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<th>Resolution No.</th>
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<th>Title</th>
<th>Date Intro</th>
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<th>Date Adopted</th>
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<tr>
<td>138-32 (COR)</td>
<td>R. J. Respicio T.C. Ada V. Anthony Ada</td>
<td>Relative to requesting that the Honorable Madeleine Z. Bordallo, Guam’s Delegate to Congress, support modifications to the antiquated and restrictive “Merchant Marine Act of 1920,” more commonly known as the “Jones Act,” which continues to have an adverse effect on certain noncontiguous domestic jurisdictions of the United States, including Alaska, Hawaii, Puerto Rico, and the Territory of Guam.</td>
<td>5/14/13 2:47 p.m.</td>
<td>06/04/13 9:00 a.m.</td>
<td>5/15/2013</td>
<td>Sponsor</td>
<td>Public Hearing: 06/04/13, 9:00 a.m.</td>
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MEMORANDUM

To: All Members

From: Majority Leader Rory J. Respicio

Subject: Second Notice of Public Hearing – Tuesday, June 4, 2013

Håfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; and Human & Natural Resources will be conducting a Public Hearing on Tuesday, June 4, 2013 beginning at 9:00 A.M., in the Legislature’s Public Hearing Room on the following:

9:00 A.M.

1. Bill No. 108-32 (COR) – “An act to amend §§ 44103, 44105, 44108, 44114, and 44115 of Chapter 44, Title 10, Guam Code Annotated; and to repeal §§ 44106 and 44109 of Chapter 44, Title 10, Guam Code Annotated; and to amend § 45105 of Chapter 45, Title 10, Guam Code Annotated; and to amend § 54104 of Chapter 51, Title 10, Guam Code Annotated, relative to the Guam Beverage Container Recycling Act of 2010 and the power of the Guam Environmental Protection Agency to implement the same.” Sponsor – Senator T.R. Muña Barnes

2. Bill No. 120-32 (LS) – “An act relative to honoring Guam’s men and women who have courageously and selflessly served our island people and our nation in the War on Terror and who have made the ultimate sacrifice, through the establishment of a Fallen Heroes Monument; through adding a new subsection §79601.2 to Chapter 79, Article 6, Title 21, Guam Code Annotated.” Sponsors – Senator F.B. Aguon, Jr., Senator R.J. Respicio, Senator T.C. Ada, Senator A.A. Yamashita, Ph.D., Senator V. A. Ada, Senator D.G. Rodriguez, Jr., Vice-Speaker B.J.F. Cruz, Senator T.R. Muña Barnes, and Speaker J.T. Won Pat, Ed.D.

3. Resolution No. 138-32 (COR) – “Relative to requesting the Honorable Madeleine Z. Bordallo, Guam’s Delegate to Congress, support modifications to the antiquated and restrictive “Merchant Marine Act of 1920,” more commonly known as the “Jones Act,” which continues to have an adverse effect on certain noncontiguous domestic jurisdictions of the United States, including Alaska, Hawaii, Puerto Rico, and the Territory of Guam.” Sponsors – Senator R.J. Respicio, Senator T.C. Ada, and Senator V.A. Ada

Written testimony should be addressed to Senator Rory J. Respicio, Chairperson, Committee on Rules; Federal, Foreign & Micronesian Affairs, Human & Natural Resources, & Election Reform, and may be submitted via email to cor@guamlegislature.org; fax to (671) 472-3547; or hand-delivery/mail to 155 Hesler Place, Hågåtña, Guam 96910. Should special assistance or accommodations be required, please contact Elaine Tajalle at my office at (671) 472-7679 or by e-mail at etajalle@guamlegislature.org. Si Yu’os ma’ase’!

cc: All Senators
Clerk of the Legislature
Legal Counsel
Sergeant-at-Arms/AV
MIS

155 Hesler Place • Hågåtña, Guam 96910 • (671)472-7679 • Fax: (671)472-3547 • roryforguam@gmail.com
May 15, 2013

MEMORANDUM

To: Rennae Meno  
Clerk of the Legislature

   Attorney Therese M. Terlaje  
   Legislative Legal Counsel

From: Senator Rory J. Respicio  
   Majority Leader & Rules Chair

Subject: Referral of Resolution No. 138-32 (COR)

As Chairperson of the Committee on Rules, I am forwarding my referral of Resolution No. 138-32 (COR). Please ensure that the subject resolution is referred, in my name, to the respective sponsor, as shown on the attachment.

