenue, Suite 202A Ada Plaza Center, Hagåtña, Guam 96910

**Phone:** (671) 989-7696/4678

**Email:** [senatortnelson@guamlegislature.org](mailto:senatortnelson@guamlegislature.org)



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COMMITTEE ON

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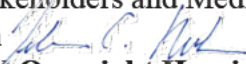
BORDER  
PROTECTION AND  
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GUÅHAN  
PRESERVATION AND  
SELF-DETERMINATION

FEDERAL AND  
FOREIGN RELATIONS

January 29, 2021

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*Si Yu'os Ma'åse'!*



Telena Cruz Nelson <senatortcnelson@guamlegislature.org>

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**SECOND NOTICE of Virtual Oversight Hearing on Tuesday, February 9, 2021 at 10:00 a.m.**

1 message

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**Office of Senator Telena Cruz Nelson** <senatortcnelson@guamlegislature.org>

Thu, Feb 4, 2021 at 8:00 AM

To: phnotice@guamlegislature.org

Cc: Ed Pocaigue <sgtarms@guamlegislature.org>, mis <mis@guamlegislature.org>, Audio / Video <av@guamlegislature.org>

Bcc: ike.peredo@cqa.guam.gov, Vince Perez-Customs <vincent.perez@cqa.guam.gov>, philip.taijeron@cqa.guam.gov, darlene.merfalen@cqa.guam.gov, k9@cqa.guam.gov, Rory Respicio <rjrespicio@portofguam.com>

February 4, 2021

**MEMORANDUM**

To: All Honorable Senators, Stakeholders and Media

From: Senator Telena Cruz Nelson

Subject: **SECOND NOTICE of Virtual Oversight Hearing on Tuesday, February 9, 2021 at 10:00 a.m.**

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**The Office of Senator Telena Cruz Nelson**

*Committee on Education & Infrastructural Advancement, Border*

*Protection & Maritime Transportation, Guåhan Preservation*

*& Self-Determination, & Federal & Foreign Relations*

I Mina'trentai Sais na Liheslaturan Guåhan | 36th Guam Legislature

173 Aspinall Avenue, Suite 202A Ada Plaza Center, Hagåtña, Guam 96910

**Phone:** (671) 989-7696/4678

**Email:** [senatortcnelson@guamlegislature.org](mailto:senatortcnelson@guamlegislature.org)





# THE OFFICE OF SENATOR TELENA CRUZ NELSON

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN | 36th GUAM LEGISLATURE

COMMITTEE ON

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ADVANCEMENT

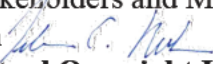
BORDER  
PROTECTION AND  
MARITIME  
TRANSPORTATION

GUÅHAN  
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FEDERAL AND  
FOREIGN RELATIONS

February 4, 2021

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To: All Honorable Senators, Stakeholders and Media  
From: Senator Telena Cruz Nelson   
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*Si Yu'os Ma'åse'!*



Telena Cruz Nelson <senatortcnelson@guamlegislature.org>

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## **RESCIND AND REPLACE (REVISED TIME)SECOND NOTICE of Virtual Oversight Hearing on Tuesday, February 9,2021 at 1:00 P.M.**

1 message

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**Office of Senator Telena Cruz Nelson** <senatortcnelson@guamlegislature.org>

Fri, Feb 5, 2021 at 3:43 PM

To: phnotice@guamlegislature.org

Cc: mis <mis@guamlegislature.org>, Ed Pocaigue <sgtarms@guamlegislature.org>, Audio / Video <av@guamlegislature.org>

Bcc: ike.peredo@cqa.guam.gov, Vince Perez-Customs <vincent.perez@cqa.guam.gov>, philip.taijeron@cqa.guam.gov, darlene.merfalen@cqa.guam.gov, k9@cqa.guam.gov, Rory Respicio <rjrespicio@portofguam.com>

February 5, 2021

### **MEMORANDUM**

To: All Honorable Senators, Stakeholders and Media

From: Senator Telena Cruz Nelson

Subject: **RESCIND AND REPLACE (REVISED TIME) SECOND NOTICE of Virtual Oversight Hearing on Tuesday, February 9, 2021 at ~~10:00 a.m.~~1:00 P.M.**

-

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I Mina'trentai Sais na Liheslaturan Guåhan | 36th Guam Legislature

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February 5, 2021

## MEMORANDUM

To: All Honorable Senators, Stakeholders and Media  
From: Senator Telena Cruz Nelson  
Subject: **RESCIND AND REPLACE (REVISED TIME) SECOND NOTICE of Virtual Oversight Hearing on Tuesday, February 9, 2021 at ~~10:00 a.m.~~ 1:00 P.M.**

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Fri, Feb 5, 2021 at 4:50 PM

To: phnotice@guamlegislature.org

Cc: Ed Pocaigue <sgtarms@guamlegislature.org>, mis <mis@guamlegislature.org>, Audio / Video  
<av@guamlegislature.org>

Bcc: ike.peredo@cqa.guam.gov, Vince Perez-Customs <vincent.perez@cqa.guam.gov>, philip.taijeron@cqa.guam.gov,  
darlene.merfalen@cqa.guam.gov, k9@cqa.guam.gov, Rory Respicio <rjrespicio@portofguam.com>

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**ZOOM LINK: Virtual Oversight Hearing on Tuesday, February 9, 2021 at 1:00 p.m.**

1 message

**Office of Senator Telena Cruz Nelson** <senatortcnelson@guamlegislature.org> Mon, Feb 8, 2021 at 8:00 AM

To: "Hon. Therese M. Terlaje" <senatorterlajeguam@gmail.com>, Vice Speaker Tina Rose Muña Barnes <senatormunabarnes@guamlegislature.org>, "Hon. Amanda L. Shelton" <officeofsenatorshelton@guamlegislature.org>, Vice Speaker Telena Cruz Neslson <senatortcnelson@guamlegislature.org>, "Hon. Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, "Senator Clynton E. Ridgell" <clyntridgell@guamlegislature.org>, Senator Sabina Perez <office@senatorperez.org>, Senator Jose Pedro Terlaje <senatorpedo@senatorjpterlaje.com>, "Senator Telo T. Taitague" <senatortelot@gmail.com>, Office of Senator Moylan Guam Legislature <officeofsenatormoylan@guamlegislature.org>, "Senator Mary C. Torres" <senatormary@guamlegislature.org>, vanthonyada@gmail.com, "Honorable Senator Frank Blas, Jr." <office@senatorfrankblas.com>, senatorchrisduenas@gmail.com, j.msbrown@yahoo.com

Cc: Audio / Video <av@guamlegislature.org>, mis <mis@guamlegislature.org>

Bcc: ike.peredo@cqa.guam.gov, Vince Perez-Customs <vincent.perez@cqa.guam.gov>, philip.taijeron@cqa.guam.gov, darlene.merfalen@cqa.guam.gov, k9@cqa.guam.gov, Rory Respicio <rjrespicio@portofguam.com>

*Håfa adai* Senators and Stakeholders,

Please find below the link to participate in the Virtual Oversight Hearing via the Zoom Conference platform, scheduled for Tuesday, February 9, 2021 at 1:00 p m.

Please do not share the following hearing link with persons who have not confirmed participation with the Office of Senator Telena Cruz Nelson and direct them to register via email at [senatortcnelson@guamlegislature.org](mailto:senatortcnelson@guamlegislature.org) or call 989-7696. All others may watch the broadcast live on GTA Channel 21, Docomo Channel 60-4 and 112-4 and live-streamed via the Guam Legislature YouTube Channel.

Guam Legislature is inviting you to a scheduled Zoom meeting.

Topic: Virtual Oversight Hearing - Senator Telena C. Nelson

Time: Feb 9, 2021 10:00 AM Guam, Port Moresby

Join Zoom Meeting



Meeting ID: [Redacted]

Passcode: [Redacted]

We ask for your cooperation and assistance in order to ensure a smooth and productive hearing by following the virtual guidelines:

1. Please LOG IN **no later than 12:45 p.m.** We will go live at 1:00 p m.;
2. Please ensure that your VIDEO remains ON and you are visible throughout the hearing;
3. Participants must be visible at all times and as much as possible, not engaged in other activity during the hearing;
4. As much as possible, log in from an area with good lighting and little to no background noise and good internet connectivity;
5. Please MUTE your AUDIO unless called upon to present, respond or to ask questions;
6. Further hearing protocol and decorum requirements will be announced at the beginning of the hearing;
7. If you are having technical difficulties, kindly log off and return using the same link, we will work toward reconnecting you.
8. You may contact the Guam Legislature MIS Division at [mis@guamlegislature.org](mailto:mis@guamlegislature.org) if you are having technical issues.
9. Further hearing protocol and decorum requirements will be announced at the beginning of the hearing.

Please let me know if you have any questions.

--

**The Office of Senator Telena Cruz Nelson**





*Committee on Education & Infrastructural Advancement, Border  
Protection & Maritime Transportation, Guåhan Preservation  
& Self-Determination, & Federal & Foreign Relations*

I Mina'trentai Sais na Liheslaturan Guåhan | 36th Guam Legislature

173 Aspinall Avenue, Suite 202A Ada Plaza Center, Hagåtña, Guam 96910

**Phone:** (671) 989-7696/4678

**Email:** [senatortcnelson@guamlegislature.org](mailto:senatortcnelson@guamlegislature.org)



Telena Cruz Nelson <senatortcnelson@guamlegislature.org>

## Google Drive Link: Virtual Oversight Hearing on Tuesday, February 9, 2021 at 1:00 p.m.

1 message

**Office of Senator Telena Cruz Nelson** <senatortcnelson@guamlegislature.org> Tue, Feb 9, 2021 at 8:26 AM  
To: "Hon. Therese M. Terlaje" <senatorterlajeguam@gmail.com>, Vice Speaker Tina Rose Muña Barnes <senatormunabarnes@guamlegislature.org>, "Hon. Amanda L. Shelton" <officeofsenatorshelton@guamlegislature.org>, Vice Speaker Telena Cruz Nelson <senatortcnelson@guamlegislature.org>, "Hon. Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, "Senator Clynton E. Ridgell" <clyntridgell@guamlegislature.org>, Senator Sabina Perez <office@senatorperez.org>, Senator Jose Pedro Terlaje <senatorpedo@senatorjpterlaje.com>, "Senator Telo T. Taitague" <senatortelot@gmail.com>, Office of Senator Moylan Guam Legislature <officeofsenatormoylan@guamlegislature.org>, "Senator Mary C. Torres" <senatormary@guamlegislature.org>, senatorvanthoniyada@gmail.com, "Honorable Senator Frank Blas, Jr." <office@senatorfrankblas.com>, senatorchrisduenas@gmail.com, j.msbrown@yahoo.com  
Cc: mis <mis@guamlegislature.org>, Audio / Video <av@guamlegislature.org>, Ed Pocaigue <sgtarms@guamlegislature.org>  
Bcc: ike.peredo@cqa.guam.gov, Vince Perez-Customs <vincent.perez@cqa.guam.gov>, philip.taijeron@cqa.guam.gov, darlene.merfalen@cqa.guam.gov, k9@cqa.guam.gov, Rory Respicio <rjrespicio@portofguam.com>

*Buenas yan Hafa Adai,*

Documents for the Virtual Oversight Hearing scheduled for Tuesday, February 9, 2021 at 1:00 p.m. can be accessed at the following link:

[REDACTED]

Guam Legislature is inviting you to a scheduled Zoom meeting.

Topic: Virtual Oversight Hearing - Senator Telena C. Nelson  
Time: Feb 9, 2021 10:00 AM Guam, Port Moresby

Join Zoom Meeting

[REDACTED]

Meeting ID: [REDACTED]  
Passcode: [REDACTED]

We ask for your cooperation and assistance in order to ensure a smooth and productive hearing by following the virtual guidelines:

1. Please LOG IN **no later than 12:45 p.m.** We will go live at 1:00 p.m.;
2. Please ensure that your VIDEO remains ON and you are visible throughout the hearing;
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9. Further hearing protocol and decorum requirements will be announced at the beginning of the hearing.

Please let me know if you have any questions.

--

The Office of Senator Telena Cruz Nelson



*Committee on Education & Infrastructural Advancement, Border  
Protection & Maritime Transportation, Guåhan Preservation  
& Self-Determination, & Federal & Foreign Relations*

I Mina'trentai Sais na Liheslaturan Guåhan | 36th Guam Legislature

173 Aspinall Avenue, Suite 202A Ada Plaza Center, Hagåtña, Guam 96910

**Phone:** (671) 989-7696/4678

**Email:** [senatortcnelson@guamlegislature.org](mailto:senatortcnelson@guamlegislature.org)



# THE OFFICE OF SENATOR TELENA CRUZ NELSON

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN | 36th GUAM LEGISLATURE

COMMITTEE ON  
EDUCATION,  
SELF DETERMINATION  
AND HISTORIC  
PRESERVATION,  
INFRASTRUCTURE,  
BORDER SAFETY,  
FEDERAL AND  
FOREIGN AFFAIRS,  
AND  
MARITIME  
TRANSPORTATION

## Virtual Oversight Hearing

*via Virtual Platform*  
Tuesday, February 9, 2021  
1:00 P.M.

### Agenda

- I. Call to Order at 1:00 P.M.
- II. Opening Remarks by Senator Telena C. Nelson, Chairperson
- III. Items for discussion – Guam Customs and Quarantine Agency (GCQA)

### 1:00 P.M. – Virtual Oversight Hearing Agenda

- Cargo throughput inspection schedule: per day, per month, and per year for Fiscal Years 2017, 2018, 2019, and 2020;
- Staffing Pattern: K9 unit handlers for Fiscal Years 2017, 2018, 2019, and 2020;
- Customs Fines and Penalties Revolving Fund status: manifest information for all incoming cargo containership prior to Guam's point of entry (P.L. 35-105).

- IV. Closing Remarks
- V. Adjournment

The hearing will broadcast on local television, GTA Channel 21, Docomo Channel 60-4 or 112-4, and stream online via I Liheslaturan Guåhan's live feed on YouTube. A recording of the hearing will be available online via Guam Legislature Media on YouTube after the hearing. We look forward to your participation!

*Si Yu'os Ma'åse'*



Oversite Hearing Senator Talena Nelson:

Good afternoon Senator and members of this hearing committee, my name is Ike Q. Peredo and I'm the Director of the Customs and Quarantine Agency. Before we begin, I'd like to thank each of you for the opportunity to discuss our operations at the ports of entry.

Every day, 120 men and women of Customs and Quarantine work diligently to protect our borders and it is my honor to lead and serve them.

The Customs and Quarantine (CQA) is Guam's "First Line of Defense". The mission is to protect our island, its people and resources while facilitating legitimate trade, commerce and travel. We enforce local and federal laws, securing our borders and protecting all ports of entry ensuring the physical, social and economic security of Guam.

In October of 1995, the Governor of Guam passed the Customs, Agriculture and Quarantine Inspection Service Charges into law under Public Law 23-45. The CAQISC program authorizes charges for passenger and cargo inspection service rendered by the Agency at our borders which created a funding source that can be used to operate the service charge facilities and achieve CQA border enforcement operations. Today, the mission of the Agency has expanded since the late nineties when CQA had a healthy 235 officers. Since September 11<sup>th</sup> terror attacks have resulted in an increase of federal laws aimed at the prevention to terrorism. CQA's ability to fulfill our task has been negatively impacted because of reduced personnel, training, equipment, vehicles and lack of technology. As mentioned earlier, the Agency is currently staffed with 120 officers to protect our borders. As the community's first of defense, acquiring the necessary personnel and equipment are vital towards taking a firmer interdicting movements of contraband and other harmful items into our territory.

The organizational structure of the Agency comprised of Inspection and Control Division, Special Enforcement Division, Logistics and Support Division and Administrative and Support Division.

For today's oversite hearing, I would like to focus on the Inspection and Control Division.

Airport Operations area has two sections and comprises more than 40% of the total personnel of the agency. This section is responsible for performing clearance services for arriving aircraft and passengers at Antonio B. Won Pat International and AAFB.

Cargo Operations section accounts for close to 20% of the total agency personnel. Its area of responsibility includes the Airport Cargo Section, United Postal Facility, and the Guam Plant Inspection Facility at Tiyan. It is responsible for the inspection and facilitation of commodities/parcels arriving or departing Guam through airfreight means and the use of postal service system.

Maritime Operations sections comprise about 16% of the total agency work force. Located at the Jose D. Leon Guerrero Port Authority of Guam in Piti, additional areas of responsibilities include the Hagatna and Agat Marina and U.S. Naval Station Guam. This section is responsible for the clearance; and facilitation of customs formalities of all sea going vessels, passengers, crew members and ocean freighted commodities arriving or departing Guam at these areas.

The Covid-19 pandemic that is upon us today, has greatly impacted the funding source for the Agency. Passenger arrivals at the airport has drastically decrease over the last 10 months. The average passenger fees generated at the airport today is about 27,000.00 a month as compared to 1.2 million

before the pandemic. As a result, the Agency is realizing a budget shortfall of approximately 2.4 million for FY 2021.

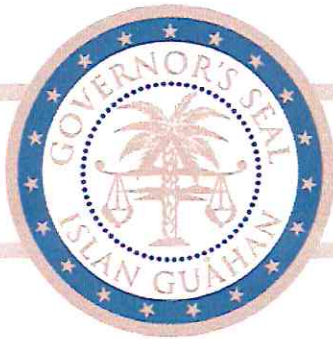
With all these challenges that the agency is facing, I would like to commend Customs Officers for the continued support in protecting our island, our people and our resources.

*I Mina'trentai Singko 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
<b>360-35 (COR)</b> As substituted by the Committee on General Government Operations, Appropriations, and Housing; and amended on the Floor	Mary Camacho Torres Tina Rose Muña Barnes Joe S. San Agustin	AN ACT TO <i>AMEND</i> §§ 73108, 73109, 73110, 73111, 73112, 73113, 73116, 73117, 73121, 73123, 73133, 73153, 73154, AND 73155 OF CHAPTER 73, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING A NOTICE OF ARRIVAL FROM ALL INCOMING VESSELS AND AIRCRAFT TO THE GUAM CUSTOMS AND QUARANTINE AGENCY PRIOR TO ARRIVAL AT GUAM'S PORTS OF ENTRY AND TO REQUIRING THE ADVANCE PRESENTATION OF MANIFEST INFORMATION TO THE GUAM CUSTOMS AND QUARANTINE AGENCY PRIOR TO ARRIVAL AT GUAM'S PORTS OF ENTRY, AND TO FURTHER ESTABLISHING NEW PENALTIES FOR VIOLATIONS OF SUCH REQUIREMENTS.	5/19/20 10:07 a.m.	7/14/20	Committee on General Government Operations, Appropriations, and Housing	7/28/20 9 00 a.m.	10/12/20 1:49 p.m.	7/1/20	
							As substituted by the Committee on General Government Operations, Appropriations, and Housing		
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	PUBLIC LAW NO.	DATE SIGNED	NOTES	
10/12/20	AN ACT TO <i>AMEND</i> §§ 73108, 73109, 73110, 73111, 73112, 73113, 73116, 73117, 73121, 73123, AND 73133, AND <i>ADD</i> NEW §§ 73154 AND 73155, ALL OF ARTICLE 1, CHAPTER 73, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING A NOTICE OF ARRIVAL FROM ALL INCOMING VESSELS AND AIRCRAFT TO THE GUAM CUSTOMS AND QUARANTINE AGENCY PRIOR TO ARRIVAL AT GUAM'S PORTS OF ENTRY; TO REQUIRING THE ADVANCE PRESENTATION OF MANIFEST INFORMATION TO THE GUAM CUSTOMS AND QUARANTINE AGENCY PRIOR TO ARRIVAL AT GUAM'S PORTS OF ENTRY; AND TO ESTABLISHING NEW PENALTIES FOR VIOLATIONS OF SUCH REQUIREMENTS.	10/19/20	10/19/20	10/30/20	35-105	10/30/20	Received: 10/30/20 Mess and Comm. Doc. No. 35GL-20-2392.		



LOURDES A. LEON GUERRERO  
MAGA'HĀGA • GOVERNOR



JOSHUA F. TENORIO  
SIGUNDO MAGA'LĀHI • LIEUTENANT GOVERNOR

October 30, 2020

35GL-20-2392  
Speaker Tina Rose Muña Barnes

**HONORABLE TINA ROSE MUÑA BARNES**, *Speaker*  
*I Mina'trentai Singko Na Liheslaturan Guåhan*  
35<sup>th</sup> Guam Legislature  
Guam Congress Building  
163 Chalan Santo Papa  
Hagåtña, Guam 96910

OCT 30 2020  
Time 6:41 AM JPM  
Received By: RBhijua


**Re: Substitute Bill No. 360-35 (COR) - An Act to Amend §§ 73108, 73109, 73110, 73111, 73112, 73113, 73116, 73117, 73121, 73123, and 73133, and Add New §§ 73154 and 73155, All of Article 1, Chapter 73, Title 5, Guam Code Annotated, Relative to Mandating a Notice of Arrival from All Incoming Vessels and Aircraft to the Guam Customs and Quarantine Agency Prior to Arrival at Guam's Ports of Entry; to Requiring the Advance Presentation of Manifest Information to the Guam Customs and Quarantine Agency Prior to Arrival at Guam's Ports of Entry; and to Establishing New Penalties for Violations of Such Requirements**

Dear Madame Speaker:

Since the 1970s, Guam's laws have permitted vessel carriers to submit their manifests to the Guam Customs and Quarantine Agency as late as four (4) hours *after* arrival in the ports of Guam. This archaic statutory scheme has severely hampered CQA's efforts to prevent illicit, illegal, and otherwise prohibited cargo from moving beyond the ports and into our community. Nowhere else has that been more acutely felt than in our fight to keep the disease of drug addiction from further infecting our people.

To better protect our borders, CQA is working to modernize its operations and enforcement, recognizing that while Guam's manifest law remained unchanged for forty (40) years, drug and other prohibited item smugglers were innovating and finding ways to increase their opportunities to infiltrate our community. This bill, which will now be known as **Public Law No. 35-105**, is an important step in CQA's advancement in this battle. Together with strategic operational changes, the requirements of this law will assist in securing our borders.

*Senseramente,*

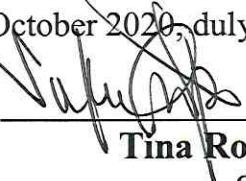
  
**LOURDES A. LEON GUERRERO**  
*I Maga'hāgan Guåhan*  
Governor of Guam

Enclosure: Sub. Bill No. 360-35 (COR) *nka P.L. 35-105*  
cc via email: *Sigundo Maga'lāhen Guåhan*  
*Compiler of Laws*

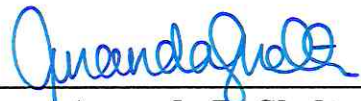
**I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN**  
**2020 (SECOND) Regular Session**

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

This is to certify that **Substitute Bill No. 360-35 (COR), "AN ACT TO AMEND §§ 73108, 73109, 73110, 73111, 73112, 73113, 73116, 73117, 73121, 73123, AND 73133, AND ADD NEW §§ 73154 AND 73155, ALL OF ARTICLE 1, CHAPTER 73, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING A NOTICE OF ARRIVAL FROM ALL INCOMING VESSELS AND AIRCRAFT TO THE GUAM CUSTOMS AND QUARANTINE AGENCY PRIOR TO ARRIVAL AT GUAM'S PORTS OF ENTRY; TO REQUIRING THE ADVANCE PRESENTATION OF MANIFEST INFORMATION TO THE GUAM CUSTOMS AND QUARANTINE AGENCY PRIOR TO ARRIVAL AT GUAM'S PORTS OF ENTRY; AND TO ESTABLISHING NEW PENALTIES FOR VIOLATIONS OF SUCH REQUIREMENTS,"** was on the 19<sup>th</sup> day of October 2020, duly and regularly passed.

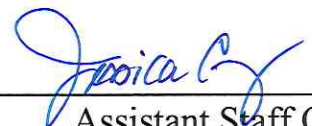
  
\_\_\_\_\_  
**Tina Rose Muña Barnes**  
**Speaker**

Attested:

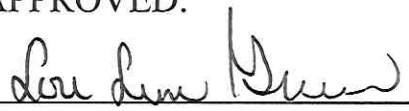
  
\_\_\_\_\_  
**Amanda L. Shelton**  
**Legislative Secretary**

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This Act was received by *I Maga'hågan Guåhan* this 19<sup>th</sup> day of October, 2020, at 5:46 o'clock P.M.

  
\_\_\_\_\_  
**Jessica Cruz**  
**Assistant Staff Officer**  
**Maga'håga's Office**

APPROVED:

  
\_\_\_\_\_  
**Lourdes A. Leon Guerrero**  
***I Maga'hågan Guåhan***

Date: 10/30/2020

Public Law No. 35 - 105

**Jessica Cruz**  
ROVD AT CENTRAL FILE  
OCT 19 '20 08:48

*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN*  
**2020 (SECOND) Regular Session**

**Bill No. 360-35 (COR)**

As substituted by the Committee on General  
Government Operations, Appropriations, and Housing;  
and amended on the Floor.

