

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

Bill No. 217-35 (COR)

As substituted on the Floor.

Introduced by:

James C. Moylan

**AN ACT TO ADD A NEW § 58104(r) TO ARTICLE 1, OF
CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED,
RELATIVE TO AUTHORIZING A QUALIFYING
CERTIFICATE FOR THE ENTICEMENT AND
POTENTIAL ESTABLISHMENT OF A COMMERCIAL
DRONE INDUSTRY ON GUAM.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that with Guam's proximity to Asia and, being under the jurisdiction of the laws of the United States, we have become an ideal destination for industries that focus on technology, aviation, and aeronautics. Enticing entities in these industries to consider investing on Guam would not only be beneficial in terms of stimulating our economy, but it could allow for great prospects of job creation and global opportunities.

Earlier in the year, the Federal Aviation Administration (FAA) released its forecast for the next two (2) decades in terms of what is to be anticipated in the aviation world. What is noteworthy in their report is that the market for the commercial drone industry is growing faster than anticipated and could triple between now and 2023, while the market for non-commercial drones appears to be slowing down.

1 Commercial drones have expanded into an array of industries, many of which
2 exist here on Guam. These industries include construction, agriculture, survey
3 engineering, utilities and telecommunications. With the U.S. Marines relocation and
4 the military buildup, the opportunities to attract such entities to seek commercial
5 activity on Guam has never been more ideal, as commercial drone entities have also
6 been contracted to conduct infrastructure development and maintenance at costs that
7 would result in a significant savings for all entities.

8 The drone industry is more than just about providing drones for aerial views
9 and, has evolved into training, aviation, logistics, transportation, and research, and
10 encompasses many other industries. Entities are setting up operations on a regional
11 basis to enhance training and manufacturing, and thus with Guam's proximity to
12 Asia, we may be in an ideal location to attract such entities who can participate in
13 and help to advance Guams economy.

14 It is vital that Guam seeks ways to attract such industries to invest here on
15 Guam; and, considering certain logistical disadvantages, it is crucial that incentives
16 be created and offered to offset such operational expenses; and, the Qualifying
17 Certificate program of the Guam Economic Development Authority (GEDA) is an
18 ideal tool that can be catered towards the needs or benefits of an entity, while
19 ensuring that job creation and other community contributions are prioritized.

20 This Act does not dictate the benefits to be offered to investors, rather it
21 includes a new industry into the matrix of qualified trades for available incentives
22 that can help establish additional economic activity on Guam. Ultimately, what is
23 negotiated for benefits to attract the industry to the island would be a discussion
24 between the applicant and the Guam Economic Development Authority.

25 Further, allowing such industries to apply for incentives may give local
26 companies the option to either invest in such ventures or seek outside entities to do

1 the same. The greatest marketing tool to help manifest new industries on Guam
2 would be the commerce community on Guam.

3 **Section 2.** A new § 58104(r) is hereby *added* to Chapter 58 of Title 12,
4 Guam Code Annotated to read as follows:

5 “(r) commercial drone industry.

6 For the purposes of this Subsection:

7 (1) Commercial drones are defined as unmanned aerial vehicles
8 (UAV) or unmanned aircraft systems (UAS), which can be flown,
9 remotely controlled or fly autonomously through software-controlled
10 flight plans in their embedded systems, working in conjunction with
11 onboard sensors and GPS.

12 (2) The commercial drone industry shall encompass the research,
13 development, training, education, manufacturing, wholesale, retail, or
14 the utilization in logistics of commercial drones conducted on Guam.

15 (3) To avail of a Qualifying Certificate under this Chapter, the
16 beneficiary shall be legally licensed to conduct business on Guam, and
17 any benefits awarded by the Guam Economic Development Authority
18 (GEDA) shall only be utilized on direct business activities associated
19 with the use of commercial drones.

20 (4) The beneficiary shall conform with all local and federal laws
21 and regulations associated with the use of commercial drones, and
22 failure to conform may result in the revoking of any benefits awarded
23 under this Chapter.”

24 **Section 3. Severability.** If any provision of this Act or its application to any
25 person or circumstance is found to be invalid or contrary to law, such invalidity *shall*
26 *not* affect other provisions or applications of this Act that can be given effect without

1 the invalid provision or application, and to this end the provisions of this Act are
2 severable.

3 **Section 4. Effective Date.** The Act *shall* be effective upon enactment.