I also request that the same be forwarded to all Senators of I Mina’trentai Dos na Liheslaturan Guåhan.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu’os ma’âse!

(1) Attachments
Rules Resolution No. 138-32 (COR)

Introduced by: R. J. Respicio
T.C. Ada
V. Anthony Ada

Relative to requesting that the Honorable Madeleine Z. Bordallo, Guam’s Delegate to Congress, support modifications to the antiquated and restrictive “Merchant Marine Act of 1920,” more commonly known as the “Jones Act,” which continues to have an adverse effect on certain noncontiguous domestic jurisdictions of the United States, including Alaska, Hawaii, Puerto Rico, and the Territory of Guam.

BE IT RESOLVED BY THE COMMITTEE ON RULES OF I MINA'TRENTAI DOS NA LIHESLATURAN GUÁHAN:

WHEREAS, interstate ocean shipping is a vital economic link between the seven (7) noncontiguous domestic jurisdictions of the United States and the contiguous forty-eight (48) mainland states of the union; and

WHEREAS, The “Merchant Marine Act of 1920,” more commonly known as the “Jones Act,” requires that all goods shipped from the U.S. mainland to the non-contiguous areas of the United States, including Guam, must be shipped on board U.S. flag carriers using U.S.-made vessels; must be owned by U.S. companies; and must be operated by U.S. crews; and
WHEREAS, the coastwise laws of the U.S. including the Jones Act encompass four (4) of the seven (7) noncontiguous domestic jurisdictions, specifically, the State of Alaska, the Territory of Guam, the State of Hawaii and the Commonwealth of Puerto Rico; and

WHEREAS, while the Territory of American Samoa, the Commonwealth of the Northern Mariana Islands, and the Territory of the United States Virgin Islands are fully exempt from the Jones Act, the continued imposition of the Act is unnecessarily restrictive and costly for affected jurisdictions, and Guam is the U.S. insular area for which the Jones Act has the greatest impact because of our small size, and great distance from other U.S. ports; and

WHEREAS, although an exemption from the U.S.-build requirement of the Jones Act for all commercial vessels engaged in the domestic Guam trade exists (46 U.S.C. § 12111), and is known as the "Guam Exemption," the Exemption is of limited usefulness if the Territory of Hawaii is not included, because the natural westbound trade lane from the U.S. West Coast to Guam passes through Hawaii, making it difficult for the ocean common carriers to mount financially viable voyages without carrying cargo to both Hawaii and Guam, unfairly shackling Guam's interstate trade to the U.S.-build requirement; and
WHEREAS, this "Guam Exemption" is really a "non-exemption" and is especially problematic for Guam, the largest of the Marianas Islands, because the Commonwealth of the Northern Marianas Islands is just 56 miles from Guam, and encompasses the remaining Marianas Islands, which enjoys a full exemption from very costly Jones Act requirements; and

WHEREAS, in addition to Guam, the three (3) noncontiguous jurisdictions included in the coastwise laws, namely Alaska, Hawaii and Puerto Rico, are also seeking a similar but more limited exemption for large oceangoing ships engaged in their domestic trades, and the jurisdictions support each others' efforts; and

WHEREAS, the Jones Act was implemented nearly 100 years ago when strict regulations protecting our country's economy, America's shipping, shipbuilding industries, and national defense, made a great deal of sense, ensuring that seagoing transportation for military supplies, equipment and personnel were readily available; and

WHEREAS, in the 21st century, the provisions of the Jones Act have become onerous, placing unfair, unequal, unnecessary and unexpected restrictions on many thousands of American households that are outside the continental United States; and
WHEREAS, Guam, along with each of the other noncontiguous jurisdictions of Alaska, Hawaii, and Puerto Rico, have all expressed support for the modifying of existing laws to secure economic fairness for all affected areas; and

WHEREAS, the Jones Act generally restricts competition in the domestic ocean shipping industry, and has led to monopoly-like shipping markets for interstate ocean common carrier transportation in the coastwise noncontiguous domestic trades; and