Introduced by:

Mary Camacho Torres  
Tina Rose Muña Barnes  
Joe S. San Agustin  
William M. Castro  
Régine Biscoe Lee  
Kelly Marsh (Taitano), PhD  
James C. Moylan  
Louise B. Muña  
Telena Cruz Nelson  
Sabina Flores Perez  
Clynton E. Ridgell  
Amanda L. Shelton  
Telo T. Taitague  
Jose "Pedo" Terlaje  
Therese M. Terlaje

**AN ACT TO AMEND §§ 73108, 73109, 73110, 73111, 73112, 73113, 73116, 73117, 73121, 73123, AND 73133, AND ADD NEW §§ 73154 AND 73155, ALL OF ARTICLE 1, CHAPTER 73, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING A NOTICE OF ARRIVAL FROM ALL INCOMING VESSELS AND AIRCRAFT TO THE GUAM CUSTOMS AND QUARANTINE AGENCY PRIOR TO ARRIVAL AT GUAM'S PORTS OF ENTRY; TO REQUIRING THE ADVANCE PRESENTATION OF MANIFEST INFORMATION TO THE GUAM CUSTOMS AND QUARANTINE AGENCY PRIOR TO ARRIVAL AT GUAM'S PORTS OF ENTRY; AND TO ESTABLISHING NEW PENALTIES FOR VIOLATIONS OF SUCH REQUIREMENTS.**

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

2           **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that proper manifesting is a standard requirement for vessel entry and for the  
4 issuance of a permit to unlade at a port of entry. The United States Customs and  
5 Border Protection (CBP) currently requires vessel carriers to submit their cargo  
6 manifest no later than forty-eight (48) hours prior to arrival in the United States. 19  
7 C.F.R. § 4.8(b). This advance manifest requirement was implemented by the CBP  
8 to enforce against smuggling more effectively via containerized cargo.

9           *I Liheslaturan Guåhan* finds that manifest requirements under Guam law,  
10 however, permit that a manifest may be submitted “within four (4) hours *after*  
11 arrival.” 5 GCA § 73111. This requirement, listed under the Chapter governing  
12 operations and duties of the Guam Customs and Quarantine Agency (CQA), was  
13 enacted by the 13th Guam Legislature in the 1970s and has since not been updated  
14 to reflect technological advancements and current security concerns.

15           *I Liheslaturan Guåhan* finds that in the last five (5) years alone, the CQA has  
16 reported seizing an increasing number of drugs over the years with over \$64 million  
17 dollars in “ice” infiltrating Guam’s ports of entry. As the “First Line of Defense” for  
18 the island of Guam, the CQA is tasked with protecting borders, securing ports of  
19 entry, and facilitating trade, commerce, and travel. The information collected via  
20 manifest is a vital component of achieving CQA’s mission. While, as provided under  
21 19 C.F.R. § 7.2(b), “[t]he customs administration of Guam is under the government  
22 of Guam,” an amendment to CQA law mirroring federal requirements may aid those  
23 at Guam’s front line. It is, therefore, the intent of *I Liheslaturan Guåhan* to  
24 strengthen border security through the advance and thorough presentation of  
25 manifest information and to further quantify the penalties in violation of such  
26 requirements.

1           **Section 2.** §§ 73108 through 73113 of Article 1, Chapter 73, Title 5, Guam  
2 Code Annotated, are hereby *amended* to read:

3           **“§ 73108. Clearance Requirements.**

4           (a) Any Customs Officer may board and examine any privately  
5 owned, privately leased, commercially owned, or commercially leased  
6 aircraft, vessel, or contrivance arriving into Guam when it is necessary to carry  
7 out the provisions of applicable laws of Guam or the United States, any rule  
8 or regulation promulgated thereunder, any regulatory or enforcement  
9 agreement entered, or any public health and quarantine purpose, and may  
10 further require the master or captain thereof to exhibit for examination by the  
11 Customs Officer the manifest or any documents or papers, or any trunk,  
12 package or cargo on board, or any compartment, storage area, cabin, galley,  
13 cockpit, lavatory, or any section of the vessel or aircraft. Any master, captain,  
14 or person on any conveyance shall submit to the lawful instructions of a  
15 Customs Officer from the time of boarding until such time the Customs  
16 Officer disembarks and authorization to proceed with unloading operations is  
17 granted. Any master, captain, or person on any conveyance who fails to abide  
18 by lawful instructions or obstructs the official duties of a Customs Officer  
19 shall be liable for fines and penalties under this Chapter in addition to  
20 appropriate offenses contained in 9 GCA Chapter 55.

21           (1) Prior Notice Requirement. Under penalty and apart from  
22 the manifest requirements provided in this Chapter, masters or their  
23 authorized agent of all vessels or aircrafts must provide a notice of  
24 arrival with the following information to the appropriate customs port  
25 of entry:

1 (A) For Vessels. Forty-eight (48) hours prior to arrival,  
2 a notice of arrival containing the following information shall be  
3 submitted:

4 (i) vessel name, voyage number, and national  
5 country of registry;

6 (ii) type of vessel;

7 (iii) date of arrival;

8 (iv) Guam seaport of arrival;

9 (v) break-water/or pilot on board time;

10 (vi) assigned pier or wharf of berth;

11 (vii) berth time;

12 (viii) number of crew and passengers;

13 (ix) last port of entry; and

14 (x) purpose of arrival into Guam.

15 (B) For Aircraft. Thirty (30) minutes upon departure  
16 from origin, commercial, privately owned, or privately operated  
17 aircrafts intended to arrive in Guam shall submit a notice of  
18 arrival containing the following information:

19 (i) Guam airport or airfield of arrival;

20 (ii) aircraft operating name, flight number,  
21 registration number, and country of registration;

22 (iii) origin and last airport of departure;

23 (iv) date and estimated time of arrival; and

24 (v) number of transiting and terminating crew  
25 and passengers.

26 (C) Exceptions. Vessel and aircraft arriving into Guam  
27 under exigent or emergency circumstances wherein Guam was

1 not their intended destination, are exempted from Parts (A) and  
2 (B) of this Subsection. Notwithstanding the prior notice  
3 requirement, vessels or aircraft arriving under the above  
4 circumstances shall require clearance as mandated herein.

5 (b) Any individual who is not a Customs Officer or is not duly  
6 authorized by Customs, and who goes on board any vessel, aircraft, or  
7 conveyance before entry and clearance has thereto been granted, shall be fined  
8 a penalty under this Chapter, or imprisoned for not more than six (6) months,  
9 or both. The master or pilot of such vessel, aircraft, or conveyance may take  
10 such person into custody, and deliver him up forthwith to any Customs Officer  
11 or law enforcement officer, to be taken by him before any committing  
12 magistrate, to be dealt with according to law.

13 (c) Under penalty as prescribed by this Chapter, no vessel, aircraft,  
14 or conveyance may commence any activity or unloading operations without  
15 Customs' presence, permit or authorization and clearance. The master or  
16 agent of each privately owned, privately operated, commercially owned, or  
17 commercially leased vessel, aircraft, or contrivance shall accomplish  
18 clearance requirements within five (5) days after meeting the forty-eight (48)  
19 hours required for entry. Every consignee of imported merchandise after  
20 having accomplished entry for their imported merchandise, either in person or  
21 by an agent authorized by him in writing to the Customs House shall  
22 accomplish clearance requirements within five (5) days following entry,  
23 exclusive of Sundays and holidays, unless the Collector is authorized in  
24 writing, a legal time.

25 (d) Departures.

1           (1) No aircraft, vessel, or contrivance shall be cleared for  
2 departure until all the cargo manifested for import to Guam has been  
3 unladed, entry has been made, and was properly accounted for.

4           (2) Prior to the departure of any aircraft, vessel, or  
5 contrivance, the master shall deposit with the Customs Officer at the  
6 port or airport, a manifest of the outward cargo of such vessel or  
7 aircraft, specifying the marks and numbers of packages, a description  
8 of their contents, with the names of shippers and consignees; and also  
9 the names of passengers and their destination. A departure clearance  
10 will then be granted to the vessel or aircraft.

11           **§ 73109. Definitions.**

12           (a) *Vessel* means a craft used, or capable of being used, for  
13 transportation on water, and includes every description of watercraft or other  
14 contrivance used, or capable of being used as a means of transportation on  
15 water, but does not include aircraft.

16           (b) *Aircraft* means any craft now known or hereafter invented for  
17 transportation use in the air, and includes every description of craft or other  
18 contrivance used or capable of being used as a means of transportation in  
19 flight or in the air.

20           (c) *Merchandise* means goods, wares, and chattels of every  
21 description, and includes merchandise the importation of which is prohibited.

22           (d) *Person* includes any individual, firm, co-partnership, joint  
23 venture, association, corporation, trust, or any group or combination acting as  
24 a unit and the plural, as well as the singular number as may be appropriate.

25           (e) *Master* means the person having the command of the aircraft,  
26 vessel, or contrivance.



1 (f) *Day* means the time from 8:00 a.m. to 5:00 p.m. (or from 0800  
2 hours to 1700 hours).

3 (g) *Night* means the time from 5:00 p.m. to 8:00 a.m. the next day  
4 (or from 1700 hours to 0800 hours the next day).

5 (h) *Collector* means the Director of Customs, sworn Customs  
6 Officers, and any persons authorized to perform the duties of the Collector of  
7 Customs.

8 (i) *Entry* means the manner of submitting the required  
9 documentation or electronic data required by this Chapter to the appropriate  
10 Customs Office to secure the release of imported or exported merchandise,  
11 clearance of arriving or departing conveyances, and arriving individuals.

12 (j) *Customs Storehouse* is a place, facility, location, or warehouse  
13 designated and authorized by the Collector of Customs for the housing and  
14 securing of unladed cargo, baggage, merchandise, and property awaiting  
15 formal customs entry and permission for release.

16 § 73110. **Manifest.** The master of every aircraft, vessel, or  
17 contrivance arriving in Guam shall have on board a manifest for passengers,  
18 crew, and cargo destined for Guam, signed by such master under oath as to  
19 the truth of the statement therein contained. Failure to provide such manifests  
20 in the prescribed manner and or requirements constitutes a penalty as  
21 contained herein. Such manifests shall contain all of the following information  
22 as required:

23 (a) For vessels:

24 (1) Cargo Manifest:

25 (A) The names of the ports or places at which the  
26 merchandise was taken on board.

1 (B) The name, description and build of the vessel, the  
2 true measure or tonnage thereof, the port to which such vessel  
3 belongs and the name of the master of such vessel.

4 (C) A detailed account of all merchandise destined for  
5 Guam on board such vessel, with the marks and numbers of each  
6 package, and the number and description of the packages  
7 according to their usual name or denomination, such as barrel,  
8 keg, hogshead, case, or bag.

9 (D) The names of the persons to whom such packages  
10 are respectively consigned in accordance with the bills of lading  
11 issued therefor.

12 (E) The master or agent of each privately owned,  
13 privately operated, commercially owned, or commercially leased  
14 vessel arriving into Guam from any place outside of Guam must  
15 transmit to the Agency an electronic passenger, crew, and cargo  
16 manifest. The electronic manifest must be transmitted as required  
17 herein to the Customs Office in charge of the clearance for the  
18 arriving vessel. The electronic manifest shall contain the names  
19 of the several passengers and crew aboard the vessel, stating  
20 whether cabin or steerage passengers, with their baggage,  
21 specifying the number and description of the pieces of baggage  
22 belonging to each, and a list of all baggage not accompanied by  
23 passengers.

24 (F) An account of the sea stores and ship's stores on  
25 board the vessel.

26 (G) If the vessel is from a United States port the  
27 manifest shall be certified by the Collector of the port sailing. If

1 from a foreign port, by the United States consul or commercial  
2 agent of the port. If there is no United States consul or agent, then  
3 by the foreign government consul or agent.

4 (2) Crew and Passenger Manifest:

- 5 (A) full name (last, first, and, if available, middle);
- 6 (B) date of birth;
- 7 (C) gender (F = female; M = male);
- 8 (D) citizenship;
- 9 (E) country of residence;
- 10 (F) status on board the vessel;
- 11 (G) travel document type (e.g., P = passport; A = alien  
12 registration card);
- 13 (H) passport number, if a passport is required;
- 14 (I) passport country of issuance, if a passport is  
15 required;
- 16 (J) passport expiration date, if a passport is required;
- 17 (K) United States of America alien registration number,  
18 where applicable;
- 19 (L) physical address while in Guam (number and street,  
20 city, state, and zip code);
- 21 (M) vessel name and voyage number;
- 22 (N) date of vessel arrival; and
- 23 (O) manifest for crew and passengers shall be separated  
24 and distinguishable.

25 (b) For aircraft:

- 26 (1) Cargo Manifest. The master or agent of each privately  
27 owned, privately operated, commercially owned, or commercially

1 leased aircraft arriving into Guam from any place outside of Guam must  
2 transmit to the Agency an electronic manifest accounting for all  
3 terminating, transiting, revenue, and non-revenue cargo. The electronic  
4 manifest must be transmitted as required herein to the Customs Office  
5 in charge of the clearance for the arriving aircraft in the format as  
6 follows:

7 (A) the name, address, and telephone number of each  
8 importer or consignee; and the name, address, and telephone  
9 number of the shipper to such importer or consignee, unless the  
10 Collector determines that the confidentiality of any particular  
11 information is necessary for the good of the Agency or national  
12 security;

13 (B) airway bill of lading number of each cargo destined  
14 for Guam;

15 (C) the general description of the cargo;

16 (D) the number of packages and gross weight;

17 (E) the name of the aircraft carrier and flight number;

18 (F) the port of loading;

19 (G) the port of discharge; and

20 (H) the country of origin of the shipment;

21 (2) Crew and Passenger Manifest. The master or agent of each  
22 privately owned, privately operated, commercially owned, or  
23 commercially leased aircraft arriving into Guam from any place outside  
24 of Guam must transmit to the Agency an electronic passenger and crew  
25 manifest for all persons terminating, transiting, revenue and non-  
26 revenue passengers. The electronic manifest must be transmitted as

1 required herein to the Customs Office in charge of the clearance for the  
2 arriving aircraft in the format as follows:

- 3 (A) full name (last, first, and, if available, middle);
- 4 (B) date of birth;
- 5 (C) gender (F = female; M = male);
- 6 (D) citizenship;
- 7 (E) country of residence;
- 8 (F) status on board the aircraft;
- 9 (G) travel document type (e.g., P = passport; A = alien  
10 registration card);
- 11 (H) passport number, if a passport is required;
- 12 (I) passport country of issuance, if a passport is  
13 required;
- 14 (J) passport expiration date, if a passport is required;
- 15 (K) United States of America alien registration  
16 number, where applicable;
- 17 (L) physical address while in Guam (number and street,  
18 city, state, and zip code);
- 19 (M) passenger name record locator, if available;
- 20 (N) industry code of where transportation to Guam  
21 commenced;
- 22 (O) industry code of final port/place of destination for  
23 in-transit passengers;
- 24 (P) airline carrier code;
- 25 (Q) flight number;
- 26 (R) passenger revenue status (revenue or revenue-  
27 exempt);

1 (S) total number of revenue passengers and non-  
2 revenue;

3 (T) specific reason for revenue-exempt status for each  
4 revenue-exempt passenger reported;

5 (U) date of aircraft arrival; and

6 (V) manifest for crew and passengers shall be separated  
7 and distinguishable.

8 (c) Discrepancies. If any discrepancy occurs in any way with respect  
9 to any manifest or bill of lading data, the owner or operator of the vessel,  
10 aircraft, or contrivance, or any party responsible for such discrepancy, shall  
11 be liable for any fine or penalty prescribed by law with respect to such  
12 discrepancy or violation. The Agency may take appropriate action against any  
13 of the parties.

14 (d) Public Disclosure of Certain Manifest Information. The  
15 Collector, in order to allow for the timely dissemination and publication of the  
16 information listed, shall adhere to the provisions as set forth in the *Sunshine*  
17 *Reform Act of 1999*, 5 GCA Chapter 10. In accordance with 5 GCA Chapter  
18 10, and when requested, the Collector shall make available for public  
19 disclosure the following information:

20 (1) the general character of the cargo;

21 (2) the number of packages and gross weight;

22 (3) the port of loading;

23 (4) the port of discharge; and

24 (5) the country of origin of the shipment.

25 **§ 73111. Manifest Delivered to Customs Officer.**

26 The master, owner, or authorized agent of an aircraft, vessel, or other  
27 contrivance required to make entry, shall submit to the Customs Officer the

1 required manifests in the times set forth in this Section, as well as the format  
2 and manner as prescribed in § 73110. Times set forth for delivery of each  
3 manifest are as follows:

4 (a) Aircraft. The master, owner, or authorized agent of any aircraft  
5 entering Guam required to make entry shall submit to the Customs Officer the  
6 passenger, crew, and cargo manifest thirty (30) minutes upon departure from  
7 the airport or place of origin. The manifests must be transmitted electronically  
8 as required by § 73110 to the Customs Office.

9 (b) Vessels. The master, owner, or authorized agent of any vessel  
10 entering Guam required to make entry shall submit to the Customs Office the  
11 passenger, crew, and cargo manifest no later than forty-eight (48) hours after  
12 the vessel or contrivance departs the port or place of origin, with the exception  
13 of vessels arriving from the Commonwealth of the Northern Mariana Islands,  
14 the Republic of Palau, the Federated States of Micronesia, and the Republic  
15 of the Marshall Islands, wherein the manifests must be transmitted  
16 immediately upon departure. The manifests must be transmitted electronically  
17 as required by § 73110 to the Customs Office.

18 (c) Any master, owner, or authorized agent who fails to deliver such  
19 copy of the manifest or correction thereof shall be subject to a penalty as  
20 prescribed in § 73133 of this Article.

21 **§ 73112. Penalty.**

22 **[Repealed.]**

23 **§ 73113. Vessel Exemptions.**

24 (a) Vessels of war:

25 (1) shall submit to the Customs Office an affidavit of  
26 self-inspection report immediately upon arrival; and

1 (2) shall comply with all other applicable federal laws  
2 enforced by the Guam Customs and Quarantine Agency.

3 (b) Vessels arriving in distress or for the purpose of taking on  
4 bunker coal, bunker oil, or necessary sea stores and which shall depart  
5 within twenty-four (24) hours after arrival without having landed or  
6 taken on board any passengers or any merchandise other than bunker  
7 coal, bunker oil, or necessary sea stores; provided, that the master,  
8 owner, or agent of such vessel shall report under oath to the Collector  
9 the hour and date of arrival and departure and the quantity of bunker  
10 coal, bunker oil, or necessary sea stores taken on board.”

11 **Section 3.** §§ 73116 and 73117 of Article 1, Chapter 73, Title 5, Guam Code  
12 Annotated, are hereby *amended* to read:

13 **“§ 73116. Unloading Prohibition.**

14 (a) Except as otherwise provided (relating to vessels not required to  
15 enter), no merchandise, passengers, or baggage shall be unloaded from any  
16 vessel until entry of such vessel has been made and a permit for the unloading  
17 of the same issued by the Collector; provided, that the master may make a  
18 preliminary entry of a vessel by making oath or affirmation to the truth of the  
19 statements contained in the vessel’s manifest, as provided in § 73110, and  
20 submitting the manifest to the Customs Officer, as provided in § 73111, but  
21 the making of such preliminary entry shall not excuse the master from making  
22 formal entry of his vessel at the Customs House, as provided in these  
23 regulations. After the entry, preliminary or otherwise, of any vessel, the  
24 Collector may issue a permit to the master of the vessel to unload merchandise  
25 or baggage but except as provided in Subsection (b) of this Section,  
26 merchandise or baggage so unladed shall be retained at the place of unlading  
27 until entry therefor is made and a permit for its delivery granted. Any



1 merchandise or baggage so unladed from any vessel for which entry is not  
2 made shall be sent to Customs and held as unclaimed at the risk and expense  
3 of the consignee in the case of merchandise and of the owner in case of  
4 baggage, until entry thereof is made. A master in violation of this Section shall  
5 be subject to a penalty as prescribed in § 73133 of this Article.

6 (b) The Collector of Customs is authorized to issue special permits  
7 for delivery, prior to formal entry thereof, of perishable articles and other  
8 articles, the immediate delivery of which is necessary.

9 **§ 73117. Unloading Penalties.**

10 If any passengers, merchandise or baggage are unloaded from any  
11 vessel, aircraft, or contrivance without a permit or authorization and clearance  
12 from Customs authorities, the master of such vessel and every other person  
13 who knowingly is concerned or who aids therein, or in removing or otherwise  
14 securing such merchandise or baggage, shall each be guilty of a violation for  
15 each passenger so unladed, and such merchandise or baggage shall be subject  
16 to forfeiture.”

17 **Section 4.** § 73121 of Article 1, Chapter 73, Title 5, Guam Code Annotated,  
18 is hereby *amended* to read:

19 **“§ 73121. Sale of Merchandise; Storage; Fees, Lien, Sale.**

20 The owner of any imported merchandise in the possession of the  
21 Collector of Customs, properly entered or otherwise, remaining in  
22 government custody for more than five (5) work days after receipt therein and,  
23 except when delay in removal may be caused by some failure on the part of  
24 the government, shall be liable for a flat rate storage fee of Fifty Dollars  
25 (\$50.00) upon seizure. This flat rate shall remain in place until such time the  
26 Director of Customs promulgates a fee schedule for storage, liens, or sale of  
27 said merchandise.

1 (a) The Collector may direct removal at any time when  
2 efficient operation of the Customs Warehouse may necessitate such  
3 removal. The above rates of storage charges will then become effective  
4 on the fifth (5<sup>th</sup>) day following the order to remove the merchandise  
5 concerned. Any storage charges shall constitute a lien against the  
6 property for payment of all storage charges before removal. Storage  
7 charges shall be paid every ten (10) days, and if not so done and  
8 whenever charges against such merchandise shall have accrued in an  
9 amount equal to two-thirds (2/3) of the entered value of the  
10 merchandise in question, it shall be subject to seizure and sale by the  
11 government in the same manner and subject to the same conditions as  
12 prescribed in § 73120 of this Article.

13 (b) Deposits. All monies received by the Treasurer of Guam  
14 in accordance with §§ 73119, 73120, 73121, 73122, 73123 and 73124,  
15 as it relates to the sale of merchandise by government auction, shall be  
16 deposited in the Customs Fines and Penalties Revolving Fund.

17 (c) Stores not removed within sixty (60) days after the  
18 Collector has directed their removal shall be subject to sale at a public  
19 auction in the manner prescribed in § 73120 of this Article.”

20 **Section 5.** § 73123 of Article 1, Chapter 73, Title 5, Guam Code Annotated,  
21 is hereby *amended* to read:

22 **“§ 73123. Sale of Merchandise.**

23 Destruction by Authorities. Except as otherwise provided, any  
24 merchandise abandoned or forfeited to the government under the preceding or  
25 any other provision of this Chapter, which is subject to internal revenue tax  
26 and which the Collector shall be satisfied will not sell for a sufficient amount  
27 to pay such taxes, shall be forthwith destroyed instead of being sold at auction.

1 Consignees or owners of abandoned or forfeited merchandise set for  
2 destruction shall be liable and billed the full cost of destruction.”

3 **Section 6.** § 73133 of Article 1, Chapter 73, Title 5, Guam Code Annotated,  
4 is hereby *amended* to read:

5 “§ 73133. **Fines and Penalties.** Penalties for Violations of Arrival,  
6 Reporting, Entry, Clearance Requirements, Manifests, and Manifest  
7 Delivered to Customs Officer.

8 (a) Unlawful acts:

9 (1) failure to comply with §§ 73104, 73106, 73107, 73108,  
10 73110 or 73111 of this Article;

11 (2) presenting or transmitting, electronically or otherwise,  
12 any forged, altered or false document, paper, information, data, or  
13 manifest to the Customs Service without revealing the facts; or

14 (3) failure to make entry or to obtain clearance as required.

15 (b) Civil Penalty. Any master, person in charge, or aircraft pilot who  
16 commits any violation listed under this Section is liable for a civil penalty of  
17 Five Thousand Dollars (\$5,000) for the first violation and Ten Thousand  
18 Dollars (\$10,000) for each subsequent violation, and any conveyance used in  
19 connection with any such violation is subject to seizure and forfeiture.

20 (c) Criminal Penalty. In addition to being liable for a civil penalty  
21 under Subsection (b) of this Section, any master, person in charge, or aircraft  
22 pilot who intentionally commits any violation listed in Subsection (a) of this  
23 Section is, upon conviction, liable for a fine of not more than Two Thousand  
24 Dollars (\$2,000) or imprisonment for one (1) year, or both; except, that if the  
25 conveyance has, or is discovered to have had, on board any merchandise  
26 (other than sea stores or the equivalent for conveyances other than vessels)  
27 the importation of which into Guam is prohibited, such individual is liable for

1 an additional fine of not more than Ten Thousand Dollars (\$10,000) or  
2 imprisonment for not more than five (5) years, or both.

3 (d) Additional Civil Penalty. If any merchandise (other than sea  
4 stores or the equivalent for conveyances other than a vessel) is imported or  
5 brought into Guam in or aboard a conveyance which was not properly reported  
6 or entered, the master, person in charge, or aircraft pilot shall be liable for a  
7 civil penalty equal to the value of the merchandise and the merchandise may  
8 be seized and forfeited unless properly entered by the master, person in  
9 charge, or aircraft pilot. The Collector of Customs may grant relief of civil  
10 penalty; provided, that such was due to unintentional clerical or administrative  
11 omission. The master, person in charge, or aircraft pilot has the burden of  
12 proving by clear and convincing evidence of the unintentional omission.”

13 **Section 7.** § 73153 of Article 1, Chapter 73, Title 5, Guam Code Annotated,  
14 is hereby *amended* to read:

15 **“§ 73153. Customs Fines and Penalties Revolving Fund.**

16 (a) Fund Established. There is hereby established within the  
17 Customs and Quarantine Agency a fund to be known as the “Customs Fines  
18 and Penalties Revolving Fund” which shall be separate and apart from other  
19 funds of the government of Guam, and for which independent records shall  
20 be maintained. The Director of Customs is hereby authorized to expend  
21 collected funds without appropriation.

22 (b) Deposits. All monies received in accordance with §§ 73119,  
23 73120, 73121, 73122, 73123 and 73124 as it relates to fines, penalties and  
24 storage shall be deposited in the Customs Fines and Penalties Revolving Fund.

25 (c) Authorized Expense(s). All expenses authorized by the Director  
26 of Customs to be used solely for the Customs and Quarantine Agency shall be  
27 paid from the Customs Fines and Penalties Revolving Fund.

1 (d) Report. In the first January after the enactment of this Act, and  
2 every six (6) months thereafter, the Director of Customs and Quarantine shall  
3 prepare and transmit, via *I Maga'hågan/Maga'låhen Guåhan* (the Governor  
4 of Guam), a detailed report on the status of the Customs Fines and Penalties  
5 Revolving Fund, to include an itemization of expenditures charged against the  
6 Fund, to the Speaker of *I Liheslaturan Guåhan* (the Guam Legislature).”

7 **Section 8.** New §§ 73154 and 73155 are hereby *added* to Article 1 of  
8 Chapter 73, Title 5, Guam Code Annotated to read:

9 **“§ 73154. Penalties and Payments.**

10 (a) Payments Due. All person(s) found in violation and issued a  
11 penalty or fine under § 73133, shall immediately make payments to the  
12 Treasurer of Guam.

13 (b) Interest Penalty. Each person found in violation and issued a  
14 penalty or fine under § 73133, who fails to make payment for such penalty or  
15 fine within thirty (30) days of the date of issued penalty or fine, shall pay an  
16 interest penalty of fifteen percent (15%) per annum to the Treasurer of Guam  
17 on the amount of the past due or balance thereof. No interest penalty shall be  
18 assessed on payments made in full on or before the thirtieth (30th) day from  
19 the date payments are due.

20 (c) Unpaid Interest. Interest penalty applicable under § 73154(b)  
21 which remains unpaid shall accrue to the balance due for purposes of  
22 computing current interest due.

23 **§ 73155. Severability.** If any provision of Article 1 of this Chapter or the  
24 application thereof to any person or circumstance is found to be invalid or contrary  
25 to law, such invalidity shall not affect other provisions or applications of the Chapter  
26 that can be given effect without the invalid provision or application, and to this end  
27 the provisions of this Chapter are severable.”

1        **Section 9. Effective Date.** This Act shall be effective upon enactment.

5 GCA GOVERNMENT OPERATIONS  
CH. 73 CUSTOMS & QUARANTINE AGENCY

**CHAPTER 73**  
**CUSTOMS & QUARANTINE AGENCY**

- Article 1. Operations & Duties.
- Article 2. Carrier Off-duty Services Revolving Fund.
- Article 3. Plant Quarantine Services.

**NOTE:** Public Law 22-112 (effective 10/1/94) separated the Customs & Quarantine Division of the Department of Commerce into its own separate CUSTOMS & QUARANTINE AGENCY. This was accomplished by adding a new §3127 to Title 5, GCA, creating this new Agency. Uncodified Section 3 of P.L. 22-122 effectuates the separation by providing:

(a) **Transfer of Personnel, Property, and Equipment from the Division to the New Customs and Quarantine Agency.** All personnel of the Division shall be transferred to the Agency established in §3127, Title 5, Guam Code Annotated, as set out in Section 2 of this Act, with all duties, responsibilities, and compensation intact, and with no lapse in service to the government of Guam. In addition, all the property and equipment of the Division shall be transferred to the Agency.

(b) **Enforcement of Laws Relative to Customs and Quarantine.** The Agency is authorized to implement and enforce the provisions of Chapter II of Title XLIV of the Government Code [this Chapter of the Guam Code Annotated] and all rules, regulations, and executive orders relative to customs and quarantine functions of the government of Guam.

(c) **Reports to the Legislature: The Department of Law, the Department, the Division, and the Bureau of Budget and Management Research.** The Department of Law shall review the laws, rules, regulations, and executive orders now in effect on the customs and quarantine functions of the government of Guam and shall make a report with recommendations for updating and improving these laws, rules, regulations, and executive orders to the Legislature and to the Governor no later than June 1, 1994. The Department, the Division, and the Bureau of Budget and Management Research shall each review the impact of the creation of the Agency on the custom and quarantine responsibilities of the government of Guam and shall each submit a report on such impact to the Legislature and to the Governor no later than June 1, 1994.

**ARTICLE 1**  
**OPERATIONS & DUTIES**

- § 73101. Imports Prohibited.
- § 73102. Powers of Customs Officers.
- § 73103. Classification of Persons Arriving in Guam.

5 GCA GOVERNMENT OPERATIONS  
CH. 73 CUSTOMS & QUARANTINE AGENCY

- § 73104. Entry by Consignee.
- § 73105. Consignee.
- § 73106. Prohibited Imports.
- § 73107. Guard on Vessels.
- § 73108. Clearing Vessels.
- § 73109. Definitions.
- § 73110. Manifest.
- § 73111. Manifest Delivered to Customs Officer.
- § 73112. Penalty.
- § 73113. Vessels not Required to Make Entry.
- § 73114. Merchandise for Other Ports.
- § 73115. Place of Unloading.
- § 73116. Unloading Prohibition.
- § 73117. Unloading Penalties.
- § 73118. Oaths.
- § 73119. Merchandise Taken into Custody.
- § 73120. Sale of Merchandise.
- § 73121. Sale of Merchandise: Storage: Fees, Lien, Sale.
- § 73122. Sale of Merchandise: Destruction or Damage.
- § 73123. Sale of Merchandise: Destruction by Authorities.
- § 73124. Sale of Merchandise: Proceeds of Sale: Claims.
- § 73125. Bonds.
- § 73126. Examination of Baggage.
- § 73127. Declaration.
- § 73128. Inspection of Imports.
- § 73129. Contempt.
- § 73130. False Swearing.
- § 73131. Liability of Customs Officials.
- § 73132. Notice of Lien.
- § 73133. Penalty.
- § 73134. Penalty: Opium.
- § 73135. Penalty: Failure to Report Prior to Departure.
- § 73136. Penalty: Fraud.
- § 73137. Certificates of Origin.
- § 73138. Charges for Services of Customs and Quarantine Officers.  
[Repealed]
- § 73139. Customs & Quarantine Overtime Fund. [Repealed]
- § 73140. Exemption for Export Trading Companies.
- § 73141. Place of Inspection.



5 GCA GOVERNMENT OPERATIONS  
CH. 73 CUSTOMS & QUARANTINE AGENCY

- § 73142. Release of Sealed Cargo.
- § 73143. Release of Sealed Cargo: Penalties.
- § 73144. Promulgation of Rules and Regulations.
- § 73145. Customs, Agriculture, and Quarantine Inspection Services Charge Established.
- § 73146. Initial Service Charges.
- § 73147. Authorization for Customs and Quarantine Agency and the Guam Airport Authority to collect Customs, Agriculture, and Quarantine Inspection Services Charges.
- § 73148. Guam Airport Authority Reimbursement Agreement.
- § 73149. Deposit of Customs, Agriculture and Quarantine Inspection Services Charge in Customs, Agriculture and Quarantine Inspection Services Fund.
- § 73150. Penalties for Non-payment or Late Payment of Customs, Agriculture, and Quarantine Inspection Services Charge.
- § 73151. Rules and Regulations for Customs, Agriculture, and Quarantine Inspection Services Charge.
- § 73152. Customs and Agriculture Inspections Services Fund.
- § 73153. Severability Clause.

**§ 73101. Imports Prohibited.**

All persons are prohibited from importing into Guam the following:

(a) Printed matters or pictures of a seditious nature or of an obscene or immoral character.

(b) Any article, manufactured or for manufacture or sale, or adulterated or misbranded or deleterious food, drugs, medicines and liquors.

(c) **[Repealed.]**

**SOURCE:** GC § 47100. Subsection (c) added by P.L. 11-193 (12/07/72); amended by P.L. 13-187:231 (01/01/78). Subsection (c) repealed by P.L. 14-141:18 (08/31/78).

**NOTE:** P.L. 14-141 added a new Article to 9 GCA Chapter 67 (Uniform Controlled Substances Act) specifically dealing with the importation of controlled substances. Thus, this subsection became superfluous and was repealed accordingly.

**CROSS-REFERENCES:** 9GCA Chapter 67, Art. 6, commencing with §67.88.

See 10 GCA § 32303 regarding the importation of dogs and cats and other animals.

5 GCA GOVERNMENT OPERATIONS  
CH. 73 CUSTOMS & QUARANTINE AGENCY

**§ 73102. Powers of Customs Officers.**

Any Customs Officer may:

(1) arrest persons who violate a prohibition contained in Article 6 of Title 9 GCA Chapter 67;

(2) make seizures of any controlled substance imported into Guam in violation of Article 6 of Title 9 GCA Chapter 67;

(3) arrest persons who violate a prohibition contained in Chapter 47 of Title 9 GCA; and

(4) make seizures of any forged or counterfeit goods imported into Guam in violation of Chapter 47 of Title 9 GCA.

**SOURCE:** GC § 47100.1 added by P.L. 11-193; amended by P.L. 13-58:2; amended by P.L. 18-7:231; repealed/reenacted by P.L. 14-141:18 (08/31/78). Amended by P.L. 27-072:4

**NOTE:** GC § 47100.2 (Drug Amnesty Box at Airport and Customs Form) was added by P.L. 14-143:20 and repealed by P.L. 17-44:1.

**§ 73103. Classification of Persons Arriving in Guam.**

(a) Persons arriving from foreign countries are divided into two classes for the purpose of these regulations, first, residents of Guam and second, all other persons.

(b) Personnel of the Armed Forces of the United States ordered to duty in Guam or to any U.S. ship stationed at Guam are classified for customs purposes as residents of Guam effective from date of reporting for duty.

(c) Any United States citizen coming to reside in Guam for a period of longer than thirty days will be regarded as a resident of Guam for the purpose of customs regulations.

**SOURCE:** GC § 47101.

**§ 73104. Entry by Consignee.**

(a) Requirement and time. Except as otherwise provided, the consignee of imported merchandise shall make entry therefor either in person or by an agent authorized by him in writing to the Customs House within 48 hours, exclusive of Sundays and holidays, after the entry of the importing vessel, unless the collector authorized in writing, a legal time.

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(b) Packages included. If any of the certificates or documents necessary to make entry of any part of merchandise arriving on one vessel and consigned to one consignee have not arrived, such part may be entered subsequently, and notation of the packages or cases to be omitted from the original entry shall be made thereon. One or more packages arriving on one vessel addressed for delivery to one person and imported in another package containing packages addressed for delivery to other persons may be separately entered. All other merchandise arriving on one vessel and consigned to one consignee shall be included in one entry.

(c) Entry on carrier's certificate. Any person certified by the carrier bringing the merchandise to the port at which entry is to be made, to be the owner or consignee of the merchandise, or an agent of such owner or consignee, may make entry thereof either in person or by an authorized agent.

(d) Entry on duplicate bill of lading. Any person may, upon the production of a duplicate bill of lading signed or certified to be genuine by the carrier bringing the merchandise to the port at which entry is to be made, make entry for the merchandise in respect of which such bill of lading is issued, except that such person shall make such entry in his own name.

**SOURCE:** GC § 47102.

**§ 73105. Consignee.**

All articles, goods, wares or merchandise imported into Guam for the purpose of these regulations shall be deemed and held to be the property of the person to whom the same may be consigned; but the holder of any bill of lading, drawn to the order and indorsed by the co-signer, shall be deemed the consignee thereof; and in case of the abandonment of any article, goods, wares or merchandise to the underwriters, the latter may be recognized as the consignee.

**SOURCE:** GC § 47103.

**§ 73106. Prohibited Imports.**

(a) Importation Prohibited. If the laws or regulations of any country, dependency, province or other subdivision of government restrict the taking, killing, possession or exportation to the United States, or its possessions, of any wild mammal or bird, alive or dead, or restrict the

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exportation to the United States or its possessions or any part or product of any wild mammal or bird, whether raw or manufactured, no such mammal or bird or part or product thereof shall be imported into Guam from such country, dependency, province or other subdivision of government, directly or indirectly, unless accompanied by a certification of the United States consul, for the consular district in which is located the port or place from which such mammal or bird, or part or product thereof, was exported from such country, dependency, province, or other subdivision of government, that such mammal or bird, part or product thereof, has not been acquired or exported in violation of the laws or regulations of such country, dependency, province or other subdivision of government.

(b) Forfeiture. Any mammal or bird, alive or dead, or any part or product thereof, whether raw or manufactured imported into Guam in violation of the provisions of the preceding subdivision shall be subject to seizure and forfeiture under the customs regulations. Any such article so forfeited may, in the discretion of the Governor, be placed with the departments or bureaus of the government or with societies or museums, for exhibition or scientific or educational purposes, or destroyed or sold.

(c) When Section not Applicable. The provisions of this section shall not apply in the case of:

(1) Prohibited importations — articles, the importation of which is prohibited under the provisions of regulations, or of any laws;

(2) Scientific or educational purposes — wild mammal or birds, alive or dead, or parts or products thereof, whether raw or manufactured, imported for scientific or educational purposes;

(3) Certain migratory game birds — migratory game birds brought into Guam by bona fide sportsmen returning from hunting trips in such country, if at the time of importation the possession of such birds is not prohibited by the laws of such country or of the United States.

**SOURCE:** GC § 47104.

**CROSS-REFERENCES:** See 5 GCA § 63124 for further laws governing the importation of game birds or animals.

**NOTE:** GC § 47104.1 (Permitting Slot Machines at the Air Terminal Gaming Zone) was enacted by P.L. 13-135 and repealed, together with the Zone, itself, by P.L. 19-19:28.

**§ 73107. Guard on Vessels.**

Every commercial vessel entering a port of Guam or anchoring or *lying to* in Guam waters shall be placed under guard during her stay.

SOURCE: GC § 47105.

**§ 73108. Clearing Vessels.**

(a) No vessel shall be cleared until her cargo, consigned to Guam, had been landed and properly accounted.

(b) Prior to the departure of any vessel, the master shall deposit with the Customs Officer at the port, a manifest of the outward cargo of such vessel, specifying the marks and numbers of packages, a description of their contents, with the names of shippers and consignees; and also the names of passengers and their destination. A clearance will then be granted to the vessel.

SOURCE: GC § 47106.

**§ 73109. Definitions.**

(a) Vessel — The word *vessel* includes every description of craft or other contrivance used, or capable of being used as a means of transportation on the water.

(b) Merchandise — The word *merchandise* means goods, wares and chattels of every description and includes merchandise the importation of which is prohibited.

(c) Person — The word *person* includes partnerships, associations and corporations.

(d) Master — The word *Master* means the person having the command of the vessel or contrivance.

(e) Day — The word *day* means the time from 8:00 a.m. to 5:00 p.m. [or from 0800 hours to 1700 hours].

(f) Night — The word *night* means the time from 5:00 p.m. to 8:00 a.m. [the next day] [1700 hours to 0800 hours the next day].

(g) Collector — The word *Collector* means the Collector of Customs and includes Assistant Collector of Customs, Deputy Collector of Customs and any person authorized to perform the duties of Collector of Customs.

SOURCE: GC § 47107.

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**§ 73110. Manifest.**

The master of every vessel arriving in Guam shall have on board his vessel a manifest of cargo for Guam signed by such master under oath at to the truth of the statement therein contained. Such manifest shall contain:

(1) The names of the ports or places at which the merchandise was taken on board.

(2) The name, description and build of the vessel, the true measure or tonnage thereof, the port to which such vessel belongs and the name of the master of such vessel.

(3) A detailed account of all merchandise destined for Guam on board such vessel, with the marks and numbers of each package, and the number and description of the packages according to their usual name or denomination, such as barrel, keg, hogshead, case or bag.

(4) The names of the persons to whom such packages are respectively consigned in accordance with the bills of lading issued therefor.

(5) The names of the several passengers aboard the vessel, stating whether cabin or steerage passengers, with their baggage, specifying the number and description of the pieces of baggage belonging to each and a list of all baggage not accompanied by passengers.

(6) An account of the sea stores and ship's stores on board the vessel.

(7) If the vessel is from a United States port the manifest shall be certified by the Collector of the port of sailing. If from a foreign port, by the United States consul or commercial agent of the port. If there is no United States consul or agent, then by the consul or agent of any nation at peace with the United States.

**SOURCE:** GC § 47108.

**§ 73111. Manifest Delivered to Customs Officer.**

Within four (4) hours after arrival, the master of a vessel from a foreign port or place required to make entry shall deliver to the Customs

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Officer, two (2) copies of the manifest and he shall also deliver to said Customs Officer a true and correct copy of any correction of such manifest filed on entry of his vessel. Any master who fails to deliver such copy of the manifest or correction thereof shall be guilty of a violation.

**SOURCE:** GC § 47109; amended by P.L. 13-187:232.

**§ 73112. Penalty.**

If there is any merchandise or baggage on board such vessel which is not included in or which does not agree with the manifest, the master of the vessel shall make a post entry thereof and deliver a copy to the customs officers and for failure to do so shall be guilty of a violation.

**SOURCE:** GC § 47110, amended by P.L. 13-187:233.

**§ 73113. Vessels Not Required to Make Entry.**

The following vessels shall not be required to make entry at the Customs House:

(1) Vessels of war and public vessels employed for the conveyance of letters and dispatches and not permitted by the laws of the nations to which they belong to be employed in the transportation of passengers or merchandise.

(2) Yachts of fifteen gross tons or under not permitted by law to carry merchandise or passengers for hire.

(3) Vessels arriving in distress or for the purpose of taking on bunker coal, bunker oil or necessary sea stores and which shall depart within twenty-four (24) hours after arrival without having landed or taken on board any passengers or any merchandise other than bunker coal, bunker oil or necessary sea stores, *provided*, that the master, owner or agent of such vessel shall report under oath to the Collector the hour and date of arrival and departure and the quantity of bunker coal, bunker oil or necessary sea stores taken on board.

**SOURCE:** GC § 47111.

**§ 73114. Merchandise for Other Ports.**

Any vessel having on board merchandise shown by the manifest to be destined to a port or place outside of Guam, may, after the report and

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entry of such vessel under the provisions of this Chapter, proceed to such port of destination with the cargo so destined therefor without unloading the same.

**SOURCE:** GC § 47112.

**§ 73115. Place of Unloading.**

It shall be unlawful to make entry of any vessel or to unload the cargo or any part thereof of any vessel elsewhere than at the port of Apra Harbor, the Commercial Port or the Agana Boat Basin.

**SOURCE:** GC § 47113.

**§ 73116. Unloading Prohibition.**

(a) Except as otherwise provided (relating to vessels not required to enter), no merchandise, passengers or baggage shall be unloaded from any vessel until entry of such vessel has been made and a permit for the unloading of the same issued by the Collector; *provided*, that the master may make a preliminary entry of a vessel by making oath or affirmation to the truth of the statements contained in the vessel's manifest and delivering the manifest to the Customs Officer, but the making of such preliminary entry shall not excuse the master from making formal entry of his vessel at the Customs House, as provided in these regulations. After the entry, preliminary or otherwise, of any vessel, the Collector may issue a permit to the master of the vessel, to unload merchandise or baggage but except as provided in subsection (b) of this section, merchandise or baggage so unladen shall be retained at the place of unloading until entry therefor is made and a permit for its delivery granted. Any merchandise or baggage so unladen from any vessel for which entry is not made within forty-eight (48) hours from the time of the entry of the vessel, unless a longer time is granted by the Collector, shall be sent to the Customs storehouse and held as unclaimed at the risk and expense of the consignee in the case of merchandise and of the owner in case of baggage, until entry thereof is made.

(b) The Collector of Customs is authorized to issue special permits for deliver, prior to formal entry therefor, of perishable articles and other articles, the immediate delivery of which is necessary.

**SOURCE:** GC § 47114.

**§ 73117. Unloading Penalties.**



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If any passengers, merchandise or baggage are unloaded from any vessel without a permit from port authorities, the master of such vessel and every other person who knowingly is concerned or who aids therein, or in removing or otherwise securing such merchandise or baggage, shall each be guilty of a violation for each passenger so unladen and a penalty equal to the value of the merchandise or baggage so unladen, and such merchandise or baggage shall be subject to forfeiture.

**SOURCE:** GC § 47115, amended by P.L. 13-187:234.

**§ 73118. Oaths.**

The Collector of Customs and all Deputy Collectors of Customs are empowered to administer any oaths required or authorized by these regulations in respect of any matter coming before such officers in the performance of their official duties. No compensation or fee shall be demanded or accepted for administering any oaths under the provisions of this section.

**SOURCE:** GC § 47116.

**§ 73119. Merchandise Taken into Custody.**

Whenever entry of any imported merchandise is not made within the time provided by this Chapter, or whenever, in the opinion of the Collector, entry of such merchandise cannot be made for want of proper documents or other cause, he shall take the merchandise into his custody, to be held at the risk and expense of the consignee until entry is made or completed and the proper documents are produced, or a bond given for their production.

At the request of the consignee of any merchandise, or of the owner or master of the vessel in which the same is imported, any merchandise may be taken into possession of the Collector after the expiration of one day after the entry of the vessel and may be unladen and held at the risk and expense of the consignee until entry thereof is made.

**SOURCE:** GC § 47117.

**§ 73120. Sale of Merchandise.**

Any merchandise of which possession has been taken by the Collector for sixty (60) days from the date of importation without entry thereof having been made and the charges thereon paid, shall be considered unclaimed and abandoned to the government and shall be

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sold by the Director of Administration at public auction by order of the Governor after five (5) days public notice conspicuously posted or published. The proceeds of such sale shall be kept for thirty (30) days subject to the demand of the importer, after the deduction of all expenses of storage and sale. Where the proceeds of any sale of goods at auction are insufficient to pay the full charges, the consignee shall be liable for such charges, unless it be shown that the consignment was made without the consignee's consent. Perishable goods not duly entered within a proper time after importation will be sold without regard to the time limits specified above and in time to prevent loss by deterioration.

All seized and confiscated merchandise and goods which cannot be identified as the property of any particular importer, will be sold at public auction, by order of the Governor, five (5) days after public notice has been conspicuously posted.

**SOURCE:** GC § 47118. *Finance* changed to *Administration* by Compiler pursuant to P.L. 9-239 (8/13/68).

**§ 73121. Sale of Merchandise: Storage: Fees, Lien, Sale.**

Any imported merchandise in the possession of the Collector of Customs, or properly entered or otherwise, remaining in government custody more than fourteen (14) days (including Sundays or holidays) after receipt therein and except when delay in removal may be caused by some failure on the part of the government, shall be liable to a storage charge of fifty cents (\$0.50) per diem or fraction thereof per ton (2,000 pounds or 40 cubic feet) or fraction thereof for each day thereafter (excluding Sundays and holidays).

The Collector may direct removal at any time when efficient operation of the Customs Warehouse may necessitate such removal. The above rates of storage charges will then become effective on the day following the order to remove the merchandise concerned. Any storage charges shall constitute a lien against the property for payment of all storage charges before removal. Storage charges shall be paid every ten (10) days and if not so done and whenever charges against such merchandise shall have accrued in an amount equal to two-thirds the entered value of the merchandise in question, it shall be subject to seizure and sale by the government in the same manner and subject to the same conditions as prescribed in § 73120 of this Chapter.

Stores not removed within thirty (30) days after the Collector has directed their removal shall be subject to sale at public auction in the manner prescribed in § 73120 of this Chapter.

SOURCE: GC § 47119.

**§ 73122. Sale of Merchandise: Destruction or Damage.**

Destruction or damage by fire or so-called *Acts of God* to merchandise or property legally held in the custody and possession of the Collector of Customs will not render the government liable in damages therefor; *Provided*, however, that claims against the government for losses incurred through personal delinquency on the part of the government employees may be forwarded to the Governor of Guam via the Collector of Customs for decision. The Governor's decision shall be final in each case.

SOURCE: GC § 47120.

**§ 73123. Sale of Merchandise: Destruction by Authorities.**

Except as otherwise provided, any merchandise abandoned or forfeited to the government under the preceding or any other provision of this Chapter, which is subject to internal revenue tax and which the Collector shall be satisfied will not sell for a sufficient amount to pay such taxes, shall be forthwith destroyed instead of being sold at auction.

SOURCE: GC § 47121.

**§ 73124. Sale of Merchandise: Proceeds of Sale: Claims.**

The proceeds of sale at public auction shall be paid over to the Treasurer of Guam in satisfaction of storage charges and other governmental expenses and the sale of such merchandise or property shall exonerate the master of any vessel from all claims of the former owner of the merchandise or property in question. All private claims for freight, contribution in general, average or other charges against the merchandise or property involved must be filed with the Governor of Guam via the Collector of Customs for decision as to payment out of the surplus, if any. The decision of the Governor shall be final.

SOURCE: GC § 47122.

**§ 73125. Bonds.**

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When any bond is required by law or regulation to be executed by any partnership for any purpose connected with the transaction of business at any customs house, the execution of such bond by any member of such partnership shall bind the other partners in like manner and to the same extent as if such other partners had personally joined in the execution, and an action or suit may be instituted on such bond against all partners as if all had executed the same.

**SOURCE:** GC § 47123.

**§ 73126. Examination of Baggage.**

The Collector may cause an examination to be made of the baggage of any person arriving in Guam from a point outside the United States of America, including the Commonwealth of the Northern Mariana Islands, in order to ascertain what articles are contained therein and whether prohibited, notwithstanding a declaration and entry therefor has been made.