WHEREAS, the noncontiguous jurisdictions are completely dependent on ocean shipping, their geography precluding access to alternatives such as interstate railroad, highway and pipeline transportation that are readily available and provide competitive carriage within the contiguous United States; and

WHEREAS, the U.S.-build requirement of the Jones Act in particular creates substantial barriers to domestic trades, with U.S. deep-draft ship construction typically costing three or more times greater than similar vessels built in Japan and South Korea, the high cost and low production of the U.S. shipbuilding industry resulting in an ageing and inefficient deep-sea Jones Act fleet that disproportionately imposes a considerable
economic cost on, and adversely affects, the noncontiguous jurisdictions; and

WHEREAS, in order to create a significant, positive economic impact for the American citizens and residents of Guam and most of the other non-contiguous areas of the United States (excluding American Samoa, the Commonwealth of the Northern Marianas and the United States Virgin Islands which have Jones Act exemptions), an amendment or exemption of the U.S. insular areas covered by the Jones Act will lead to increased economic competition and lower consumer prices, in addition to having other positive effects on American jurisdictions which economies have been negatively affected by the imposition of this burdensome act for nearly a century; and

WHEREAS, for Guam, such positive impact is likely to promote an expansion of activities and increase revenues for Guam’s Port Authority, our island’s only seaport; and

WHEREAS, although the Jones Act does provide a significant degree of protection for U.S. shipyards, domestic carriers, and American merchant sailors, a recent U.S. International Trade Commission economic study found that repealing the Jones Act would have an annual positive effect on
the overall U.S. economy of $656 million, and this and other studies make an economic case for exemption or modification of the Act; and

WHEREAS, the Congressional Research Service released a report (RS21566) titled: “The Jones Act: An Overview,” pointing out that “The American Farm Bureau Federation believes that the Jones Act stands in the way of shipping feed grains economically from the Great Lakes to Southeastern U.S. ports …” contending that “… livestock producers in the Southeast import feed from foreign suppliers rather than buy from U.S. suppliers in the Midwest because international ocean rates are lower than domestic rates;” and

WHEREAS, arguments have been, and continue to be made on both sides of the Jones Act issue, with the most affected jurisdictions themselves speaking most loudly for fairness, and relief from the requirements of the Jones Act; now, therefore, be it

RESOLVED, that the Committee on Rules of I Mina’Trentai Dos na Lihesluran Guåhan, the 32nd Guam Legislature, on behalf of the people of Guam, does hereby respectfully request Guam’s Delegate to the United States Congress, the Honorable Congresswoman Madeleine Z. Bordallo, to introduce and/or co-sponsor legislation aimed at either exempting Guam, Alaska, Hawaii, and Puerto Rico from the U.S. Build provision of the
Maritime Shipping Laws (Jones Act); or to propose legislation that would replace the Jones Act without continuing to restrict the economic development of America’s insular areas; and be it further

RESOLVED, that the Speaker certify, and the Chairperson of the Committee on Rules and the Legislative Secretary attest to, the adoption hereof, and that copies of the same be thereafter transmitted to the Honorable Congresswoman Madeleine Z. Bordallo of Guam; to the Honorable Senator Mazie Hirono of Hawaii; to the Honorable Senator Brian Schatz of Hawaii; to the Honorable Congresswoman Colleen Hanabusa of Hawaii; to the Honorable Congresswoman Tulsi Gabbard of Hawaii; to the Honorable Senator Lisa Murkowski of Alaska; to the Honorable Senator Mark Begich of Alaska; to the Honorable Congressman Don Young of Alaska; to the Honorable Congressman Eni Faleomavaega of American Samoa; to the Honorable Congressman Gregorio Kilili Sablan of the Northern Mariana Islands; to the Honorable Congressman Pedro R. Pierluisi of the Commonwealth of Puerto Rico; and to the Honorable Edward Baza Calvo, Governor of Guam

DULY AND REGULARLY ADOPTED BY THE COMMITTEE ON RULES OF I MINA’TRENTAI DOS NA LIHESLATURAN GUÅHAN ON THE _____ DAY OF MAY, 2013.
JUDITH T. WON PAT  
Speaker

RORY J. RESPICIO  
Chairperson, Committee on Rules

TINA ROSE MUÑA BARNES  
Legislative Secretary