**SOURCE:** GC § 47124, amended by P.L. 16-44:6.

**COURT DECISIONS:** *Guam v. Sugiyama*, Skopil, J., concurring, finds that the Governor, by Memorandum 33-52, supplemented this provision of the law by authorizing, in addition, searches of one's person as well as of the baggage. Such supplementation is valid. 846 F.2d 570 (9th Cir.(Guam), May 16, 1988) (NO. 87-1075, 87-1080); Rehearing Denied, Opinion Amended by 859 F.2d 1428 (9th Cir.(Guam), Oct 31, 1988) (NO. 87-1075); *cert. den. Sugiyama v. Territory of Guam*, 490 U.S. 1010, 109 S.Ct. 1652, 104 L.Ed.2d 166 (U.S.Guam, Apr 3, 1989) (No. 88-6705).

**§ 73127. Declaration.**

Any article not included in the declaration and entry as made, and, before examination of the baggage was begun, not mentioned in writing by such person, if written declaration and entry was required, or orally if written declaration and entry was not required, shall be subject to forfeiture and such person shall be liable to a penalty equal to the value of such article.

**SOURCE:** GC § 47125.

**§ 73128. Inspection of Imports.**

Imported merchandise, required by regulations to be inspected or examined, shall not be delivered from customs custody, except as otherwise provided in this Chapter, until it has been inspected or examined, and is found to comply with requirements by Customs

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Officials. The Collector may require such packages or quantities examined as he may deem necessary.

**SOURCE:** GC § 47126.

**§ 73129. Contempt.**

If any person cited to appear before the Collector of Customs shall neglect or refuse to attend, or shall decline to answer, or shall refuse to answer in writing any interrogation or to subscribe his name to his position, or to produce such papers when so required by the Collector of Customs, the Collector of Customs shall certify the facts to the Superior Court for proceedings in accordance with the terms of 5 GCA § 9238.

**SOURCE:** GC § 47127 modified to refer to codification of GC § 24138 as 5 GCA § 9238. *Island* Court changed to *Superior* Court by authority of P.L. 12-85.

**§ 73130. False Swearing.**

Any person who shall intentionally swear falsely on an examination before the Collector of Customs shall be guilty of a misdemeanor; and if he is the owner, importer or consignee, the merchandise shall be forfeited or the value thereof may be recovered from such person.

**SOURCE:** GC § 47128 amended by P.L. 13-187:235.

**§ 73131. Liability of Customs Officials.**

No Collector or other customs officer shall be in any way liable to any owner, importer, consignee or agent or any other person for or in account of any rulings or decisions as to the collection of any charges, on account of said merchandise or any other matter or things as to which said owner, importer, consignee or agent might, under this Chapter be entitled to protest or appeal from the decision of such collector or other officer.

**SOURCE:** GC § 47129.

**§ 73132. Notice of Lien.**

Whenever the Collector of Customs shall be notified in writing of the existence of a lien for freight, charges, or contribution in general average upon any imported merchandise entered for warehousing or taken possession of by him, he shall refuse to make delivery thereof until proof shall be produced that the said lien has been satisfied or discharged. The rights of the government of Guam shall not be prejudiced or affected by the filing of such lien, nor shall the government

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of Guam be liable for losses or damages consequent upon such refusal to permit delivery. If merchandise, regarding which such notice of lien has been filed shall be forfeited or abandoned and sold, the freight, charges or contribution in general average due thereon shall be paid from the proceeds of such case in the same manner as other lawful charges and expenses are paid therefrom.

SOURCE: GC § 47130.

**§ 73133. Penalty.**

Any master of any vessel who does not produce the manifest to the officer demanding the same shall be guilty of a violation, and if any merchandise is found on board on or after having been unloaded from such vessel which is not included or described in said manifest or does not agree therewith, the master of such vessel or the owner of such vessel shall be liable to a penalty equal to the value of the merchandise so found or unladen, and any merchandise belonging or consigned to the master or other officer or to any of the crew of such vessel shall be subject to forfeiture, and if any merchandise described in such manifest is not found on board the vessel the master or other person in charge or the owner of such vessel shall be guilty of a violation; *provided*, that if the Collector shall be satisfied that the manifest was lost or mislaid without intentional fraud, or was defaced by accident, or is incorrect by reason of clerical error or other mistake and that no part of the merchandise not found on board was unshipped or discharged except as specified in the report of the master, said penalties shall not be incurred.

SOURCE: GC § 47131 amended by P.L. 13-187:236.

**§ 73134. Penalty: Opium.**

If any of such merchandise so found consists of smoking opium or opium prepared for smoking, the master of such vessel or the owner of such vessel shall be liable to a penalty of twenty-five dollars (\$25.00) for each ounce thereof so found. Such penalty shall constitute a lien upon such vessel; except that the master or owner of a vessel used by any person as a common carrier in the transaction of business as such common carrier shall not be liable to such penalty and the vessel shall not be held subject to the lien, if it appears that neither the master nor any of the officers (including licensed and unlicensed officers and petty officers) nor the owner of the vessel knew, and could not, by the exercise of the highest degree of care and diligence, have known that such

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smoking opium or opium prepared for smoking was on board. Clearance of any such vessel may be withheld until such penalty is paid or until a bond, satisfactory to the Collector, is given for the payment thereof.

**SOURCE:** GC § 47132.

**CROSS-REFERENCES:** See 9 GCA Chapter 67 and Chapter 80 relative to later law on the importation of controlled substances, including opium, and the penalties therefor.

**§ 73135. Penalty: Failure to Report Prior to Departure.**

If any vessel from a foreign port or place arrives within the limits of Guam and departs or attempts to depart, except from stress of weather or other necessity, without making a report of entry under the provisions of this Chapter, or if any merchandise is unladen therefrom before such report of entry, the master of such vessel shall be guilty of a violation.

**SOURCE:** GC § 47133 amended by P.L. 13-187:237.

**§ 73136. Penalty: Fraud.**

If any consignor, seller, owner, importer, consignee, agent, or other person or persons enters or introduces, or attempts to enter or introduce into the commerce of Guam any imported merchandise by means of any fraudulent or false declaration, affidavit, letter, paper or by means of any false statement, written or verbal, or by means of any false or fraudulent practice or appliance whatsoever, or makes any false statement in any declaration without reasonable cause to believe the truth of such statement, or is guilty of any wilful act or omission by means whereof the government of Guam is affected by such act or omission, such merchandise or the value thereof, to be recovered from such person or persons, shall be subject to forfeiture, which forfeiture shall only apply to the whole of the merchandise or the value thereof in the case or package containing the particular article or articles of merchandise to which such fraud or false paper or statement relates. The arrival within the territorial limits of Guam of any merchandise consigned for sale and remaining the property of the shipper or consignor, and the acceptance of a false or fraudulent invoice thereof by the consignee or the agent of the consignor, or the existence of any other facts constituting an attempted fraud, shall be deemed, for the purpose of this section, to be an attempt to enter such merchandise notwithstanding no actual entry has been made or offered.

**SOURCE:** GC § 47134.

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**§ 73137. Certificates of Origin.**

The following fees will be charged by the Customs & Quarantine Agency for the issuance of Certificates of Origin:

For certificates wherein the stated value of the merchandise ranges from:

\$	0.01	to	\$	100.00	a
fee of \$	0.25				
\$	100.01	to	\$	500.00	a
fee of \$	0.50				
\$	500.01	to	\$	1,000.00	a
fee of \$	1.00				
\$	1,000.01	to	\$	5,000.00	a
fee of \$	1.50				
\$	5,000.01	to	\$	10,000.00	
	a fee of \$ 2.25				
\$	10,000.01	to	\$	50,000.00	
	a fee of \$ 3.50				
\$	50,000.01	to	\$	100,000.00	
	a fee of \$ 5.00				
	over \$100,000.01				
	a fee of \$ 10.00				

Whenever any Certificate of Origin is issued between the hours of 5:00 p.m. and 8:00 a.m. during weekdays and between 12 noon on Saturday and 8:00 a.m. on the following Monday and on legal holidays an additional charge of Three Dollars (\$3.00) will be assessed in addition to any rate indicated in the above schedule of fees.

**SOURCE:** GC § 47135. Except as noted above, the sections from the beginning of this Chapter until this section were renumbered to the Govt. Code sections indicated by P.L. 7-48. The original sections, enacted with the original Government Code, were § 14200-14235. It is clear to the Compiler that the original customs law were regulations issued under the Naval Government. In fact, an examination of the original enactments of the First Guam Legislature shows that all that Legislature did with respect to the customs rules and regulations is to repeal the tariff schedules then applicable to imports into Guam, and by this means made Guam a duty free port. The bureaucratic structure supporting the tariff schedules, however, was continued.

**NOTE:** P.L. 22-112:2 (to be effective Oct. 1, 1994) transfers all personnel, equipment and duties from the Customs & Quarantine Division of the Department of Commerce to a separate Customs & Quarantine Agency. Pursuant to this transfer, the Compiler has changed references in this section from the *Department of Commerce* to the new *Customs & Quarantine Agency*.



**§ 73138. Charges for Services of Customs and Quarantine Officers.**

**[Repealed.]**

**SOURCE:** GC § 47136; amended by P.L. 14-121:2, P.L. 14-126:2, P.L. 15-125:17, P.L. 16-111:II:3 and P.L. 21-42:4. Repealed by P.L. 23-45:IV:18(c)(i).

**§ 73139. Customs & Quarantine Overtime Fund.**

**[Repealed.]**

**SOURCE:** GC § 47137 added by P.L. 14-96:1; R/R by P.L. 16-111:II:2; R/R by P.L. 19-10:XI:41(b). Repealed by P.L. 23-45:IV:18(c)(ii).

**§ 73140. Exemption for Export Trading Companies.**

Goods brought into Guam by an export trading company as defined by § 26101(d) Title 11, Guam Code Annotated which are produced or manufactured in the United States or are produced or manufactured on Guam for the purpose of export from Guam to foreign countries are exempted from the provisions of §§ 73116, 73117, 73127 and 73128 of this Chapter, if the goods are stored in a bonded warehouse approved by the Director of the Customs and Quarantine Agency or cleared by U.S. customs officers as evidenced in writing. This exemption shall not apply to live or unprocessed plants and animals.

**SOURCE:** GC § 47138 added by P.L. 17-67:7; amended by P.L. 17-70:II:41.

**NOTE:** *Director of Commerce* changed to *Director of the Customs & Quarantine Agency* pursuant to the transfer of functions and creation of the new agency by P.L. 22-112.

**§ 73141. Place of Inspection.**

Inspections of baggage, passengers and cargo shall be performed only at the designated ports of Guam, except that inspections of cargo may also be performed at such places as the Director of the Customs & Quarantine Agency shall from time to time designate.

**SOURCE:** GC § 47139 added by P.L. 20-25:1 (06/10/89).

**NOTE:** *Director of Commerce* changed to *Director of the Customs & Quarantine Agency* pursuant to the transfer of functions and creation of the new agency by P.L. 22-112.

**§ 73142. Release of Sealed Cargo.**

The seal on a container or cargo shall neither be broken nor tampered with, except under the direction of a Customs Inspector or until

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such container or cargo has otherwise been officially released from Customs' custody.

**SOURCE:** GC § 47140 added by P.L. 20-25:1 (06/10/89)

**§ 73143. Release of Sealed Cargo: Penalties.**

Should the seal on a container or cargo be broken or tampered with prior to its official release from Customs' custody, except under the direction of a Customs Inspector, then the person or firm that has accepted delivery of the sealed container or cargo shall be liable for the following administrative penalties levied by the Collector of Customs:

(a) A fine of not less than Twenty-Five Thousand Dollars (\$25,000) and the confiscation of the cargo involved; and

(b) The suspension of the business license(s) of all principals involved in the violation of this section for one (1) year.

All fines levied under this section shall be deposited in the Customs Inspection Fund. All cargo confiscated under this section shall be disposed of as provided for in this Chapter. The Director of the Customs & Quarantine Agency shall immediately notify the License Board created by 11 GCA § 70112 of a violation by any person or firm whose license is to be suspended. No expenditures shall be made from the Customs Inspection Fund except by appropriation of the Legislature.

Any person or firm charged with a violation of this section shall have the burden of proving by clear and convincing evidence that such person or firm was not responsible for the broken or tampered with seal.

**SOURCE:** GC § 47141 added by P.L. 20-25:1 (06/10/89).

**NOTE:** 1. The original law referred to a License Board created by GC § 16026. However, that section dealt with Alien Labor and not with a License Board. The only section creating a License Board is now found in 11 GCA § 70112, which was GC § 16011.

2. *Director of Commerce* changed to *Director of the Customs & Quarantine Agency* pursuant to the transfer of functions and creation of the new agency by P.L. 22-112.

**§ 73144. Promulgation of Rules and Regulations.**

The Director of the Customs & Quarantine Agency is responsible for the promulgation of rules and regulations necessary to carry out the provisions of this Chapter. Such rules and regulations shall be

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promulgated in accordance with the provisions of the Administrative Adjudication Law.

**SOURCE:** GC § 47142 added by P.L. 20-25:1 (06/10/89).

**NOTE:** P.L. 20-25:2 stated, as an uncodified section:

There is hereby created a Customs Inspection Fund for use in the enforcement of Chapter II, Title XLIV of the Government Code [this Chapter of the Guam Code Annotated]. Such Fund shall be kept separate and apart from the General Fund.

**§ 73145. Customs, Agriculture, and Quarantine Inspection Services Charge Established.**

Each aircraft landing at the Antonio B. Won Pat International Airport, Guam shall be levied a Customs, Agriculture and Quarantine Inspection services charge reasonably related to the costs incurred by the Customs and Quarantine Agency and the Department of Agriculture in providing, maintaining and operating the service charge facilities, and shall be allocated among air carriers in such a manner reasonably related to the relative demand for such services attributable to each carrier. Each consignment of air and sea cargo, and each passenger landing at a sea port shall also be levied a Customs, Agriculture and Quarantine Inspection services charge, except for those passengers which may be exempted under the rules and regulations promulgated pursuant to § 73151.

The service charges shall be reasonably related to the costs incurred by the Customs and Quarantine Agency and the Department of Agriculture in providing, maintaining and operating the service charge facilities.

Notwithstanding any other provision of law, the establishment, modification or adjustment of any service charge levied pursuant to this Section shall be subject to the provisions of the Administrative Adjudication Law.

**SOURCE:** GC § 47143 added by P.L. 23-45:IV:18. Amended by P.L. 23-96:2. Amended by P.L. 24-14:15 as § 73145. Amended by P.L. 26-140:2.

**NOTE:** P.L. 23-128:IV:14 repeals the Customs Inspection Fund (not § 73145) and provides for "... any and all remaining balances are reverted to the General Fund. All revenue previously earmarked into this Fund shall continue to be collected and credited to the General Fund."

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**COMMENT:** The Legislature, being unaware of the previous codification of this section, and the previous amendment under this codified number, stated the intent of this latest 26<sup>th</sup> GL amendment as:

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* [The Guam Legislature] finds that the law authorizing the “Customs, Agriculture and Quarantine Inspection Services Charge Established” needs to be utilized for more facilities involved in agricultural inspections of agricultural products arriving at the Airport. While the Section authorizing this charge was repealed in Public Law Number 23-128:14, it was reinstated in Public Law Number 24-14:15, although using different section numbers. It is desirable to reenact this code section with reference to the right section numbers.

*I Liheslaturan Guåhan* [The Guam Legislature] further finds that daily operations of certain programs within the Department of Agriculture, specifically the Plant, Protection and Quarantine and the Plant Nursery Programs, have been seriously crippled due to their inability to directly access funds which the Programs themselves generate through sales and services they provide on a daily basis. The revenue generated by the Plant, Protection and Quarantine Program from import permit, export certificate, inspection and commodity treatment services fees, and the estimated Twenty-five Thousand Dollars (\$25,000.00) annual revenue generated by the Plant Nursery from the sale of vegetables, fruits and other tree seedlings, and grafting, air layering and seed propagation fees are all currently being deposited into the General Fund.

Budget constraints, coupled with a reprioritization of Department needs, have resulted in the poor delivery of services to the communities served by the Divisions. Thus, there is a need to create revolving funds for the respective programs to allow them direct access to funds, however meager, they generate. This legislation will ensure that these agricultural programs operate efficiently and, more importantly, deliver the kind and level of service which the public rightfully expects and deserves.

**§ 73146. Initial Service Charges.**

Until the first Rules and Regulations required by § 73151 have been promulgated, the Guam Airport Authority is authorized to collect on an interim basis service charges from air carriers reasonably calculated to recover the costs incurred by the Customs and Quarantine Agency and the Department of Agriculture in providing, maintaining, and operating the service charge facilities. The Customs and Quarantine Agency, or its agents, is also authorized to collect on an interim basis an initial Customs, Agriculture, and Quarantine Inspection Services Charge to be levied as follows:

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(a) Upon sea passengers landing at the Port Authority of Guam a Passenger charge of \$10.00 for each passenger, and a document charge of \$5.00 upon each consignee or other applicable party for each consignment of cargo landing in Guam, and \$25.00 upon each consignee or other applicable party for consolidated consignments of cargo landing in Guam.

**SOURCE:** Added by P.L. 23-45:IV:18. Repealed and reenacted by P.L. 23-96:3.

**§ 73147. Authorization for Customs and Quarantine Agency and the Guam Airport Authority to collect Customs, Agriculture, and Quarantine Inspection Services Charges.**

The Guam Airport Authority is authorized to assess and collect, from air carriers, the Customs, Agriculture, and Quarantine Inspection Services Charge for customs and agricultural inspection services rendered at GIAT. The Customs and Quarantine Agency is authorized to assess and collect the Customs, Agriculture, and Quarantine Inspection Services Charge for Customs, Agriculture, and Quarantine Inspection services rendered at the Port Authority of Guam.

**SOURCE:** Added by P.L. 23-45:IV:18. Amended by P.L. 23-96:4.

**§ 73148. Guam Airport Authority Reimbursement Agreement.**

It is hereby established that the Guam Airport Authority agrees to reimburse the Customs, Quarantine Agency, the Department of Agriculture, and/or their agents for the costs incurred in performing the various duties and obligations of the Customs, and Quarantine Agency, the Department of Agriculture and/or their agents at the Guam International Airport Terminal (GIAT). The Customs, Agriculture, and Quarantine Inspection Services Charge is intended to reimburse the Customs, and Quarantine Agency, the Department of Agriculture, and/or their agents for the costs associated with these duties and obligations.

**SOURCE:** Added by P.L. 23-45:IV:18.

**§ 73149. Deposit of Customs, Agriculture and Quarantine Inspection Services Charge in Customs, Agriculture and Quarantine Inspection Services Fund.**

Notwithstanding any other provisions of law, all funds received in accordance with this Chapter shall be remitted, within five (5) days of receipt, to the Treasurer of Guam for credit to the Customs, Agriculture and Quarantine Inspection Services Fund, as provided for in § 73152 of

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this Chapter; provided, however, that, upon authorization and certification by the Director of the Customs and Quarantine Agency, the Antonio B. Won Pat International Airport Authority, Guam may deduct from the remittance any actual expenses or charges attributable to the Customs and Quarantine Agency or to the Department of Agriculture incurred in administering or carrying out the purposes of this Act, and any other charges incurred by the Customs and Quarantine Agency or the Department of Agriculture Plant Protection and Quarantine Section at the Antonio B. Won Pat International Airport, Guam.

Expenses and encumbrances, except those outlined above, of the Customs and Quarantine Agency and the Department of Agriculture, or their agents, incurred in performing their duties and obligations as prescribed in this Chapter shall be paid from the Customs, Agriculture and Quarantine Inspection Services Fund upon appropriation by *I Liheslaturan Guåhan*. Any funds appropriated to the Customs and Quarantine Agency or to the Department of Agriculture shall be administered by their respective Director, who shall also be the certifying officer for their respective agency.

**SOURCE:** Added by P.L. 23-45:IV:18. Repealed/reenacted by P.L. 26-140:3.

**§ 73150. Penalties for Non-payment or Late Payment of Customs, Agriculture, and Quarantine Inspection Services Charge.**

If an air carrier, vessel operator, passenger, consignee or other applicable party is more than thirty (30) days delinquent in paying any Customs, Agriculture, and Quarantine Inspection Services Charge due under this Chapter, an interest charge of Ten Percent (10%) per annum shall be added to the balance due.

**SOURCE:** Added by P.L. 23-45:IV:18.

**§ 73151. Rules and Regulations for Customs, Agriculture, and Quarantine Inspection Services Charge.**

The Director of Customs and Quarantine Agency, subject to the Administrative Adjudication Act, shall promulgate and adopt rules and regulations to implement the provisions of Section 73145 through 75153 of this Chapter, including provisions establishing the procedure for collection of the service charge, and for periodic review of the costs of providing the services, the level of the charges levied, and the amount of reimbursement payable to the Guam Airport Authority, Customs and

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Quarantine Agency, the Department of Agriculture and/or their agents reflecting the administrative cost of collecting and remitting the charges. The Rules and Regulations shall also provide for such exemptions from the service charge as may be required by applicable law, other regulations, or as may be prescribed by the Director of the Customs and Quarantine Agency. In addition, to the extent the interim charge authorized by § 73146 is determined to have either overcollected or undercollected the revenue required during the interim period, the final regulations should adjust the service charges accordingly.

**SOURCE:** Added by P.L. 23-45:IV:18. Amended by P.L. 23-96:5.

**§ 73152. Customs and Agriculture Inspections Services Fund.**

There is hereby created, separate and apart from other funds of the government of Guam, a fund to be known as the “Customs, Agriculture, and Quarantine Inspection Services Fund (hereinafter “the Fund”). The Fund shall not be commingled with the General Fund and shall be kept in a separate bank account. All expenditures of the Fund shall be made exclusively by appropriation of the Guam Legislature. Notwithstanding any other provision of law, any funds appropriated to the Department of Agriculture pursuant to this Chapter shall be administered by the Director of Agriculture. The Director of Agriculture shall be the Certifying Officer of such funds. The Fund shall not be used as a pledge of security or as collateral for government loans. The Director of Administration shall make a quarterly report to the Governor and the Legislature of the condition of, and activity within, the Fund. He shall make a quarterly report to the Chairman of the Legislature’s committee which oversees the Customs, Agriculture, and Quarantine Inspections Services Fund (the *Fund*) of the condition of, and activity within, the Fund. The Director of Administration shall further make an annual report which shall be made available to the general public.

**SOURCE:** Added by P.L. 23-45:IV:18. Amended by P.L. 23-96:6.

**§ 73153. Severability Clause.**

If any provision of Sections 73145 through 73153 of this Chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Chapter which can be given effect without the invalid provision or application, and to this end the provisions of this Chapter are severable.

**SOURCE:** Added by P.L. 23-45:IV:18.

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**ARTICLE 2**  
**CARRIER OFF-DUTY SERVICES REVOLVING FUND**

- § 73201. Title.
- § 73202. Definitions.
- § 73203. Charges for Carrier Off-Duty Services of Customs and Quarantine Agency Officers.
- § 73204. Payment and Penalties.
- § 73205. Carrier Off-Duty Services Revolving Fund.

**§ 73201. Title.**

This Article may be cited and referred to as “*The Carrier Off-Duty Services Revolving Fund Article*.”

**§ 73202. Definitions, Generally.**

Whenever used in this Chapter, unless otherwise required by the context:

(a) “*Off-Duty office*” means an officer of the Customs and Quarantine Agency, exclusive of the Director of Customs and the Chief of Customs, or an inspector of the Plant Protection and Quarantine Section of the Department of Agriculture, who is not actively fulfilling any scheduled and/or assigned task, and who is available to perform service(s) outside of that person’s assigned or scheduled work hours.

(b) “*Officer*” means a Customs and Quarantine Officer duly employed by the Customs and Quarantine Agency, or an inspector of the Plant Protection and Quarantine Section of the Department of Agriculture, government of Guam.

(c) “*Person*” includes any individual, firm, co-partnership, joint venture, association, corporation, trust or any group or combination action as a unit and the plural, as well as the singular number as may be appropriate.

**§ 73203. Charges for Carrier Off-Duty Services of Customs and Quarantine Officers and Inspectors of Plant Protection and Quarantine Section of the Department of Agriculture.**



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(a) Charges for Services by Customs and Quarantine Officers. All operations of any person, excluding air carriers and passengers arriving at the Antonio B. Won Pat Guam International Air Terminal and passengers arriving on Guam via ocean vessels, that require the services of Customs and Quarantine Agency Officers on any day of the week, upon special request on Sundays, holidays, or between the hours of 5:00 p.m. of any other day and 6:00 a.m. of the following day, shall be charged for services as are rendered by officers as follows:

(i) for the first hour or fraction thereof, a rate of three (3) times the officer's, or officers', hourly wage (3.0 x hourly wage rate) for each officer requested to perform off-duty inspection service; and after the first hour, but only after fifteen (15) minutes has elapsed, a rate one and a half (1½) times each officer's hourly wage rate during such hour, or each hour thereafter, but not to exceed a maximum charge of Two Hundred Seventy-five Dollars (\$275.00) per officer per day.

(b) Charges for Services by Plant Protection and Quarantine Inspectors. All operations of any person, excluding air carriers and passengers arriving at the Antonio B. Won Pat Guam International Air Terminal and passengers arriving on Guam via ocean vessels, that require the services of the inspectors of the Plant Protection and Quarantine Section of the Department of Agriculture on any day of the week upon special request by the Director of Customs and Quarantine on Sundays, holidays, or between the hours of 5:00 p.m. of any other day and 6:00 a.m. of the following day, shall be charged for services as are rendered by an inspector(s) of the Plant Protection and Quarantine Section of the Department of Agriculture as follows:

(i) for the first hour or fraction thereof, a rate of three (3) times the officer's, or officers', hourly wage (3.0 x hourly wage rate) for each officer requested to perform off-duty inspection service; and after the first hour, but only after fifteen (15) minutes has elapsed, a rate one and a half (1½) times each officer's hourly wage rate during such hour, or each hour thereafter, but not to exceed a maximum charge of Two Hundred Seventy-five Dollars (\$275.00) per officer per day.

(c) Non-Performance of Services. If services have been requested and the officer(s) has reported to work, and the services are not

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performed by reason of circumstances beyond the control of the officer(s) concerned, the requesting party shall be charged in accordance with §§ 73203(a) and (b) on the same basis as though the services had actually been performed during the time the officer was ordered to report for duty and did so report, and the time the officer was notified that the officer's services would not be required.

(d) Administrative Surcharge. In addition to charges authorized under §§ 73203(a), (b) and (c), a Two Dollar (\$2.00) administrative surcharge per employee shall be assessed to and payable by the persons receiving such services for the cost of processing, collecting and administering this program.

**§ 73204. Payment and Penalties.**

(a) Payments Due. All person(s) requesting the services of Customs and Quarantine Agency Officers, or the inspectors of the Plant Protection and Quarantine Section of the Department of Agriculture, of the government of Guam under § 73203, and to whom such services were provided, shall make payments to the 'Treasurer of Guam' immediately upon the delivery of services. Upon the written request of person(s) receiving the services of Customs and Quarantine Agency Officers, or the inspectors of the Plant Protection and Quarantine Section of the Department of Agriculture, the Director of Customs and Quarantine may authorize person(s) an extension of payment of up to thirty (30) days from the date of service(s), subject to the penalties and conditions stipulated in §§ 73204(b) and (c).

(b) Interest Penalty. Each person who receives customs or plant protection and quarantine inspection services under § 73203, and fails to make payment for each such completed service(s) within thirty (30) days of the date of service, or thirty (30) days from the date of extension, shall pay an interest penalty of fifteen percent (15%) per annum to the Treasurer of Guam, on the amount of past due or balance thereof. No interest penalty shall be assessed on payments made in full on or before the thirtieth (30th) day from the date payments are due.

(c) Unpaid Interest. Interest penalty applicable under § 73204(b) which remain unpaid shall accrue to the balance due for purposes of computing current interest due.

**§ 73205. Carrier Off-Duty Services Revolving Fund.**

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(a) Fund Established. There is hereby established within the Customs and Quarantine Agency, a fund to be known as the 'Carrier Off-Duty Services Revolving Fund' which shall be separate and apart from other funds in the government of Guam, and for which independent records shall be maintained.

(b) Deposits. All money received in accordance with this Act shall be deposited into the Carrier Off-Duty Services Revolving Fund.

(c) Authorized Expense(s). All authorized expenses for providing customs, agriculture and quarantine service(s) pursuant to this Act, shall be paid by the Treasurer of Guam from the Carrier Off-Duty Services Revolving Fund upon the submittal of vouchers certified by the Director of Customs and Quarantine or the Director of Agriculture. Each officer shall be responsible for all employer retirement contribution which may be applicable on their behalf.

(d) Report. In the first January after the enactment of this Act, and every six (6) months thereafter, the Director of Customs and Quarantine shall prepare and transmit via *I Maga'lahañ Guåhan* [Governor] to the Speaker of *I Liheslaturan Guåhan* [Guam Legislature] a detailed report on the status of the Carrier Off-Duty Services Revolving Fund to include an itemization of expenditures charged against the Fund.

**SOURCE:** Article 2 added by P.L. 25-138:1.

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**ARTICLE 3**  
**PLANT QUARANTINE SERVICES**

§ 73301. Transfer of Plant Protection and Quarantine Section Personnel and Functions of the Department of Agriculture to the Customs and Quarantine Agency.

§ 73302. Creation of the Guam Plant Inspection and Permit Fund.

**§ 73301. Transfer of Plant Protection and Quarantine Section Personnel and Functions of the Department of Agriculture to the Customs and Quarantine Agency.**

(a) All classified employees filling positions within the Plant Protection and Quarantine Section of the Department of Agriculture ('DOA') prior to September 30, 2003 shall be transferred to the Customs

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and Quarantine Agency ('CQA') with the exception of the positions of the entomologist and cashier who will remain with DOA for the administration and management of import and export permits, phytosanitary permits, and a Plant Inspection Station. Classified employees transferred to CQA shall be transferred with all duties, responsibilities and compensation intact, and with no lapses in service to the government of Guam.

The Director of CQA shall have the power to reorganize and realign positions in conformance with the rules and regulations of the Director of Administration and all other applicable laws of Guam. Employees transferred from the Plant Protection and Quarantine Section of DOA shall be entitled to the same retirement, workmen's compensation and hospital insurance benefits to which they are currently entitled.

(b) Transfer of Duties. Except as otherwise specifically provided, CQA shall hereby assume all the powers, duties and responsibilities of the Plant Protection and Quarantine Section of DOA as set out in this Act, and any other section of law with the exception of the administration of local and Federally regulated import and export plant permits, phytosanitary permits and the control management and administration of a USDA sanctioned Plant Inspection Station. Any regulation or other action adopted, prescribed, taken or performed by Plant Protection and Quarantine Officers of the Plant Protection and Quarantine Section of DOA in the administration of a program, the performance of a power, duty or responsibility, or the exercise of any function transferred by this Act shall remain in effect and shall be deemed to be a regulation or action of CQA or of any of its officers to whom the program, power, duty, responsibility or function is transferred.

(c) Transfer of Records and Equipment. Upon the transfer of functions as provided in this Section, CQA shall have possession and control of all books, records, papers, maps, plans, documents, offices, equipment, supplies, money, funds, appropriations, licenses, permits, agreements, contracts, and other property, real or personal, connected with the transfer of, administration of, or held for the benefit or use of, Plant Protection and Quarantine Officers transferred to CQA.

(d) Employee Preference to Continue Service with DOA. Nothing herein shall prevent any Plant Protection and Quarantine Officer from filling any vacant position within DOA pursuant to the Merit System.

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(e) DOA and CQA Nexus on Plant Protection Inspections.

(1) DOA shall provide technical and scientific support to CQA upon assuming specific duties and responsibilities of the Plant Protection and Quarantine Section of DOA as set out in this Section, and any other section of law or regulation pertinent thereto.

(2) CQA shall provide personnel support for the operations of the Plant Inspection Station of the Department of Agriculture.

(3) A Memorandum of Understanding (MOU) shall be executed between DOA and CQA in the operations of the Plant Quarantine Station including the duties and responsibilities of DOA in providing specific technical and scientific support to CQA as set out in this Section.

(f) Transition Team Created.

(1) Transition Team. There is hereby created a Transition Team to help ensure a smooth transition of functions from the Plant Protection and Quarantine Section of DOA to the Customs and Quarantine Agency ('CQA'). The Transition Team shall include the following:

- (a) the Director, or a designee of DOA; and
- (b) the Director, or a designee of CQA.

(2) Authority. The Transition Team shall have sixty (60) days from the enactment of this Act to do the following:

- (a) ensure the smooth transition of the operations of the Plant Protection and Quarantine Section of DOA to CQA; and
- (b) examine and recommend any other facts or data as may be necessary to ensure the smooth transition from the transfer of employees and duties of the Plant Protection and Quarantine Section of DOA to CQA.

(g) Vacant Plant Protection and Quarantine positions shall be phased out and not be filled. Future recruitment for Plant Protection and Quarantine Officer duties shall be for Customs Officer positions as approved by the Director of Administration.

This Section shall be effective October 1, 2003.

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**SOURCE:** Added by P.L. 27-29:V:22 as 5 GCA § 73206. This section was already occupied by another as part of a different topic, so the Compiler created a new Article for these transfer provisions. Effective January 1, 2006, reference to the “Civil Service Commission,” amended to “Director of Administration” pursuant to P.L. 28-68:IV:45 (Sept. 30, 2005).

**§ 73302. Creation of the Guam Plant Inspection and Permit Fund.**

There is hereby created the Guam Plant Inspection and Permit Fund. This Fund shall be used exclusively for the administration, operation, maintenance and improvement of the Plant Inspection Station of the Department of Agriculture and is subject to *I Liheslaturan Guåhan* [Legislative] appropriation. The Guam Plant Inspection and Permit Fund shall be maintained separate and apart from any other funds of the government of Guam and shall not be subject to any transfer authority of *I Maga’lahen Guåhan* [the Governor]. The Director of the Department of Agriculture is hereby required to establish a fee schedule for services provided by the Plant Inspection Station and update all permit fees associated with the issuance of phytosanitary permits inclusive to permit fees and other ancillary operational fees on the importation and exportation of any regulated flora, fauna, or by-product thereof under the jurisdiction of the Department of Agriculture. The fee schedule shall be adopted following the Administrative Adjudication Act. All funds generated from the fee schedule shall be deposited into the Guam Plant Inspection and Permit Fund.

**SOURCE:** Added by P.L. 27-29:V:23 as § 73207. Changed by Compiler. While this section was placed next to that compelling the transfer of employees, note that the Plant Inspection Station is still the function of the Department of Agriculture.

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# THE OFFICE OF SENATOR TELENA CRUZ NELSON

*I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN* | 36th GUAM LEGISLATURE

COMMITTEE ON  
EDUCATION,  
SELF DETERMINATION  
AND HISTORIC  
PRESERVATION,  
INFRASTRUCTURE,  
BORDER SAFETY,  
FEDERAL AND  
FOREIGN AFFAIRS,  
AND  
MARITIME  
TRANSPORTATION

## COMMITTEE REPORT DIGEST

### I. OVERVIEW

The Committee on Education, Self-Determination, and Historic Preservation, Infrastructure, Border Safety, Federal and Foreign Affairs, and Maritime Transportation convened a Virtual Oversight Hearing on Guam Customs and Quarantine on Tuesday, February 9, 2021 at 1:00 PM in *I Liheslatura's* Zoom Conference platform to discuss cargo throughput inspection schedule: per day, per month, and per year for Fiscal Years 2017, 2018, 2019 and 2020; staffing pattern: K9 unit handlers for Fiscal Years 2017, 2018, 2019 and 2020; and Customs Fines and Penalties Revolving Fund status: manifest information for all incoming cargo containership prior to Guam's point of entry relative to Public Law 35-105.

#### Public Notice Requirements

Public notices were disseminated via email to all senators, stakeholders, and all main media broadcasting outlets on Friday, January 29, 2021 (5-Day Notice), and again on Thursday, February 4, 2021 (48-Hour Notice). Notice was also provided on the Guam Legislature website.

#### Senators Present

Senator Telena Cruz Nelson, Committee Chairperson  
Senator Mary Torres, Committee Vice Chairperson  
Senator Amanda Shelton, Committee Member  
Senator Sabina Perez, Committee Member  
Senator Telo Taitague, Committee Member  
Senator Joanne Brown  
Senator V. Anthony Ada  
Senator James Moylan  
Senator Frank Blas, Jr,

#### Appearing before the Committee

Ike Peredo, Director, Guam Customs and Quarantine Agency  
Vincent Perez, Customs Chief, Guam Customs and Quarantine Agency  
Colonel Francis U. Fejerang, Assistant Chief, Inspection and Control Division  
Colonel Phil Taijeron, Guam Customs and Quarantine Agency

### II. SUMMARY OF TESTIMONY & DISCUSSION

The Virtual Informational Hearing was Called-to-Order at 1:04 P.M.

**Chairperson Senator Telen Cruz Nelson:** *Buenas yan Håfa adai.* The Committee on Education and Infrastructural Advancement, Border Protection and Maritime Transportation, *Guåhan* Preservation and Self-Determination, and Federal and Foreign Relations will now convene for this virtual oversight hearing regarding the Guam Customs [and] Quarantine Agency. Today is Tuesday, February 9, 2021 and it is currently 1:04 in the afternoon.

For the record and in accordance with the open Government Law, public notices were sent out via email to all Senators, stakeholders, and all main media broadcasting outlets on Friday, January 29, 2021, and the second notice on Thursday, February 4<sup>th</sup>, 2021. Notice of today's hearing was also available on the Guam Legislature's website. Present with us today is Senator Mary Torres who is our Vice Chair, Senator Joanne Brown, Senator Telo Taitague, Senator Amanda Shelton, Senator James Moylan, and Senator Tony Ada. Thank you, Senators, for being here.

Before we proceed with the virtual oversight hearing, the Legislature has general rules of conduct that must be followed. All must abide by the rules of conduct and quality assurance standards. Please keep your video on at all times, and ensure you are in a room with little interruptions and adequate lighting, specifically to make sure the participant's face is visible at all time. The host of this hearing will mute participants until called upon by the chair. When called to speak, please ensure that you are unmuted and that you are speaking into your microphone. Members of the committee wishing to speak may indicate via the in-app feature chat box. Individuals testifying shall first be recognized by the chair before speaking and shall state their name for record-keeping purposes. Each member will be allowed to pose questions as guided by the chair. Questions and testimony shall be confined to the substance or nature of the agenda. Personal inference as to the character or the motive of any senator or any individual testifying is not permitted. Any violations of this general rule of conduct will result in removal from the hearing by the host.

Good afternoon. I call for this virtual oversight hearing today to provide our community with an update of the Customs and Quarantine Agency.

GUAM CONGRESS BLDG. 163 CHALAN SANTO PAPA HAGÁTÑA, GUAM 96910

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We would like to better understand the procedural guidelines in addressing cargo containership throughput inspections and the manifest information relative to Public Law 35-105. We will also discuss the inspection schedule and K-9-unit handlers' responsibilities while conducting cargo inspections. The agenda today for the oversight hearing include the cargo throughput inspection schedules per day, per month, and per year, for fiscal years 2017,18,19, and 2020. It will also include discussions on the staffing pattern for K-9-unit handlers, and Customs' fines and penalties, revolving fund status, manifest information for all incoming cargo containership prior to Guam's point of entry. I would now like to welcome the Director, Mr. Ike, and the Chief of Customs, Chief Perez. I see Colonel Tajeron- I don't see who's to the right of you, Director, but I will go ahead and pass it off to you so that you can brief us on who is present today and start your presentation. Thank you.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**

Thank you. Good afternoon Senators and members of the hearing committee. My name is Ike Peredo, and I am the Director of the Customs and Quarantine Agency. Before we begin, I would like to thank each and every one of you for the opportunity to discuss our operation as it relates to the ports of entry. Every day, 120 men and women of the Customs and Quarantine work diligently to protect our borders, and it is my honor to lead and serve them.

The Customs and Quarantine Agency is the first line of defense. The mission is to protect our island, its people, and resources, while facilitating legitimate trade, commerce, and travel. We enforce local and federal laws, securing our borders and protecting all ports of entry, ensuring physical, social, and economic security of Guam. In October of 1995, the Governor of Guam passed the Customs Agriculture and Quarantine Inspection Service Charters into law under Public Law 2345. The Customs and Quarantine Inspection charges for passengers and cargo inspection service rendered by the Agency on our borders, which created a funding source that can be used to operate the service charge facilities, and achieve CQA border enforcement operation. Today, the mission of the Agency has expanded since the late 90s, when CQA had a hefty 235 officers. Since September 11,

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carrier attacks have resulted in an increase of federal laws aimed at prevention of terrorism. CQA's ability to fulfill our tasks has been negatively impacted because of reduced personnel, training equipment, vehicles, and lack of technology.

As mentioned earlier, the Agency is currently staffed with 120 officers to protect our borders. As a committee's first line of defense, acquiring necessary personnel and equipment are vital towards stating a firmer movement of contraband and other harmful items into our territory. The organizational structure of the Agency comprises of Inspection and Control, Special Enforcement Division, Logistics and Support, and of course, Administrative Division. For today's hearing I would like to focus on the Inspection and Control Division.

This Division is charged with the responsibility of Airport operations areas, which has two sections, and comprises more than 40% of the total personnel of the Agency. This section is responsible for performing clearance service[s] for arriving aircraft and passengers at Anthony Won Pat International Airport and at Andersen Air Force Base. Cargo operations under this particular Division accounts for close to 20% of the total Agency personnel. It's area of responsibilities include the Airport cargo inspection, the United Postal Facility, and the Guam Plant Inspection Facility at Tiyan. It is responsible for the inspection and facilitation of commodities, parcels arriving or departing Guam through air freight needs and the use of [the] Postal Service System. And lastly, maritime operation. This section comprises of about 16% of the total workforce located at the Jose D. Leon Guerrero Port Authority of Guam in Piti. Additional areas of responsibility include the Hagatña and the Agat Marina and US Naval Station Guam. This section is responsible for the clearance and facilitation of Customs formalities of all sea-going vessels, passengers, crew members, and ocean credit commodities arriving or departing at this Area.

Madam Chairman and Senators, COVID-19, that is upon us today, has greatly impacted the funding source of this Agency. Passenger arrivals at the Airport has drastically decreased the last 10 months. The average passenger generated at the Airport today is \$27,000 dollars a month, as

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compared to \$1.2 million before the pandemic. As I respond, the Agency is realizing a budget shortfall of approximately \$2.4 million for fiscal year 2021. With all these challenges that the Agency is facing, I would like to commend Customs Officers for their continued support in protecting our island, our people, and our resources. Madam Chairman, I am ready for your question[s] with regards to our operation[s] here at the Agency.

**Chairperson Senator Telena Cruz Nelson** Thank you Director Peredo, and can you please must introduce those who are representing the Customs and Quarantine Agency who are present today?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency** Okay to my right here is Colonel Francis Fejerang, he’s the Division Head for Inspection and Control, and to my left – your right – is Chief Vince Perez, Chief of Customs.

**Chairperson Senator Telena Cruz Nelson** Thank you. Okay my first question, Director Peredo, is that Public Law 35-105 gave Customs and Quarantine the ability to work to create... a manifest information and automate it. And so, what is the status of that? Have you started to build a quote or RFP or is it starting in it, and what is the phase plan on how it’s going to be implemented?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency** Senator, with respect to that particular public loan that was just enacted, we have initiated a committee to start with the [rules and] regulations so that we can identify all the means that we need to enforce as it relates to the management spill. And so, that’s the first step that we’re doing right now.

**Chairperson Senator Telena Cruz Nelson** And who is in the committee and what is your committee called?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency** Actually the committee chief... [speaks to Chief Perez]

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** Okay, so in the committee we have members assigned from the Logistics and Support Division and several other individuals were assigned from the Inspection and Control Division. And-

**Chairperson Senator Telen Cruz Nelson** Chief Perez, you're coming in broken, can you please speak into the microphone we cannot clearly hear you.

[Chief Perez steps around his desk and walks towards the microphone]

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** Okay so I might block the view but, we have members assigned from the Logistics and Support Division and as well as the Inspection and Control Division, and their purpose is, of course, to take a look at the Public Law that was passed and to start generating the way forward and developing the rules and regulations with the input from the stakeholders.

**Chairperson Senator Telen Cruz Nelson** Okay, have you looked at Customs and Border Patrol for their rules and regulations? Have you just had any discussions about that?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** That has been part of the discussion, and so the committee is taking a look at everything as far as resources that are currently available, If you take a look at the Public Law that was generated- or that was passed, you can see that there's a lot of similarities, so yes that's also being taken into consideration.

**Chairperson Senator Telen Cruz Nelson** Okay, and who is the lead person that you have in charge of creating these rules and regulations?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** I believe the President for that particular committee is Captain Barbara Tayama.

**Chairperson Senator Telen Cruz Nelson** Okay. Is there a timeline that you have to move forward with this?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** We've already had our first sit-down meeting and they've already had several meetings, and so the purpose of their planning is also to establish the milestones as well.

**Chairperson Senator Telen Cruz Nelson** Okay. So, when will we anticipate the next meeting for the milestones that will be established and some of the concerns or things that they will address in accordance with the law?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** My understanding is that they're meeting every week, I'm not sure if it's one or twice a week, but once we get all that other information as to the timelines, I can give you a more concrete idea.

**Chairperson Senator Telen Cruz Nelson** Okay. And how often have they been meeting? Since- when did the committee first start up?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** If I'm not mistaken it was several weeks ago already.

**Chairperson Senator Telen Cruz Nelson** Okay. So, it's fairly new?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** Yes.

**Chairperson Senator Telen Cruz Nelson** Okay, so in January. All right, thank you Chief.

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** You're welcome.  
[Chief Perez moves to return to his seat]

**Chairperson Senator Telen Cruz Nelson** Mr. Peredo, we have several divisions that was given to us by Customs and Quarantine Agency for the staffing pattern for those that respond to the Port operations. We have the Contraband Enforcement Team, we have the Customs Agriculture and Quarantine- I'm sorry, the Drug Detector Dog Unit, and then we have the Container Inspections. Can you please explain to us if these personnel are specifically for Port operations? And do you have an identifier that makes Customs and Quarantine Agency Officers designated specifically to the Port and those that are just designated specifically to the Airports?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes Senator, the staffing pattern that was provided identifies that there are line officers assigned to the Port specifically for Port operations. If I'm not mistaken, currently there's a total of 13 officers that are assigned down at the Port that will be handling the responsibilities of all vessels and cargo coming in at that particular port of entry. The Drug Detector Dog Units are assigned to the Special Enforcement Division, [and] are also a part of their speed on an on-call basis. Other than that, we have also a team, which is the Maritime Detection Contraband Unit, that also works down at the Port. To include a team- an x-ray team that moves our bag scanner into the Port for screening of containers down at the Port. The other sections – for example, the airport – therefore has its own staffing pattern, and today the total number of officers that are assigned to the Airport is currently 56 Officers that are signed up at the Airport, and the Airport is 24-hour operation, and the Officers are rotated within the Airport, to include the Postal system and up at Andersen Air Force Base.

**Chairperson Senator Telen Cruz Nelson** Thank you. At any time, do the Customs Officers that are assigned to the Port work at the Airport? Or vice versa?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yeah. If there's a request to assist at the Airport, yes, we can move some of these officers if there's a need for it.

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** [speaks to Director Peredo] You know, for example, with the COVID-19, if they tested positive...

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency** Yes, for example: during the COVID-19, we had an officer that tested positive for the Airport. So, we had to isolate a total of 15 Officers at the Airport, and we need to look at other means of moving resources, and that was one of the situations where we had to, at least, retail Officers up temporarily. And I think for that [it] takes about two days, so we have to move resources to the Airport from the Port.

**Chairperson Senator Telena Cruz Nelson** Okay, and can you please explain to the public: what is the process of the container inspections from when it hits the port of entry?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency** Okay, the inspection process down at the Port starts with the scheduling of arrival of vessels coming into the Port, which is known as the Notice of Arrival. Notice of Arrival will be given to the Customs Office. At that point of time, manifest will also be presented, at times, to the Office, the Supervisor down on the Port will then start reviewing the manifest. This is where the process starts, where the Supervisor will start reviewing the manifest, identifying where the container is coming from, making assessment and so far, at the type of inspection to be conducted on those containers that are scheduled to arrive. Screening will be the first stage.

Once the supervisor identifies all the containers that are coming in, proper screening of the containers will also be shared with the X-ray Team, the team will also make notice of any type of inspection that is required for scanning, so that the X-ray Team Supervisor will work with the Supervisor at the Port and determine those containers that are to be inspected for clearance. Once the vessel arrives, the Agents will provide the entry documents to the Importers. The Importers will then present the entry documents to Customs down at the Port. The Officers that are assigned at the Port will review the entry documents. During that particular time, they

can also screen the documents, old from the new, bills of lading, to include the invoices that are attached and other documentation as it relates to the cargo. And from there, the Officer also makes a determination whether there's additional inspection that needs to be conducted on that particular basis. For example: a shipment might require special permits. So, the Officer will recognize that and tag that container for inspection. Then from there, a schedule is conducted for Officers to start performing the inspection throughout the Port.

Secondly, we have the other type of inspection where we work with the freight forwarders. They have consolidated shipments that are coming to containers, and we have satellite inspection stations throughout the island. Today I think we have eight satellite inspection stations known as the Container Train Inspection. These stations are regulated by Customs, permits are... approved to operate this particular Freight Station, and we conduct inspections regularly on this facility at the Port. And so that is the process of the inspection at the Port.

**Chairperson Senator Telena Cruz Nelson** Is Customs and Quarantine able to screen all the cargo containers coming in on a daily basis?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes Senator. Screening for all containers is 100%. All containers must be screened, and that's the process that takes place at the entry...

**Chairperson Senator Telena Cruz Nelson** What is involved in the screening process?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** The screening process is that all documentations, all importations that are coming through the Port or exiting the Port must be entered and passed for inspection, or to pass to continue on out into powers.

**Chairperson Senator Telena Cruz Nelson** Okay so in the screening process – just to clarify – you receive the documents – the manifest – and



you use the X-ray Team to ensure that what is on the manifest is inside the container? For every container coming in?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Yes ma’am.

**Chairperson Senator Telen Cruz Nelson** Okay. And what warrants additional investigation?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Well there’s several factors-

**Chairperson Senator Telen Cruz Nelson** I... I’m sorry Director Peredo can I just take a step back real quick. After you do this screening and the x-ray, when do you weigh the contents to ensure that the weight mirrors the contents that are inside the container?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Actually, that- [pause]

**Chairperson Senator Telen Cruz Nelson** Okay, I think there’s probably been... internet issues on their part. So, we’ll just take a quick three-minute recess, and we’ll try to get Customs and Quarantine back online. Can we go to recess please? Thank you.  
[Recess occurs]

**Chairperson Senator Telen Cruz Nelson** Okay everyone we are back on recess. We have Director Peredo back with us, and we were discussing about the screening of the containers and the confirmation of the weight as it reflects on the manifest to the contents within the container. And so, can you please just discuss that with us Mr. Director?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Again, going back to the way, Madam Chairman, [the] Officers use the... bill of lading and relates the weight on that building as what is related on the invoice that’s presented on that document for entry. We don’t

specifically take weights on the containers. If I'm not mistaken, it's the Port Authority that... does the weight... [looks to his left and talks to Chief Perez]

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** [speaks to Director Peredo] ...They take it to the weight station.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Yeah.

**Chairperson Senator Telena Cruz Nelson** Does the weight station happen before you do the inspection or after you do the inspection?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** [Chief Perez says something inaudible to Director Peredo] I am not too sure of that Madam Chairman, but I'm pretty sure it's on their way up.

**Chairperson Senator Telena Cruz Nelson** Right.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** because the weight station is located outside the Port.

**Chairperson Senator Telena Cruz Nelson** It's the last part of the process, right? Is that correct or no? [Director Peredo says something inaudible] Have you been called- has Customs and Quarantine ever been called back to reinvestigate a container if the weight does not match up to what should be shown within the manifest?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
No, we haven't had that experience.

**Chairperson Senator Telena Cruz Nelson** Okay. All right, I will now ask my colleagues to ask any questions of you Mr. Director, thank you very much for your cooperation and the information that you have provided for us today. Vice Chair Senator Torres do you have any questions?

**Vice Chairperson Senator Mary Camacho Torres** Yes thank you Senator Nelson. I want to go back to Bill 360-35, which is the Manifest Law now. When Colonel Taijeron was testifying at... that public hearing for that Bill, he mentioned that there was a Technical Assistance Grant that was identified and awarded in the amount of \$300,000 dollars that would have helped with the technological aspect of implementing the Bill and also to help Customs and Quarantine. Is there an update to that \$300,000-dollar Federal Grant? And will that facilitate you in meeting your goals of... digitizing the manifest submission?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Thank you for that question Senator. Yes, we do have the \$300,000 Grant, we're in the process right now. If I'm not mistaken, in line with BSP – Bureau of Statistics and Planning – we have already sent out the RFP for that particular project, and that is to automate Customs. And... the RFP is to provide an assessment of what is needed for the Agency to start the automation process: they're going to map out the operation, they're going to provide all the information that we need, they're going to identify the partners that we need to work with such as the Port Authority, the Freight Forwarders, and other stakeholders that's needed in order for us to fully implement getting an [inaudible] automated system for Customs, so that's in the process right now. The RFP is out for that. That's the first phase of automating Customs.

**Vice Chairperson Senator Mary Camacho Torres** Excellent, congratulations, and I hope that the effort continues on and you're able to accomplish your goals very quickly. I had a second question also: in one of the handouts that was provided to the Committee which is your report on Customs X-Ray Unit scanning statistics on maritime section. There was a—and it goes from 2017 all the way through 2020, and I want to ask you in 2018, towards the latter months, there's a notation that the X-ray van was inoperable due to mechanical and technical issues, and then that inoperability continued on through 2019... and so does that x-ray machine—because there was no data provided as a result of it being down but does that mean then that inspections were done more through a screening and...

an opening of items or- I mean how does the machines being down affect your ability to intercept or to inspect cargo that is questionable?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**

Yes ma’am, again thank you for that question... And the information that was provided, yes, it showed that in 2018 the x-ray backscatter scan was down. We had a problem during that particular time. We had a problem during that particular time, my information is that we have problems with procurement in making sure that the maintenance agreement for this particular machine – backscatter – is... provided, and the GSA needs to work on making sure that the agreement and the funding source is identified.

When I came in 2019, that was a priority for my administration. I made sure that... the first six months during my tenure with the agency is that I aggressively push- move forward with meeting with GSA to find out what’s the holdback with trying to fix the backscatter, and we’ve been going back and forth for three months stating that if it’s a procurement problem with respect to how the maintenance service is going to be provided. So, I finally... work with the Port Authority of Guam, thanks to the General Manager, Rory Respicio, and we managed to work together and make sure that we work with GSA in trying to mitigate and find out what is the best way to have the machine back and running. And that’s where the Port came in and... took the lead because actually that particular backscatter, was to be for Security Grant, and it has something that is tied in with the Port Authority of Guam. And with respect to the second question: yes, it has definitely impacted the inspection process, because that means that now we have to concentrate more on trying to physically conduct the inspection because of the absence of the backscatter x-ray machine. And once the machine is back in order and, I think it took almost a year just to get that machine running. Thank you.

**Vice Chairperson Senator Mary Camacho Torres** And did the Port help you to fund any of it or was that just born by you? I know that initially they got the Grant from a Federal Grant to stand that up, but was that... primarily their mitigation or was that Customs and Quarantine or does it matter?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
There was a [inaudible] on that particular machine. Both Port and Customs.

**Vice Chairperson Senator Mary Camacho Torres** Okay I notice also in your testimony, you were talking about the areas of inspection that you’re... in charge of... handling which is really quite... intensive and I commend you for your efforts. But one thing that I want to ask – because many people wonder about the United States Postal Service – the clearing of any mail that comes in – destined for the United States Postal Service – has to be unladen primarily at the Airport. Is that correct? It comes in mostly through air transport?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Yes ma’am, there’s... -I would say that a great majority of the [inaudible] are coming in to the... Airport, but we also have [inaudible] that are coming in at the Seaport.

**Vice Chairperson Senator Mary Camacho Torres** At the Seaport? Okay.  
**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Yeah.

**Vice Chairperson Senator Mary Camacho Torres** But all of those are subject in the same way to your scrutiny and to your clearance right? To be unladen and to be discharged to the... consignee right so it- because many people wonder about the purview of... Customs on postal items, but it actually is like any other cargo correct? That has to be screened and be released by your Agency correct?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
...Ma’am let me just clarify that we do have authority to inspect international mail at the Post Office, we don’t have authority to inspect domestic parcels coming in from the United States. What we’re doing with domestic parcels coming into the United States is that we are utilizing the drug protector dog just to screen domestic mail, but we don’t have access to the mail unless we get the permission from the Postal Inspector.

**Vice Chairperson Senator Mary Camacho Torres** I think that was very important for you to distinguish because that's where a lot of the confusion happens with regard to probable cause and warrants and that sort of thing, so that is another tier that you are talking about right? Where there's suspicious packages then there's another type of relationship with you and... Would it be DEA or who would be the Authority or you and Guam Police?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** It's the US Postal Inspector that controls [inaudible].

**Vice Chairperson Senator Mary Camacho Torres** It's a US Postal [inaudible]? Okay. Because I think for many people that-

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** [Inaudible], the US Postal [Inaudible] authority.

**Vice Chairperson Senator Mary Camacho Torres** Okay. And I think... Director that, that is one of the areas of confusion for many in the public in terms of when we're interested in drug interdiction efforts, you know, where the lines of... command and authority begin and end. Much the same way when we had the discussion with the Port Authority, many have the impression that somehow the Port Authority can be responsible for the inspection of cargo because they unlade it and they, you know- but... they are not in fact the enforcers of that. And so that- those are the sorts of delineations that are very helpful when you discuss, because then people understand where everybody's role begins and ends and who the authorities are for inspection, for enforcement, and those sorts of things. So, I really appreciate this dialogue because it just helps everybody to understand where, if there's assistance needed, to make everybody's jobs more effective, you know, what is that degree of assistance, and I think you're helping us to understand when we think about cargo inspection, drug interdiction, or even, you know, controlling invasive species, those sorts of things. It helps us to understand, you know, where the roles are so I- I appreciate that. [Inaudible]-

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**

Yes ma’am, and you’re right in that. You’re right in that Customs has the authority on all our borders: we control all the imports that are coming in, we also have control in the inspection process of all vessels and [inaudible] coming in our borders.

**Vice Chairperson Senator Mary Camacho Torres** Okay. Thank you Madam Chair, I’ll let the others have a chance to ask questions. *Si yu’us ma’ase* to the three of you.

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**

Thank you.

**Chairperson Senator Telen Cruz Nelson** Thank you Senator Torres. Senator Shelton do you have any questions at this time?

**Senator Amanda Lee Shelton** Thank you very much Madam Chair and thank you everyone for the information and the discussion today I really appreciate it. And thank you for sharing about the... situation with the x-ray machine and the maintenance issue. And so, if you can also touch on any other vulnerabilities or gaps that the department has when it comes to drug interdiction that can somehow shed some light- a little more light on the situation that we can address here in the committee?

[Director Peredo asks something of Chief Perez, Chief Perez responds to Director Peredo]

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**

Yes, thank you for the question Senator. The resources that we’re talking about is, yes, we are in dire need of the additional manpower to protect our borders. We have always been short of personnel within this Agency. And let me just go over some of the process of why we get into this type of situation. For the last 20 years, Customs have been self-sustaining, meaning that we collect revenues at the Airport to support our operation. And the revenues that we’ve been collecting for the last 15-20 years was enough to meet the operation needs of the Agency, and that has always been the case.

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The problem that we have is that we never had money for recruitment, we never had money for equipment such as high-tech technologies that are being used at the borders at this point in time. If you really look at how the budgets for Customs have been ministered, the ceiling that Customs is being allowed for every fiscal year is dependent on how much we collect. So if we collect \$12 million for this particular year on our operation just to operate Customs is about \$12.6 million. Then as you can see, we will use the revenues that's generated from this being to support the operation, but we never have the resources or the funding that's needed to continue the recruitment process. And that's what's needed within the Agency. We cannot just recruit now and wait six years later to offer another recruitment to improve our manpower with the Agency. So that's... the problem that we have. We need to continue recruitment because people are leaving us, people are- Officers are retiring, they're moving to other Federal Agencies, and in this case, this is very prevalent in my Agency. Today a total of 34 Officers within the last 15-16 years have transferred from Customs to our federal counterpart, which is CBP, and I don't blame them. Because the pay is better there, and they have met the qualifications, and that's why a lot of them are moving there. Even if you look around here on our island, we have federal agencies such as CBP, we have the ICE Office there for enforcement, and if you go to these offices you will see that there are several Customs Officers that are now manning those offices. Thank you.

**Senator Amanda Lee Shelton** Okay, thank you very much, and so the biggest gap that you experience as a department is human resources from what you've just with us. And so, what is the number of Officers you are looking to recruit?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Well when I... first [assumed this] responsibility [as being] Director of this Agency in 2019, the Agency – when I came in – had a total of 112 Officers. My goal – when I came in – was to... increase our level of over 150. Right now, we're only at 120, I would sure like to increase that number, maybe all the way up 150 or 160 at least to be... at a stable... in so far as protecting our borders.



**Senator Amanda Lee Shelton** Okay. Thank you very much and thank you Madam Chair for the opportunity.

**Chairperson Senator Telen Cruz Nelson** Thank you Senator Shelton, Senator Perez do you have any questions at this time?

**Senator Sabina Flores Perez** Yes thank you, Senator Nelson. I just want to thank the panel for being here today. I do have, I guess, maybe some additional questions regarding- so in the last budget cycle there was, I think- I believe, testimony that was provided, that there were 30% of the- I guess the freight that was inspected. I was wondering if you can clarify what you meant by that and what has changed from the time the budget cycle, I think. So, Director Peredo, I think that was the testimony that you provided during the budget cycle

[Director Peredo talks with his panel, Colonel Fejerang and Chief Perez]

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency** In... the budget cycle what... I'm trying to say is that process of all cargos should be 100%. That's the screening process that needs to be applied at our borders. The remaining percentage is based on a risk assessment and other types of variables that involves the inspection process. A lot of times, probably intelligence information that's being provided to us, we will increase the type of inspection that's needed for that particular time. For example, if we do receive information about vehicles being used to move illicit drugs into our borders down at the Port then we will... move the- or re-evaluate the inspection process and conduct 100% inspection of all used vehicles coming into the island, and that's how those percentage changes. In addition to that we also – as I mentioned earlier – that we have a partnership with the Freight Forwarders, and we allow the Freight Forwarders to have a container freight facility outside of the Port that's regulated by Customs. And we work with them in moving containers to this particular site with the Officers who conduct inspection of all those containers that are moving to the container inspection station. And that's- I think today we have eight approved inspection stations that our Officers are allowed to proceed and conduct their instruction at that time.

**Senator Sabina Flores Perez** Thank you for that clarification. Can you just give us, maybe, a ballpark estimate of what percentage of those are positive for drugs?

[Pause, Director Peredo has a discussion with Colonel Fejerang]

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**

If I was going to give you a percentage of what the interception looks like with regards to illicit drugs coming into our island at this point in time, I'm going to say that 95% of methamphetamines that are coming into the island that we've intercepted are originating from the Post Office. The remaining percentage are coming in at cargo here at the Airport and at the Airport Passenger Terminal.

**Senator Sabina Flores Perez** Interesting. Just, I guess, a question regarding legislative support: do you see any ways that we can support your efforts legislatively?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**

Yes ma'am. Officers right now are questioning... why is it that they are not receiving your 10% hazardous pay. With this pandemic that's upon us, according to the law that was passed, Law Enforcement Officers are entitled 10% in which my Agency is part of that 10%, but the Officers are questioning why is it that they're not entitled to 10% when the law is specific when it states that upon exposure, Officers under that particular statute must be provided the 10% additional pay because of the hazardous environment that they work- they're working. And so, so that is a problem that I, that's- I'm confronting right now. The Officers are trying to get a better picture as to why that you're denying that 10%.

**Senator Sabina Flores Perez** So I just want to go back to the response that you had regarding the- you... estimate about 95% of meth is coming from the Post Office. You know, what is the basis for that, you know, given certain... structural facilities are not functioning? I mean is there, you know, what is the basis for that? I mean, I know what we see, perhaps, it's based on what we're... intercepting at this point, but yeah, what is the basis for that? What is the other evidence to support that?

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**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**

Are you talking about the 95% of the drugs that we’re intercepting?

**Senator Sabina Flores Perez** Right. Right but- so that’s what we’re seeing right now but, you know, given that there are certain inoperable- like the x-ray machines are not properly functioning. You know, is there a basis for, you know- What I’m saying is that how we maximized our efforts at the Ports other than the Postal Service to ensure that, you know, they’re not coming through.

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**

Ma’am, let me just say this. That, with regards to the Port- the Seaport – and this is evident based on... all Customs Administration – the Seaport is a hub for any criminal activity as it relates to the introduction of illicit drugs coming into our borders. And we understand that. And I’m not saying that it’s not coming in, we just need to work more aggressively in trying to get more information about how these particular illicit drugs are coming into our island. And that- that’s the biggest problem that we have. I’ve been working with my counterparts: DEA, US Customs, ICE, in trying to at least get the information that we need to ascertain whether or not there’s a conspiracy going on down at the Port at this time, and hopefully, hopefully that we can work together because we’ve been trying hard to also make sure that we prevent and deter drugs from coming in on all these other ports of entry such as cargo and the Port. And I can say that, yes, we haven’t seen... methamphetamines down at the Port [in] the last five years. And when- with that, we are trying, and we will continue to try our best, because that’s why we’re there: to deter and detect illicit drugs coming into the borders. What we need, from my perspective, is that we need – as an Agency – to be more proactive, we need to be more present down at the Port. But with the resources that I have, that’s what I can offer at this point in time.

We will work with what we have. A lot of question has come up: why is it that you don’t have your canines down at the Port 24/7? And my answer is: when I became Director for this Agency, I found out that there were only two drug-detector dogs operating at our borders. When I laid- left the

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Agency [inaudible] there were twelve drug detector dogs. So, six months after assuming office, we acquired an additional handler and had him certified to three. The problem that I have is that a lot of these Officers are members of our reserve components: The National Guard, the Army Reserve, and two of these handlers had to be deployed. One was deployed in 2019, he just got back. The other one left for 2020, and I think his tour is about ready to end. So that's the problem that I have right now. I have initiated a program where I wanted to ensure that we can acquire more of these resources such as the drug-detector dogs. And so, I found out that the Agency had a certified trainer. And instead of sending in two Officers for training, I can stay by having those Officers train here on island and then have the trainer go and pick up the four drug-detector dogs that I can manage to fund. And that's one way that I can increase the resources, especially the drug-detector dogs so I can at least... with additional four detectors dogs, I can allow at least two of those certified dogs to be down at the Port on a 24/7 basis.

**Senator Sabina Flores Perez** Thank you Director Peredo, I understand these are challenging times especially, you know, with a big part of your budget being cut, you know. And from, you know, the fees that are coming normally would have funded your operations and yeah, this is going to be definitely, you know, this is a- I think this is a- definitely, a priority to try to get you resources. I think, every Government Agency too is in need of that and, you know, I do want to work with you in regards to helping improve your situation so, thank you for all your efforts and thank you Senator Nelson.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Thank you Senator.

**Chairperson Senator Telena Cruz Nelson** Thank you Senator Perez. Director Peredo, before we move forward, just to confirm on the 10% hazardous pay, this is the hazardous pay that you're talking about where all the other Law Enforcement Agencies are receiving. Is that correct?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Yes.

**Chairperson Senator Telena Cruz Nelson** Okay. We'll have to check back with- with you on that, because we were working with Customs and Quarantine into establish the codes for Department of Administration to properly be able to give the Officers their 10% hazardous pay, so this has been a project of Chief Perez, I believe, for the past four years since we were the last oversight. So, we're just waiting on those codes to be corrected and then put it into the system for that 10% have- or for that hazardous pay. And then, I do have one question before we move on to Senator Moylan: I- you stated that 95% of the drugs are found at the Post Office. Does that mean that CQA has all the resources it needs at the Port to ensure the public that 100% of drug interdiction and invasive species prevention is being done with the resources that Customs and Quarantine has at the Port?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
No ma'am.

**Chairperson Senator Telena Cruz Nelson** What is that-

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
We need new resources down at the Port to continue the programs that we need as... stated by our mandate. Right now, the Port is operating with an average of 13 [Director Peredo asks Colonel Fejerang, Colonel Fejerang agrees], 13 Line Officers. If I had it my way, I will at least operate that particular section down at the Port with at least 25 Officers. So, we're still short on manpower down at the Port.

**Chairperson Senator Telena Cruz Nelson** Okay. However, you're able to control the drugs coming in through that port of entry at the Port Authority.

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Not at this time. If... I was going to tell you whether or not I have the resources down at the Port, I don't believe I can say that, yes, I have- I need more resources down at the Port. Just because we're not seizing anything down at the Port doesn't mean that it's not coming into the Port. We just

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don't have the information to... substantiate that particular process, but from my concern, resources is what we need to effectively, effectively control the importation of drugs, especially done at [the] Seaport.

**Chairperson Senator Telena Cruz Nelson** Okay, thank you Director Peredo. Senator Moylan?

**Senator James C. Moylan** Thank you madam chair, thank you to the panel. Director we – also regarding the hazardous pay – we also introduced 32-36: it's the hazardous pay for Customs, I understand from the Chairman that there are the issues in the codes, but I believe there is also an issue in the Public Law as well. So, just as an update, that was moved to Committee under Senator Joe San Agustin, and we'll be hoping for a public hearing to be scheduled. So that should offer assistance in the correction of your hazardous pay for Customs. I know the Chief there had explained the difficult time of what he has to do to go through all the documentation and the questioning from DOA, and so this will be very helpful to expedite that for you... as well and, hearing you reiterate there, Director, that the... Officers are hoping to find closure for this soon so. Madam Chair, I'll be going over that also with you, I think this, in conjunction with what your plans are, will be very helpful to solve that problem for them. In addition, there, Director, you mentioned 120- 20 on your staff now, and the- the issues that you have of them leaving to other Departments, I think recently in our discussion, did you say there you have one dog- canine person and a couple of dogs? And one recently left and... they went to where? And for what reason please.

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** [Speaking to Chief Peredo] [Inaudible] just left over a year ago [inaudible] We have quite a few that left.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes. Yes, Senator, thank you for the question. One of the- our K-9, 35 K-9 handler left for us- left and... for the Federal Service [Chief Perez says something inaudible to Director Peredo], and the reason why he left is

because he was offered a better opportunity in so far as space concerned with the Federal Government, and that is with CBP.

**Senator James C. Moylan** Okay so he's- so that... handler is still on island and he's working for the Federal- is that just right upstairs from you it's the same at the airport now?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Yes.

**Senator James C. Moylan** All right. Like the pay scale difference is approx- almost double I suppose?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Yes, a Customs Officer with five years of experience, applies to CBP with the certification of completing the academy of the GCC, enters CBP as a GS9. We can't compete with that.

**Senator James C. Moylan** Yeah, so what would he- what is that Customs Officer getting paid at CQA versus the Federal side? What's the difference?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
He was only a [inaudible] when he left, about \$26,000 a year. He goes to CBP and starts with over, probably, close to \$60,000 a year.

**Senator James C. Moylan** Yeah, no competition right? Yeah. Well, congratulations to him. Unfortunately, we do have to make- I can see why the person would go, but we also have Customs Officers leaving the Department for other Departments in the Government of Guam also seeking higher pay right? Is that correct?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Yes.

**Senator James C. Moylan** Yeah, where would they go as Peace Officers?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
One of our Officers resigned and went to the Federal hire...

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** Probation...

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
The other Officers left, and they went to probation- probation...

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** AG investigator...

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
To include the AG...

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** the Superior Court Marshal...

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
To include to this group, the Superior Court Marshal.

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** and Parole most recently for all.

**Senator James C. Moylan** Okay, so Probation, Department of Corrections, Judiciary Parole Information, and Marshals as well at the courts so, Peace Officers just transferring after they get their POST requirements completed for higher paying jobs, if not with the Federal Government, with the Local Government. So, again Madam Chair, that's something we're looking at on bill 34-36: that's the POST Attraction and Retention Incentive. It was recently assigned to Senator Joe San Agustin, so we're hoping for a public hearing on that. I believe with the POST Committee and Chief you're- what is your position at the POST Committee?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** I am the representative for the Guam Customs and Quarantine Agency. I used to be the Vice Chair until... just last year.

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**Senator James C. Moylan** Okay. Okay thank you, so I understand you're working really hard there with Chief Ignacio, and his position is the- POST, it's... what would it be, the President? Or I'm not sure.

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** He is the Chair.

**Senator James C. Moylan** The Chair?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** I believe the Vice Chair is Melanie Brennan.

**Senator James C. Moylan** Okay, thank you. So, Madam Chair, this bill – hopefully – will allow the POST Committee to kind of equalize things for the Peace Officers, 1) So we don't necessarily have our well-trained Customs Officer wanting to leave just because of higher pay at other Departments. So, hopefully that will get a public hearing as well with Senator Joe San Agustin, but I'm hoping for support on that too.

**Chairperson Senator Telena Cruz Nelson** Thank you Senator. Just a reminder for everyone that we're focused on the Oversight Hearing today on the cargo throughput inspection processes, the staffing patterns within the Port, and the Customs fines and penalties revolving fund status. So, I'd like to thank Director Peredo and everyone on the panel at Customs for being so flexible with us and entertaining our other questions.

**Senator James C. Moylan** Thank you Madam Chair, just one- one more question on that line- on that note there. Chief, there's- or Director, there's the Public Law 34-112, and that's regarding the property returned over to you from the Port, and how's it going with that project?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Thank you for that question Senator. Yes, when I came in in 2019, again, I was advised that the Agency has just acquired a four-acre lot down at the Port, thanks to the Port Authority. I finally got the title, and I signed the title for the Agency. We are now pursuing to... build a container inspection

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facility down at the Port. Now where we're at with this project is that thanks to the Port Authority of Guam, they have managed to include that project as part of the Master Plan, and they've allowed their consultants to provide a construction design of the container inspection facility on how that particular infrastructure will be best utilized within that four acres of property. We have also come up with the design of the building, and I've got a cost estimate – thanks to Public Works – of around \$10 million dollars. I'm working with the front office, the Administration is trying to secure federal funding for this particular project and that's where we're at right now: is trying to... secure the funding, and hopefully that we can start building that facility.

**Senator James C. Moylan** Okay. Director do you have a deadline on that property transfer? And when is that deadline coming up that you have to build and complete?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes, when I talked to the staff – I came here – I was told that there's a deadline that we need to adhere to insofar as building the infrastructure on that particular land. And I think this year will be the last year for us to make sure that we have to show that yes, we're moving forward with the project, but I think that's where we're going to need help with the Legislature to give us an extension on that particular Law that limits our time frame to three years.

**Senator James C. Moylan** Oh. Okay Director, so basically July of this year, if the building is not completed the land goes back to the Port Authority unless the Law is amended. So, we'll have that... bill for you-

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** That's- oh.

**Senator James C. Moylan** Pardon?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** That's the Law-

**Senator James C. Moylan** I'm sorry, say again? That's-  
**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
[inaudible] yes.

**Senator James C. Moylan** Okay. So, we'll be introducing that bill for you tomorrow so we can get that extension for you because that's important to have in order for the... drugs too- and the invasive species. So I appreciate that Director. Thank you Madam Chairman, thank you very much.

**Chairperson Senator Telena Cruz Nelson** Thank you Senator Moylan. Mr. Peredo are they going to relocate the piece of property that Customs and Quarantine was anticipating to build their facility on at the Port?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
No, no ma'am.

**Chairperson Senator Telena Cruz Nelson** Okay. So, it's going to stay the same.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Yes.

**Chairperson Senator Telena Cruz Nelson** Okay. Senator Taitague do you have any questions at this time?

**Senator Telo T. Taitague** Thank you Madam Chair for the opportunity. Good afternoon Director Peredo, always good to see you, as well as Chief Perez and Colonel Fejerang. Thank you so much for being here today and the flexibility that you've allowed the Senators to ask- I know it's a little bit off to and I'm going to try and stay within the realm and keep some of my other questions for staffing pattern but, you know, you mentioned earlier- and it was also mentioned earlier about the issue that Customs is having because I've been tracking Customs and Quarantine special fund and, you know, the \$4.1 million that was appropriated to you and, the way it's tracking right now it's like \$300,000-plus every month. That's less than

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projected coming in, so, you're looking at about a \$3 million dollar shortfall, so only collecting about one-point-zero-six-four... I think its six-four-seven-nine (1.06479) coming into Customs so, looking forward to – Madam Chair as well – what the plans are for Customs to deal with this incredible shortfall that you're going to be going through if we're still maintaining the same type of tracking. But as I was mentioned earlier when you were talking about, you know, the- where drugs are coming in through which port of entry coming in, I really- I mean 95% is absolutely, you know, just through the Post Office. I mean, most big busts are usually done through the Port, but I think because – the Port Authority – the lack of, you know, Customs Officers going down there; I know that we're all saying it's very difficult, and the loss of some Officers to retirement and other areas but, you know, when cargo... and the Bill of Landing is passed at the counter and most of them are not physically inspected. Why is that? I mean, it's because of the discretion of the Officer's discretion on whether to go out to the yard and actually inspect it because from what I gathered, the Bill of Landing comes to the counter, right, and from there it's up to the Officer to go outside to physically inspect it; or is it mandatory or at the discretion of the Officer?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**

Thank you for that question ma'am. First, let me just give you an overall picture of the inspection process, and I'm going to relate this to other administrations throughout the world. Even today, if you look at any business administration, the United States, for example, allowed to get 11 million containers to come into the United States. The percentage of inspection that specifically conducted for those particular containers is roughly probably 5-7%, and there's a reason for that. The way we do business right now is that we have to strictly understand how containers are moving throughout the world. And what it is, is that as the containers are moving, we have to be more smarter in the way we do things, because we have to understand that we got to make sure that we don't need e-commerce, at the same time we try to do our best to try to identify what contraband is coming into our territory. And so, for me to say that each and every container is going to be 100% inspected- physically inspected is impossible. It's impossible. We deal with the importers that are... importing

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all these goods into our island. We conduct checks with these particular importers.

We have a list of first-time importers, and so what we want to do is we want to spend our time on trying to understand where the need for inspection is, and not just that all the containers for inspection because we will never get away with that. We need to be more realistic on how we do things, that's why we need technology. And technology is the key in moving containers now. There's several variables in the inspection process: the Officer is given that discretion; the Officer will review the documents, will decide – based on the screening – whether or not the container needs inspection. And there's a lot of variables: it can be an oversight or... documentations are not in sync with the bill of lading. The Officer might be concerned with the origin of that particular commodity; that needs to make a decision so far as inspection is concerned. The Officer is then trying to realize whether to spend more time conducting inspection on importers that we have worked with or with them for so many years, we don't want to be spending our time with those type of importers, we want to work- or we want to check containers that we feel might be carrying something that's detrimental to our island, and that's how all this basis of inspection comes about.

**Senator Telo T. Taitague** Okay, thank you Director Peredo for that... answer and that analogy of, you know- I do understand there's quite a bit of containers coming in and you do have to make a judgement call, especially if you have a lack of Officers there to do these inspections. I realize that, but then the numbers that you gave – 95% at the Post Office – versus, you know, the Port or any other point of entry, do you have any justified evidence to that effect of those percentages? Is there any evidence to that?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Yes, yes ma'am.

**Senator Telo T. Taitague** Okay. Okay, I'll get that. I'd like to see that, those percentages and what- because I know at the... Airport, you know, you pretty much do the same there as far as checking so I'd like to see that. The

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other one is the weight station that you'd brought up earlier during your discussion on the weight station and it's- I believe it's operated by the Port Authority. Do you guys have access to that at any time that you need it?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**

No ma'am, I'm not... aware whether or not [turns to consult Colonel Fejerang] we've ever used the weight station at the Port. Up at the Airport, let me just say-

**Senator Telo T. Taitague** No, no at the Port the weight station. So, do you have access to that at any time that you need it? I think the weight station is at the Port right? The Port oversees the weight station or does Customs oversee the weight station?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**

No we don't... see the- oversee the weight station.

**Senator Telo T. Taitague** Or at least utilize it- I'm sorry maybe I'm using the wrong word. Utilizing it.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**

If... we need to use it then we'll just request, and I'm pretty sure that we can use it.

**Senator Telo T. Taitague** Oh okay. And you have no problem of obtaining that usage then?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**

On the other hand, the inspection process up at the Airport, we do have a weight, a scale, that we can use to verify the shipments if we need to, at our Cargo Office.

**Senator Telo T. Taitague** Okay I see. And, is there a fine-

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**

It's just a [inaudible].

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**Senator Telo T. Taitague** Okay. When the- is there a fine for unmanifested cargo, and what regulations are being followed? Is there any kind of fine or is it at the discretion of the Director on- for opening of sealed cargo?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes ma'am, we have regulations in fact, it's a Law. We have a Container Seal Violation Law that is just applied here on island. And let me just give you an overview of that. Since I assumed office in 2019, I managed to assess or impose fines on container seal violations down at the Port.  
Uh-

**Senator Telo T. Taitague** Okay. Okay, thank you Director Peredo. I think Customs and fines and penalty revolving is on the Agenda, I'm sorry [for] asking for that Madam Chair I'll- we'll get more into detail when we get to that section of it, I'll try and stay on the Agenda. There is another question I have with regards to the screening and detection equipment: is that up to date to other US jurisdictions or are we still working with OOT and BSP on that? I think you mentioned a little something like that for screening and detection of equipment. Is it up to date with US standards like other US jurisdictions?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** [Speaks to Director Peredo] We have the, the backscatter x-ray [inaudible], we have x-ray systems. Do you want me to answer them?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** [Speaks to Chief Perez] Yes.

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** [Addresses panel] Yes, so the backscatter x-ray band that we currently- that we purchased is up to date, and so part of our initiative is to also install a fixed container x-ray at the container inspection site that's being developed down at the Port. Over at the International Airport we have a few aging x-ray systems so, if you talk about technology, yes, we are as up to date as we can be with the limited resources. However,

as technology changes, machines become obsolete so today could be meeting it, in a few months it could be obsolete, so that is one of the reasons why we need to make sure that we are on top of the technology game, especially moving from analog to digital. So, baby steps, and we'll get there.

**Senator Telo T. Taitague** Thank you Chief Perez and I look forward to working with Director Peredo as well as Colonel Fejerang when it comes to looking through our used taxes that we're going to try and capture that we're working with you. Madam Chair I've been speaking with Customs regarding use tax and they're- I believe on February 19, a mock setup is going to come so that we can tour it and invite all the other Senators to come to that. Would it be okay, Madam Chair, to ask about the fleet, I know it- I didn't see it on the agenda but it's my last question: with regards to the Customs and Quarantine's fleet- current fleet, how many- what is the number of that? How many vehicles are in operation? How many are down? Do you have a maintenance section to support the vehicles that you do receive?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** I know that we don't have a maintenance section within our Agency, we just rely on- I'm using the vendors that are... available based on... the work order that we're putting out,

**Senator Telo T. Taitague** Okay.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** but let me just give you a total number of our fleet. We have a total of 74 vehicles: 43 are inoperable and 31 are operable.

**Senator Telo T. Taitague** Okay so 3 are down and 31 are working?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes. A lot of these vehicles are over 14 years old.

**Senator Telo T. Taitague** I'm sorry, I didn't see that- I didn't get it.



**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
A lot of the vehicles are over 14 years.

**Senator Telo T. Taitague** Okay, 14 years old. I see. Okay, thank you Madam Chair for the opportunity and your patience for my questions, thank you. Thank you gentlemen.

**Chairperson Senator Telena Cruz Nelson** Thank you Senator Taitague, Senator Blas? Okay, thank you-

**Senator Frank F. Blas** Well...

**Chairperson Senator Telena Cruz Nelson** Do you have any questions? No questions?

**Senator Frank F. Blas, Jr.** Thank you, Madam Chair, and Chief, Colonels, thank you for being here, yeah. And, it was almost like old times that we’re talking about these things. [Senator Blas and CQA Panel share a laugh] Chief, yeah okay, now let’s talk 10-code. First off, there were a couple of numbers that were... passed out and I think I need a little bit of some clarification on this thing. Chief, you said- or there’s some discussion about 95%. And that it’s coming, you know, out of... the Post Office. Is it fair to say that the 95% you’re talking about, is that 95% of the drugs you are intercepting are coming from the Post Office as opposed to 95% of the total drugs coming from Guam?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
95% of the meth that were intercepted by coming in to the Post Office.

**Senator Frank F. Blas, Jr.** Okay. And we all know that the scary part about this whole thing that we haven’t discussed is that the 95% represents the 30% of the total drugs that average- on the average we... confiscate off the streets, right?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Right.

**Senator Frank F. Blas, Jr.** So, there's the bigger picture: we are capturing 95% of the 30% at the Post Office. So that means there's the five plus the 60-70%. So, that's where you need that- that's where you need the help: is to basically tackle the- basically the 75% that's... hitting the streets. No fault to you guys, you're doing your best that you can, okay?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
That's true.

**Senator Frank F. Blas, Jr.** I'm looking at all of you there, and we all work together we have at one time- point in time, you know, we spent time away from our families trying to inters- you know, interdict the drugs, so we know we're talking about, and which goes me to the second question- I mean second concern, and I know this was out of the realm of what we were supposed to be talking about, but we brought about earlier: you're saying that your officers are complaining about not receiving the 10% as it is, and then there's some- then there was some that's just saying that what we're waiting for is the code to be able to input it. Really gentlemen? If it takes- how long does it take to input a code?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** If I can answer, so, we already are past the code. What it is, is that we were developing- we developed a matrix in line with the Public Law that basically outlines our exposure. And so, we adopted the matrix, we sent it to the Department of Administration, and it seemed like it was very problematic. So, the last meeting we ever had – which was sometime- I believe it was either late last year or maybe the year prior – was that we were going to disregard- according to DOA, we were going to disregard the matrix, and we were supposedly – with the DOA's help – design a simpler method and process to be able to... identify upon exposure. But keep in mind that COVID-19 hit, and so everything kind of just got put to the side. So yes, we did develop the codes, they did submitted, and they were approved by DOA.

**Senator Frank F. Blas, Jr.** So, you're telling me you threw the court- you threw the ball into their court, now they're throwing it back into your court and saying you know- now you're going to have to justify everything all the way back to March? You have to develop a timeline and all of, you know- and recreate now, time scheduling's and exposures all the way back to March when it was already done initially based on Law. It appears, gentlemen, that I'm- I'm sorry, again, it's not your fault. But it appears that what happens is that, you know, all of this is not your doing but, you know, the doing of an- of... an agency that doesn't want to follow a procedure that they initially adopted, and they initially told you to do. That's very- I like- I can see, you know, Ike- Mr. Director, you know, why they're upset at you, and I don't, you know- first of all, I don't blame them and thank you for being very forthright and honest. It is very difficult and, really guys, what you got to be proud of is you got a Director that's going to sit there and going to say that, "My officers are complaining and they're not getting paid overtime, or their differential and they want to know, you know, where it's at" and now I'm sure that we here in the committee want to know that where that's at as well. So- and you said late last year, it's February 9<sup>th</sup> of this year, and... I hate to see now what the- they're going to throw now a new issue, and then it says, "Oh, we can't do that because that was prior year." You see what I'm getting at? Okay, so I... Madam Chair, thank you for... letting this happen and for letting these conversations happen because that's something that we could- that begs to be looked into. If we really want to know as far as cargo throughput and input and how we're going to be able to successfully interdict the drugs, no wonder why we're having difficult time retaining Customs Officers.

You know, I remember that was the struggle we had when we were all... together. Okay, and you know, it continues to be a continuing struggle. I appreciate that in this later discussion- in this hearing later- discussions, we're going to talk about the fees and schedules because, you know, like Senator, you know, Taitague has stated, you know, there are some leakages not to your doing, that are occurring that really are- is hurting your operations. I understand that I, for one, here can greatly appreciate your frontline work. You're the very first Chamorro face that a person looks at when he steps off a plane or a ship. You're the very first representation of

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Guam, and if we can't fix that, if we can't help that, you know- there's a serious issue and there's a serious problem with that. So, thank you gentlemen and, unfortunately, you know, the conversations we're having today are conversations that could- that have become perennial, have become perennial. And, you know, I can feel- let's see how we can fix these ways and I think, really as we go on this conversation, we're going to find that there are ways that... should have been taken, that could be taken and if we want to fix it, it has to be taken so that you can get the resources that you need. Thank you very much. Thank you, Madam Chair.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Thank you for that.

**Chairperson Senator Telen Cruz Nelson** Thank you Senator Blas. Senator Brown do you have any questions at this time?

**Senator Joanne M. Brown** Thank you very much, Madam Chair. Sorry, I had to step out for a meeting here in my office but, I did want to check with Customs in terms of- I know they talked about what their current capacity and inspections were at the Port with regards to their x-ray machine, but I just wanted to find out has Customs fully taken over the maintenance? I know that Senator Torres had asked earlier about that gap, and during the inspection why that had not occurred, I guess because the equipment was down. And part of the original agreement when the Port acquired that under the Port Security Grant was there was a four-year period that the Port would assist, you know, Customs with regards to maintenance of the equipment. And then after that four-year period, you know, that equipment would be transferred fully to Customs to address the maintenance and the Director had mentioned, perhaps, there might be some issue? Have they addressed the funding? Is that you know- who's doing that responsibility? Because, I mean, we do know that that equipment is certainly a value in doing inspections even though, I believe, it's quite a limited amount the, you know, capacity in terms of actual inspection of containers coming through the Port but, has that issue been addressed moving forward?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Yes Senator, thank you for the question. What's been happening is that, yes,

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we're still dealing with the Port Authority, we have managed to verify the maintenance agreement and it's in a working order right now, but we're still- what we're doing is, based on the maintenance agreement – the invoice that was submitted to us – we brought it to the Port Authority, because there's a certain percentage on the funding source for the maintenance of that. But it's been settled at this time

**Senator Joanne M. Brown** So at least moving forward, hopefully, it's less an issue because that's a pretty big chunk of time – a whole year. And then, with regards to that- to the actual x-rays that are being done: what percentage of the actual containers going through the Port, in an annual basis, are you able to do the x-ray screening?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Okay, with respect to the x-ray machine, if we break it down – for example, domestic and foreign – the... machine is utilized for all domestic deportation; we average about 161 containers that are x-rayed from domestic point of view, and from the foreign, about 1,275 containers are x-rayed. In addition to that, we also have a staff on using the x-ray machines to screen vehicles – both domestic and foreign – and break bulk of cargoes coming in at the Port, to include pleasure crafts and boats that are coming in. And, what's showing is that on an average year for vehicles: a total of 206 from domestic and approximately 432 from foreign origins were screened with the x-ray machine.

**Senator Joanne M. Brown** Do you have that figure- I mean, is this annually?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes, this is annually.

**Senator Joanne M. Brown** And how does that- how- what percentage is this of the number of containers or vehicles that come into the island? So we can have a good idea of exactly what percentage of cargo or vehicles are actually being inspected by the scanning equipment.

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Well, I... don’t have that information right now, the percentage.

**Senator Joanne M. Brown** Is that something, Madam Chair, we could ask them to provide to the Committee? I think it’d be a good- you know, because certainly more than a couple thousand containers get brought into the Port, I mean, that’s how much in a month is far more than that that. So, it would be good to know, I mean, just so that we’re aware of exactly how much is being scanned, I mean, ultimately, it’d be great if you have bigger scanning machines so that every container that leaves the Port actually is scanned, because that’s- that really represents- well I’m sure for the efforts of your resources, you know, you’re able to come up with these numbers but I’d gauge to verify it’s probably a very small percentage to the overall amount of cargo coming into the island that’s not inspected.

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Yes, I’m pretty sure that we can provide that sooner.

**Senator Joanne M. Brown** Okay, it would be good. One other thing I wanted to ask is if you guys do confiscate, if something’s brought in that is not, you know, if an order is not listed in the manifest and, you know, the company or the individual bringing something in stopped paying or didn’t pay their taxes on it, what happens to these items? Where do they go and what custody and then how do- how does Customs deal with it? What do you do with the things that are confiscated for whatever they reason they fall into, you know, they’re not authorized to come in or they may be fake for all I know, it might be a fake Gucci purse for all I know but what do you do with these items? And how do you- what happens to them?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
It all depends on the regulatory agency Senator. For example, intellectual property rights, if we come across those merchandise, we seize those and then we dispose those items with respect to copyright. On other issues, if it’s a vehicle that doesn’t meet EPA requirements, EPA will take over the... commodity and provide us the information of what needs to be done; if it needs to be returned back to the port of origin or we need to just dispose of

the vehicle with respect to, for example, liquor, we turn it over to Rev. & Tax, if it's cigarette, we turn it over to Rev. & Tax. So, if it has to do with medicinal, it's turned over to internal Public Health. So those are the agencies that are responsible for the commodities that are being seized at the Port, and they make the-

**Senator Joanne M. Brown** What do you mean by turn over? Do you turn over the actual items or you- what do you mean by that?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes, we turn them over to the regulatory agency.

**Senator Joanne M. Brown** And how do we verify that these things are properly disposed of? How does anyone verify what happens- I mean, if I'm bringing any illegal cigarettes, for example- I mean, how do we know that Rev. & Tax has disposed of it? Who's- what's the chain of custody and what's the verification?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Well, the only thing we have is we have [inaudible] custody when we turn it over to them, and they make the final decision on that.

**Senator Joanne M. Brown** So then we probably, ultimately, don't know then. You would not know is what you're telling me. Even though you would have interceded at a point of entry, you don't ultimately know, perhaps, what a department may do with it once you've turned it over?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** And only- they'll right back and identify the disposition process.

**Senator Joanne M. brown** But you have no way of verifying it?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** No. I mean... if we question it then maybe, yeah? We can look into it.

**Senator Joanne M. Brown** Yeah, maybe I- I just think it would be something to look into, because I'm just curious. I'm finding, you know, in the last few weeks that the follow up with Government to beginning to end of making sure things are followed through with is something we have a big gap in and I'm just curious, you know, I think maybe it's something we need to look into is where does it go- I mean, it's nice to get a letter back but how do you know if I, you know, if I'm the receiving agency, if there's no way of verifying- and who's the other party overseeing to make sure that things are properly disposed of?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
That's a good question.

**Senator Joanne M. Brown** If it was illegal to begin with, for example, to be brought into the island, you know. You know, how do you know I'm not taking it home right? I'm just bringing it up I'm just asking because I- you know, I do wonder where those gaps are and, probably, there's something we could look into. But yes I think importantly, if I could just go back to my first question if you could provide the Committee within a reasonable time; all you need to do is quantify that with the, you know- even the last few years, with regards to the actual volume of containers, vehicles, and things of that nature that have been brought in, so that we can get a clear picture of exactly what percentage is actually inspected. Thank you very much, Madam Chair, I appreciate the opportunity to be able to ask these questions.

**Chairperson Senator Telen Cruz Nelson** Thank you Senator Brown. Senator Taitague you had your hand up?

**Senator Telo T. Taitague** Yes ma'am I just wanted to ask again, just to clarify the vehicles again Director. Could you tell me again what those numbers were again? You- I know, the first part you said was 74, right?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
The total vehicle inventory was 74. Operational was 31, and inoperable is 43.



**Senator Telo T. Taitague** I- okay, 43 is not working then.

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Yeah. [Chief Perez also says, “Correct.”]

**Senator Telo T. Taitague** And 31 is working so that’s- half of your fleet is not working.

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Correct.

**Senator Telo T. Taitague** Okay. Okay, I- you know, I’m sure you guys are working on that to get them up and running but, okay. Do you have a plan?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
[Chief Perez mentions “Grants.”] We try our very- our best to try to steer funding ma’am, but right now at this point in time, a lot of these vehicles are beyond repair.

**Senator Telo T. Taitague** You go through the Lapso fund- you go through the Lapso Program don’t you, and in retrieving vehicles?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Yes, majority of these vehicles came from that program

**Senator Telo T. Taitague** From the Lapso people. Okay, but for 40 of them not working- 43 of them not working and no plan, I- yeah this- yeah, I think you need to come up with a plan because these 43 vehicles sitting on the side doing nothing is not going to help. So, I hope you have a plan very soon. Thank you Madam Chair, I just needed to verify. Thank you.

**Chairperson Senator Telen Cruz Nelson** Thank you Senator Taitague. Okay, if there are no questions regarding the cargo throughput inspection, if you do have questions later on, we can always come back to it, but Mr. Director, we also want to talk about the staffing pattern for your K-9-unit handlers. Can you please brief us today where are you at with the K-9-unit

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handlers, explain the process that you have to undergo in order to acquire K-9 dogs and train their handlers, and the timeline, and what you anticipate that you need for the future to better assess and to resolve or to achieve this drug interdiction and invasive species from entering into our island.

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**

Thank you for the questions Senator. And, I'm going to start with- in the process of the drug detecting- detector dog training. Normally, what happens is that we select Officers to attend training back in the mainland, so that they can be certified as drug detector dog handlers. It costs the Agency about \$9,000 for one dog. And so, what we're doing with this particular process is that a lot of the drug detector dogs that we have acquired are mostly coming from our Grants the [inaudible] Grants, and our plan is that, instead – because of COVID – instead of sending two officers off-island to undergo this training, I've decided that since I have a certified trainer with the Agency that that trainer will conduct the training for these handlers here on Guam. And that's what we did: we started training since November, and my information is that four handlers will be certified by the end of February. The challenge that I have with that is that because of COVID, we are unable to send a handler to the training center to acquire the canines. For one reason, the carriers are not ready to transport working dogs, and we're working with the carriers in trying to provide us a time frame as to when we can be able to acquire the canines back in the mainland and ship them to Guam. But we have four handlers that will be graduating at the end of February, and that will increase our staffing from three to seven. My goal is to continue with the training and selection of these particular handlers until I reach at least 10 drug detector dogs, and I'm hoping that I can achieve that within the next year-and-a-half.

**Vice Chairperson Senator Mary Camacho Torres** Madam Chair, may I please just ask for clarification: when you talk about the cat- the carriers are not equipped, are you talking about the airlines?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**

Yes. Airlines, yes. They're not allowing the transportation of working dogs at this time.

**Vice Chairperson Senator Mary Camacho Torres** Because, the issue of transportation of animals has been long-standing. So, that- there's no exception for working dogs or law enforcement or that sort of thing? And is it a policy, Mr. Peredo, of the airlines?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** I think what the temporary policy – and my discussion with the cargo manager – is that, they're hoping to open up that process in which we can be allowed to transport our canine from the training center and to Guam.

**Chairperson Senator Telen Cruz Nelson** Do you have any more questions Senator Torres?

**Vice Chairperson Senator Mary Camacho Torres** I guess I'm missing the timeline- did Mr. Peredo have an issue with-

**Chairperson Senator Telen Cruz Nelson** can you explain if there's a timeline Mr. Peredo? On- for the transportation of canines?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** No- we were hoping based on my discussion with the manager at the cargo terminal that within the next two months, that they will be able to uplift the moratorium on the transportation of working dogs, and I'm hoping that they will implement that policy so that we can move forward with our program here.

**Vice Chairperson Senator Mary Camacho Torres** Okay, thank you.

**Chairperson Senator Telen Cruz Nelson** Okay. Thank you, Senator. When you- Director Peredo, now that you have- you currently have three K-9-unit handlers and three K-9 dogs, how often do they go and inspect at the Port?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Actually, we have three canines. I mentioned earlier that of the three

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handlers, one right now is on deployment and probably returning back later this year. [Senator Nelson asks, "So you have two now?"] So, we only have two, so we have two on hand, and the question is how often do we employ them down at the Port? It all depends on the request and, you know, depends on the arrival of the vessel that we're targeting with respect to utilizing the K-9 on this matter. Keeping in mind that my priority right now is the Post Office, and I'm utilizing the canines at 100% of the time at the Post Office, because we are seeing results every day at the Post Office up- even at this point in time. We have seized over 110 pounds of meth just for 2020, this two-year 2020.

**Chairperson Senator Telena Cruz Nelson** So you are not utilizing any K-9 units down at the Port?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** If I'm not mistaken, we have an operation down there right now.

**Chairperson Senator Telena Cruz Nelson** You just said that they're 100% at the Post Office.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes, yes.

**Chairperson Senator Telena Cruz Nelson** So that means there's nothing to facilitate the needs of the Port.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** At this point in time. You're right.

**Chairperson Senator Telena Cruz Nelson** Okay. Can you explain to us the process that is being conducted at the Airport for canine handlers- I mean- I'm sorry, the Post Office? Again?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes, again, the canines are utilized to screen incoming mail. The screening process is only taking place at the... request of our handlers to the postal

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inspector. In other words, we cannot just take the K-9 to the Post Office anytime, it has to be coordinated with the postal inspector. The postal inspector must be present for our canines to be screening mail at the Post Office, especially domestic mail, I'm talking about domestic mail. And so, we're trying to work with the... inspectors, and... I've been getting at least – barely – three times a week.

**Chairperson Senator Telen Cruz Nelson** Okay, so you-

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Am I satisfied with that? No. I want 24/7 utilization for the K-9 Post Office, but I... just have to be content with the schedule that I'm being provided because we have to understand the postal inspectors have other responsibilities, and a lot of these mails are coming in, especially one-o'clock in the morning...

**Chairperson Senator Telen Cruz Nelson** So does the Postmaster call you and ask you to come and inspect or you give them a schedule of when you would like to inspect?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
I won't turn down the Postmaster. If the Postmaster calls me up and said "Hey, can you use the K-9?" I will, immediately, send the canines to the Post Office. But normally, we work with the postal inspector.

**Chairperson Senator Telen Cruz Nelson** Okay. Have you had any requests from the Port to bring down the K-9 unit to inspect the cargo?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Yes.

**Chairperson Senator Telen Cruz Nelson** Are you able to meet all of their requests or are the requests not being asked?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Senator, when I came in and assumed the responsibility, I made a point that

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the canines will be used 100% of the time of any vessel coming in that's transporting personal vehicles. So regardless, whether the canine's available, if that particular vessel is coming in carrying used vehicles, canines are to be utilized. And, of course, if it conflicts with the Airport, with the Post Office, then I will put that decision on the Division to make that priority.

**Chairperson Senator Telen Cruz Nelson** Okay. The concern that I have is you stated that the K-9 unit is prioritized for the Post Office 100%. So which means that even in the case where you would need to utilize this resource, there's only a timeline where you can utilize the dogs. And so, if this resource is needed at the Port, and the dogs have already exceeded that timeline or met that timeline of work, then it's almost near impossible to go and do this request at the Port.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** That is true, we just have to make that decision and decide whether to forego the operation at the Post Office or move the K-9 down to the Port, because that vessel is coming in. The Division Head will make that decision.

**Chairperson Senator Telen Cruz Nelson** Okay. Senator Torres, do you have any more questions before I move on to the other Senators?

**Vice Chairperson Senator Mary Camacho Torres** I just want to ask, Mr. Peredo, you talk about requests for K-9 services and, with the Post Office, it's obvious that would be from the Inspector General. So, when you talk about people requesting the dogs to inspect certain cargo, that would mean your Officers right? The Customs Officers that are stationed or assigned to the Port would be making that request? [Director Peredo says, "Yes."] Because this is where I was talking about the- where the lines are, and who's really in charge of inspection. So that's what you mean right? By the request?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes. Yeah, the Supervisor down on the Port can make that request at any time.

**Vice Chairperson Senator Mary Camacho Torres** Okay. Okay, I was just wondering thank you very much.

**Chairperson Senator Telena Cruz Nelson** Yes, and if the Supervisor at the Port makes the request and you've already exhausted the timeline of your dogs, are you able to meet that mission request?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** You know, it depends Senator. Again, that will be left up to the Division handling that section to make that decision.

**Chairperson Senator Telena Cruz Nelson** Okay. Senator Blas do you have any questions at this time?

**Senator Frank F. Blas, Jr.** You know, when we talk about the... working time for the dogs, how much time is that? How much time can a work- can a dog work in a day?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** [Chief Perez tells Director Peredo, "20 minutes at a time."] The dogs are allowed 20 minutes within the hour. [Chief Perez tells Director Peredo, "And then they have their rest."] They rest after that. [Director Perez tells Director Peredo, "And then they come back."] And then they can come back and resume.

**Senator Frank F. Blas, Jr.** Okay so, they can work for 20 minutes and then rest for 40 and come back in 20? Or- I thought it was where- they have to rest for a minimum of 8?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** No they can work for 20 minutes, then they can go rest because if we have three dogs, then appropriately the one dog is resting- or two dogs are resting, while one dog is searching. The challenge that you find is that, you know, dogs like humans, you have to give an assessment. If I don't feel like working out today and going to the gym, and

I'm too tired, I'm not going to work out if I'm overworked. I'm not going to want to do the work, so the whole point is to motivate the dogs to make sure that they're doing what they're doing, and they enjoy it. I'm telling you this based on my experience as a drug detector dog handler myself. So, we monitored the dogs so you can't really say it's based on a specific time. Some dogs are raring to go every day, every minute; some, after their first run – there, that's it for the day. So, pretty much, you just have to assess each dog and the handler has to just make sure that he's very responsible with ensuring that the dog is not overworked. So, could a dog potentially work the whole day? Yes, he could, but you just got to make sure that they have proper work rest cycles, because the other thing to consider is that at the end of the day, they still have to rest, go to sleep, and wind down. And then the following day they start the day over.

**Senator Frank F. Blas, Jr.** Okay. Thank you, Madam Chair. Thank you.

**Chairperson Senator Telena Cruz Nelson** Senator Brown do you have any questions at this time? Thank you Senator Blas.

**Senator Joanne M. Brown** Thank you, Madam Chair, just getting back to the dogs again. I mean I think it would be good also, at least on an annual basis, to let us know how often, you know – I understand you have only so much personnel and you only have three dogs that are trained in this area – but it would be good to know how often in a year are the dogs actually at the Port doing inspections. Not so much as requests of anybody but just going down their unannounced and unexpected, doing inspections. Because I'm sure the drug dealers aren't going to be letting us know when they're bringing their- bringing the drugs into Guam so again, Madam Chair, if that's something that could be provided to the Committee so that we can get an idea, percentagewise, of how often these dogs are actually down at the Port as a main point of entry doing inspections. And then one other question I wanted to clarify – I mean I understand, you know, the Post Office is under the Federal Jurisdiction but – do they also have their own resources to able to, I guess, determine if these packages coming in contain drugs? I mean, who actually does that for the Post Office? Don't they have the federal partners doing that work since a Post Office is a federal entity?

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Or is that really burden on Customs, I'm just curious, how does that process work without giving us any great- trade secrets here?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Our Officers work closely with the postal inspector. We have an Officer that is assigned to work with the postal inspector, and it's part of the Task Force that we've put together, and they collaborate and work together in identifying parcels that are coming into Guam. But the postal inspector must be the lead agent for that process.

**Senator Joanne M. Brown** Okay, but do they have other federal resources that can be involved in assisting them to do these type of inspections?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Yes. On an annual basis, the Regional Director that runs the enforcement- the postal enforcement aspect of the organization will normally come to Guam on a quarterly basis once a year and do a saturation operation with respect to narcotic interdiction.

**Senator Joanne M. Brown** But that's not the same thing consistently happening at the Airport or at the Port, wouldn't that primarily be Customs? [Director Peredo responds, "Yes, [inaudible]."] Unless you have a joint inspection which I'm sure doesn't happen that frequently but, pretty much that you would be the one- your entity, Customs, would be the main law enforcement to actually go and do those type of inspections at the point of entry – for the Airport and the Port.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
You're right, yes.

**Senator Joanne M. Brown** I mean I assume, as you said, perhaps maybe, you know, you're finding, you know- we always read in the news that, you know, they- that somebody who has a box coming in and, you know, they follow him around and then they catch him because, you know, they're the ones that came to pick up the box. And so, that may be the case, of course, maybe most of it, as you mentioned, is coming through the- through the

Post Office but, you know, if the federal government has additional resources they can use and yet, for the local side at our point of entry, we have limits because we're pretty much dependent on Customs on a regular basis. You know, it would be good to know how we can help facilitate getting a greater presence for our own local interests of protecting our community. You know, I mean, it's nice we're working with the feds but the fed's got more resources than we do, and we're limited. And yet, you know, I don't have any comfort at this point, you know, that we're saturating, to a certain percentage, being able to catch these things coming into the island.

Maybe we're not finding them because we're not able to look for them in the first place either, limited resources or personnel or whatever the case may be but, it just- it doesn't give me any comfort and perhaps it doesn't give you comfort but, you know, it's just a concern because it's not just, you know- we're focused on drugs. It could be other illegal things coming into the Port that would be a concern and, I don't feel that level of comfort. I just, you know, the information provided and, certainly, unless you can provide us something else with the percentage of inspections, I just think we need to gear up more on our local side, because right now you're the main game in town – under your jurisdiction – to be able to do these type of inspections. Thank you very much Madam Chair, I appreciate the opportunity to ask those questions.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Thank you.

**Chairperson Senator Telena Cruz Nelson** Thank you Senator Brown, Senator Taitague did you have any questions on this area?

**Senator Telo T. Taitague** No I don't, thank you Madam Chair.

**Chairperson Senator Telena Cruz Nelson** Okay, thank you. Okay, we are now going to move into the Customs fines and penalties revolving fund status. So Chief, can you just currently explain the current sources of revenue that Customs and Quarantine receives- it receives, and if COVID-

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19 has impacted those revenues with the amount, and how can we help you moving forward?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** Okay so, as- if we're not already aware, Guam Customs receives a bulk of its funding through the passenger fees received at the Airport. And, in pre-COVID times, we were receiving around \$1.2 million dollars monthly, which is sufficient to run the operations with its current state. However, with the plan to try and acquire more Officers, that would mean that we would need to go through a rate adjustment. And, we were working to fix that. Now, one of the things that COVID-19 had did, was it really reduced our funding down to about 1%, 1-5% of what we normally collect. So, fast forward to the budget cycle, I recall that when we submitted our budget- or when our budget got submitted, there was a portion that says special funds, so the anticipated collection for Customs, I think, was around \$4 million dollars.

And I believe that, when I testified, I said that we may not be able to meet that portion of funding because of the low collection. So, if you're asking where we need some assistance, I think that we may want to revisit how we arrived at being able to get the general fund and the special funds to be a little bit more- I guess, work in tandem to be able to support our operations because, once again, we're at the budget cycle; once again, we have the general fund and the special funds, and our budget being submitted. And if you take a look at the special fund and what it is expected to collect on paper as opposed to the reality of today's situation with COVID-19, we are going to be running short and then we would be then, again, requesting for supplemental appropriations to fund the shortfalls.

**Chairperson Senator Telena Cruz Nelson** How much are you running short?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** How much are we running short...?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
For fiscal year ‘21 we’re looking at \$2.4 million

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** Yeah.

**Chairperson Senator Telena Cruz Nelson** And where did the short come from? Was it because of the passenger fee?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** Yes.

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency**  
Yes.

**Chairperson Senator Telena Cruz Nelson** Where- what areas in the revenue sources that Customs have was- did you see the shortfall?

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** Passenger fee... As I said earlier, we’re down to between 1 and 5% of the collection so, that is a big hit for us. If there’s a way for us to be able to find- change our paradigm and maybe look at other avenues of being able to collect funding somehow, we would do that. But that’s our greatest shortfall: is mainly in the passenger inspections at the Airport.

**Chairperson Senator Telena Cruz Nelson** Okay. Senator Torres do you have any questions at this time?

**Vice Chairperson Senator Mary Camacho Torres** Yes, I was wondering, you know- and the reduction in the collection of fees, that was a little hard to understand at first because, much of the testimony has been that the throughput, for example, at the Port has, in fact, been up. It’s like 1% higher year over year, in comparison. And we know also that the activity of the Post Office has been very high, so the cargo coming through the Airport has also been, maybe not significantly reduced, just because of the movements

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of supplies and, you know, the continual organic needs of the community. But, I guess, that's one thing that we have to understand, is the- what that impacts, is when the passenger facility fees are reduced to the degree. So that is mostly that it is right? Because the cargo, the fees that are attached to the cargo, servicing at the Airport and the Port are, by design, pretty low. Is that correct Director? They- it's almost designed to make Guam a duty-free type of ports, so those fees are generally lower than, say, the passenger facility fees that you recoup from the Airport or from the ship passengers that come through?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**

Yes ma'am, there's two different fees that the Customs is generating funds. Of course, we understand the passenger fee at the Airport, and that is, we normally charge \$8.29 for every passenger, and then the other fee that goes with the Port Authority and cargo is different. Because, at cargo terminal here, we charge \$5.00 for the first 100lbs. and point-zero-zero-one-two (.0012) for any pound after that. Down at the Port, we charge \$5.00 for the first 4,000lbs. and point-zero-zero-one-two (.0012) after the first 4,000lbs. So, there's two different fees that we're working here. And, now what we're seeing is that the impact of this – especially at the Airport – the impact to the airport is that we pay rent at the Airport. And so, the shortfall that we're looking for fiscal year 2021 is, maybe, near towards rental fees at the Airport.

**Vice Chairperson Senator Mary Camacho Torres** Okay. No, thank you for making that distinction because the, you know, people- we talk about throughput but, the fact is the fees that are collected on that are really, by design, quite low compared to what we charge for the passenger facility charges and the per head count, which really makes a difference when you think about 1.5 down to what, 30,000 or 50,000 so far. So, the reduction is just, just hit rock bottom but- all right, thank you. That clears up the loss in revenues for that fee. Thank you.

**Chairperson Senator Telen Cruz Nelson** Thank you Senator Torres. Senator Taitague do you have any questions?

**Senator Telo T. Taitague** Thank you Madam Chair. As well- we're- since we're talking on the subject line of fees and stuff. So, earlier I asked the question about the cargo: bill of lading is passed at a counter and most of them are physically inspected, why-why not, and the question about the \$25,000 I believe you have discretionary on any cargo that has not been- if there's a fine at your discretion. I believe, it's \$25,000 for any opening of sealed cargo. [Director Peredo responds, "Yes."] Okay, and where does that- [Director Peredo says something inaudible] right, where does that money- [Director Peredo says something inaudible] I'm sorry, say it again, I'm sorry tinder- I just want to know where that money goes- what fund does it go in to and how many times have that been charged.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Thank you for that question. All container seal violations that are imposed [Senator Taitague says, "Let me give you my [inaudible] number..."] at the Port are collected and deposited into the Customs Inspection fund. [Chief Perez mentions, "Same goes for the special fund being collected."] Yes, so all those- those funds that are collected are deposited into the Customs Inspection fund.

**Senator Telo T. Taitague** I'm sorry Mr. Peredo, I had some technical difficulty here at my office. Did you answer the question with regards to how many times have that fine has been implemented? Because it is at the discretion of the Director.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency** Yes, since I've [inaudible]- and I believe [inaudible] of this particular law, [inaudible]. If I'm not mistaken, this law was enacted back in the late 90s. And I did recall that, that particular year, we had imposed a violation, and a \$25,000 fine was imposed. When I came in, in 2019, that was the only fine that was imposed from the late 90s all the way up to 2019. Since I came in, I've issued, or imposed, five container seal violations for a total of \$150,000 that was deposited into the Customs Inspection fund.

**Senator Telo T. Taitague** Okay. Since you've been in there- okay thank you so much for that response. And, Director Peredo, do you plan on

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providing a- what's your plan? Because the budget is so, you know, it's not projecting as anticipated, in anticipating- I think it's even lower than what was anticipated considering COVID. What is the plan now that you're going to- it looks like you're going to lose about \$3 million dollars that's been appropriated to you, so what is the plan for Customs to cover this shortfall?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**

I've submitted my shortfall recommendations to the front office, and I've advised them that because of COVID-19, it has really impact the funding source for the Agency. And so, because of COVID-19, it's hard to predict, at this point in time, whether or not we should be able to raise the fee, with- I feel that it's not a workable situation right now because we cannot establish a threshold in so far as how to create what fee that we're going to- or amount that we're going to arrive to. There's no passengers coming in at the Airport right now. We average about 300 passengers a day as compared to almost 5,000 passengers a day during pre-COVID.

My information that I've got is that, hopefully, that just for fiscal 2021, that maybe we might be lucky to see at least 80,000 passengers, which I am very optimistic about that. For me, even if I was going to recommend, and in order for me to... work a plan so that I can cover the shortfall, increasing the fee is not going to help, for the simple reason is that we cannot just base our threshold on the number of passengers coming in, because that will not even be close to what we need to run this operation. And that's where I'm at with that situation right now. And I'm hoping that Bureau of Budget will make some recommendations, as far as how to manage the shortfall that we're experiencing within the agency. My feeling right now is that by the end of the third quarter, that we won't have enough money to even pay our rent. We need to pay our utilities. So, I'm working with the administration and trying to see what's the best approach to mitigate this particular problem.

**Senator Telo T. Taitague** Okay, well that was my next question, if you heard from the front office yet on how they're going to assist you moving forward with this great shortfall that we're seeing this every month, you

know, through the special funds. And, I think because, you know Madam Chair, that's- myself as well as Senator Frank Blas have been looking into the used tax because \$65 million is being escaped, you know, from- based on the OPA's report, about \$65 million and this would be very helpful to Customs if we can go at it. So, we're hoping to work on that to- Director Peredo and help Customs out as much as we can to provide the funding that you need and any funding that was supposed to go your way that's not sufficient. I think that Customs should be getting a little bit more percentage on some of these areas where you do get a percentage of fees should be increased to help stabilize this very, very important Agency, you know, our eyes and ears at the borders. So, I appreciate all your hard work that Customs does, Chief and Colonel, thank you so much for your time as well. Thank you Madam Chair.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Thank you.

**Chairperson Senator Telena Cruz Nelson** Thank you Senator Taitague, Senator Brown do you have any questions?

**Senator Joanne M. Brown** Thank you Madam Chair, not so much a question but just following up on the comments by Senator Taitague, I think that's something that needs to be looked at as- is certainly the budget, because I think the expectation that the Legislature perhaps is going to be able to appropriate is going to be really challenging government-wide, just considering the circumstance we've been in with regards to this pandemic on the decrease in overall revenue that's coming into the Government of Guam, so I think that's something that needs to be looked at. I mean, obviously, to go from 5000 passengers to 300 passengers a day, I just want to quickly ask: how are you having your personnel manage this since there's such a substantial decrease in the amount of passengers that Customs has to conduct inspections and coming through the Airport? How are you managing your personnel with this considerable decrease?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
We're- because of the low- that's going to be a point where we're directing

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some of our resources. [Senator Brown says, "Okay."] For example, down at the Port, and help with the inspection down at the Port, and of course that's temporary because we know that sooner or later the flights are going to start coming in, but at this point in time, we have decided to use some of these Officers to help the inspection. We are also using some of our Officers to help with the fact- the parking facility down at Tumon. [Chief Perez says, "And there's still a requirement at the Airport for [inaudible] a minimum..."] To include, we still- because although the flight has decreased, we still have to maintain a certain level of operation at the Airport to handle all these other flights that are coming in. We're still seeing flights like cargo flights that are coming in, although they're coming in as ferry, but we still need to do our work and board each and every flight and review their manifest that's coming. So, resources are being directed, we are also actively increasing our manpower up at Andersen because of the activities up there, so some of the resources are also being channeled up to the- in Andersen Air Force Base. And of course, I just mentioned that I've increase the manpower at the K-9 section, and I've managed to move four additional officers to restart K-9 training, and that's the resources that's being provided to the Special Enforcement Division.

**Senator Joanne M. Brown** Well, thank you for that response, I think it's very informative, at least, to let us know how you're maximizing the use of your personnel under these current circumstances. And, certainly, I'm sure we're all going to be keeping an eye on the financial side of the house, just because, you know, I think the general fund budget is already being stressed and impacted and that impact has multiplied. You know, I don't know that there's an expectation of appropriation that's going to come to resolve that issue, so maybe some of the recommendations that Senator Taitague and Senator Blas looked at probably need to be seriously pursued, because I think in the near future, we're in a decline.

And, you know, of course- I mean, you have to be able to pay your personnel for the work that they're doing, but I don't think that's something that should be left to the 12<sup>th</sup> hour. You know, we're getting up against a paycheck and the revenue's not there to pay it, especially because the intent and we were- I was back in the Legislature back in day, when the intent

very much was put in place for Customs to become self-sufficient with the revenue stream that was provided. So, you know, having to come back to the general fund during a time of challenges is going to be something that, you know- there's just limited resources moving forward, but thank you very much for your response and thank you Madam Chair for the opportunity to ask these questions. Thank you.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Thank you.

**Chairperson Senator Telen Cruz Nelson** Thank you Senator Brown. Director Peredo, what is the amount of work, percentage-wise, that CQA Officers utilize to address the federal mandates?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
I would say that we are utilizing Officers 100% of the time to enforce mandate, especially from the federal side. With all the federal laws that we're enforcing, each and every inspection process that they're doing, one or the other has to deal with regulatory requirements, either for USDA, DOT, CUS-

**Chairperson Senator Telen Cruz Nelson** Are all of these mandates funded? Are they all funded?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
No, no. None of these are funded. None of these are funded.

**Chairperson Senator Telen Cruz Nelson** They're unfunded mandates?

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Unfunded mandates.

**Chairperson Senator Telen Cruz Nelson** Okay. What would be the cost of these unfunded mandates if we were to put a dollar figure of it for you to engage in meeting these requirements?

**Ignacio “Ike” Peredo, Director, Guam Customs and Quarantine Agency** Senator, I don’t have that amount at this time, but I’m willing to come back again and at least provide you with some sort of information on that issue.

**Chairperson Senator Telena Cruz Nelson** Okay. Yes, I'd like to discuss this further because in the past we have had former Directors of customs – and even within the leadership of Customs – asking us to look for avenues to federalize Customs, the Guam Customs Authority. And so, if this is a discussion that we need to have because we are unable to meet the requirements or we don’t have the revenue and the resources to continue to fund Customs to do their job to meet their mission, then I would like to have the discussion with you in the near future.

I'd like to thank you for- and your panel, and all the Customs and Quarantine Agency for the amount of work that they do, especially with the limited resources that you’re experiencing. I’d like to adjourn this hearing, but I do want to anticipate us coming back within the next two weeks or three to discuss plans at how we’re going to address the shortfall that Customs was experiencing, what is the movement that the front office is going to give you, the solutions that they will provide, and also to take a closer look on how we can ensure that you receive your working dogs, if there’s something that we need to push on our end and any of the other challenges Customs needs to address in providing 100% of inspections at the Port rather than just the limited inspections that they’re doing today, okay? And- I believe we’re going to do a walk through at the Port and we were requesting with Customs to be present so that they can demonstrate for us their roles on the cargo throughput process, okay?

So thank you very much gentlemen for your time, thank you for your flexibility with the level of questions that we’ve had, and I'd like to congratulate everyone at Customs for their outstanding work. And Chief Perez, we’re also going to make sure that we stay abreast with your committee that was created in response to the Public Law 35- I think it was 35-105, which is Senator Torres’ bill that she proposed for the automation of Customs, and we want to ensure that the capability is redundant and straight through to meet the capability, also of the Port. So, we don’t want

you to get a completely different system and then the Port get a different system and they're not able to talk, okay? [Chief Perez says, "Yes."] So please ensure that you have that throughput, that kind of capability where it's interoperable.

Thank you very much no ma'am thank you Senators for your presence today and thank you for your input; it is now 15:29 in the afternoon and we will adjourn this oversight hearing. Thank you and have a good day, God bless.

**Ignacio "Ike" Peredo, Director, Guam Customs and Quarantine Agency**  
Thank you.

**Chief Vincent SN Perez, Chief of Customs, Guam Customs and Quarantine Agency** Thank you, God bless.

The public hearing was adjourned at 3:29 PM

### III. FINDINGS & RECOMMENDATIONS

In a virtual oversight hearing conducted by the Committee on Border Protection and Maritime Transportation, Chairperson Senator Telena Cruz Nelson meets with the Customs and Quarantine Agency (CQA). The oversight hearing consisted of discussing the process and guidelines for cargo containership throughput and manifest information relative to P.L. 35-105, staffing patterns and inspection processes for the K-9 Unit handlers, and CQA fines and penalties revolving fund status.

At the conclusion of the hearing, the Oversight Committee ascertained the following:

Containership throughput and manifest information relative to P.L. 35-105:

- Pursuant to Public Law 35-105, a committee has been made by the CQA to initiate the establishment of the rules and regulations and milestones. Members of this committee were assigned from the CQA Logistics and Support Division and Inspection and Control Division. The head of this committee is Captain Barbara Tayama.
- Containers arriving at the Port are inspected by the CQA. There are two types of inspections that may be done:

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- Cargo inspection for single and consolidated importers
- Cargo inspection done with Freight Forwarders using Container Freight Stations
- The CQA does not have jurisdiction over the weight stations. They fall under the Port Authority of Guam.
- All containers are inspected, but not physically inspected.
- Items that are confiscated from inspections are turned over to their respective regulatory agency, but whether these items are properly disposed of by the respective agencies is unknown.

Staffing patterns and inspections processes for the K-9 Unit handlers:

- Currently, the CQA has three K-9 dogs and two K-9-unit handlers (one handler is currently on deployment). There are four handlers that will be graduating at the end of February.
- It costs the Agency approximately \$9,000 for one dog. Currently, Airline carriers are unable to transport working dogs and handlers are unable to travel to the training center to acquire canines, both due the COVID-19 Pandemic.
- Currently, all K-9 units are utilized at the Post Office, with utilization of K-9 units at the Port being done by request. Due to a limited timeline, should there be conflicting requests between the Airport, Post Office, and the Port, the head of the K-9 Unit Division will make the decision on where to go.

CQA fines and penalties revolving fund status:

- CQA receives majority of its funding through passenger fees received at the Airport. Due to the COVID-19 Pandemic, their funding has reduced to approximately 1-5% of what they normally collect.
- CQA generates funds from two different fees: passenger fees at the Airport and cargo fees at the Port.
- All container seal violations that are imposed at the Port and special funds collected are deposited into the Customs Inspection Fund.
- CQA resources at the Airport are being directed to other parts of the island such as the Port, Tumon, and Anderson Air Force Base.
- CQA always utilizes officers to enforce federal mandates, none of which are funded.