

*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
56-35 (COR)	Telo T. Taitague William M. Castro	AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 12, DIVISION 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A TASK FORCE TO REVIEW INFORMATION, CONDUCT A FEASIBILITY STUDY, AND DEVELOP RECOMMENDATIONS CONCERNING SUBMARINE CABLES.	3/7/19 9:39 a.m.	4/1/19	Committee on Environment, Revenue and Taxation, and Procurement	9/11/19 10:30 a.m.	12/10/19 5:06 p.m.	Request: 4/1/19  Waiver: 4/2/19	9/4/19 5:57 p.m. As substituted by the Committee on Environment, Revenue and Taxation, and Procurement



**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement  
*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUĀHAN*  
35<sup>TH</sup> GUAM LEGISLATURE

September 18, 2019

**The Honorable Tina Rose Muña Barnes**

Speaker

*I Mina'trentai Singko Na Liheslaturan Guåhan*

163 Chalan Santo Papa

Hagåtña, Guam 96910

*for km  
12/10/19*

**VIA: The Honorable Regine Biscoe Lee**

Chairperson, Committee on Rules

**RE: Committee Report on Bill No. 56-35 (COR), As Substituted; and amended**

*Håfa adai* Speaker Muña Barnes,

Transmitted herewith is the Committee Report on Bill No. 56-35 (COR), As Substituted; and amended by the Committee on Environment, Revenue and Taxation, and Procurement – “AN ACT TO **ADD A NEW ARTICLE 4 TO CHAPTER 12, DIVISION 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A TASK FORCE TO REVIEW INFORMATION, CONDUCT A FEASIBILITY STUDY, AND DEVELOP RECOMMENDATIONS CONCERNING SUBMARINE CABLES.**”

Committee votes are as follows:

- 3   TO DO PASS
- φ   TO NOT PASS
- 1   TO REPORT OUT ONLY
- φ   TO ABSTAIN
- φ   TO PLACE IN INACTIVE FILE

*Si Yu'os ma'åse',*

*Sabina Flores Perez*

Sabina Flores Perez

**RECEIVED**  
SEP 18 2019  
11:40am  
COMMITTEE ON RULES

*[Handwritten signature]*

Revisions Rec'd:

Mon., October 28, 2019 @ 1:02pm.

2019 DEC 10 PM 5:06



**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUAHAN*

35<sup>TH</sup> GUAM LEGISLATURE

**COMMITTEE REPORT**

**Bill No. 56-35 (COR)**

**As Substituted; and amended by the  
Committee on Environment, Revenue and  
Taxation, and Procurement**

**Introduced by Senator Telo T. Taitague and  
William M. Castro**

**“AN ACT TO *ADD* A NEW ARTICLE 4 TO  
CHAPTER 12, DIVISION 1, TITLE 12, GUAM  
CODE ANNOTATED, RELATIVE TO  
CREATING A TASK FORCE TO REVIEW  
INFORMATION, CONDUCT A FEASIBILITY  
STUDY, AND DEVELOP  
RECOMMENDATIONS CONCERNING  
SUBMARINE CABLES.”**



**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA TRENDAI SINGKO NA LIHESLATURAN GUAHAN*

35<sup>TH</sup> GUAM LEGISLATURE

September 18, 2019

MEMORANDUM

To: **All Members**  
Committee on Environment, Revenue and Taxation, and Procurement

From: **Senator Sabina Flores Perez** *SFP*  
Committee Chairperson

Subject: **Committee Report on Bill No. 56-35 (COR), As Substituted; and amended by the Committee on Environment, Revenue and Taxation, and Procurement**

*Håfa Adai,*

Transmitted herewith for your consideration is the Committee Report on Bill No. 56-35 (COR), As Substituted; and amended by the Committee on Environment, Revenue and Taxation, and Procurement – **“AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 12, DIVISION 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A TASK FORCE TO REVIEW INFORMATION, CONDUCT A FEASIBILITY STUDY, AND DEVELOP RECOMMENDATIONS CONCERNING SUBMARINE CABLES.”**

This report includes the following:

- Copy of COR Referral of Bill No. 56-35 (COR)
- Notices of Public Hearing
- Copy of Public Hearing Agenda
- Public Hearing Sign-in Sheet
- Submitted Testimonies and Supporting Documents
- Committee Report Digest
- Copy of Bill No. 56-35 (COR)
- Copy of Bill No. 56-35 (COR), *As Substituted; and amended by the Committee on Environment, Revenue and Taxation and Procurement.*
- Substituted; and amended Mark-up Version
- Copy of Fiscal Note Waiver from Bureau of Budget and Management Research
- Committee Vote Sheet

Please take the appropriate action on the attached vote sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Senator Amanda L. Shelton,  
Vice Chairperson

Speaker Tina Rose Muña Barnes,  
Member

Vice Speaker Telenia Cruz Nelson,  
Member

Senator Kelly Marsh (Taitano), Ph.D.,  
Member

Senator Sabina Flores Perez  
Member

Senator Clynton E. Ridgell  
Member



**COMMITTEE ON RULES**  
**SENATOR RÉGINE BISCOE LEE, CHAIR**  
*I MINA 'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN*  
**35<sup>TH</sup> GUAM LEGISLATURE**

Senator Joe S. San Agustin,  
Member

Senator Jose T. Terlaje,  
Member

Senator Therese M. Terlaje,  
Member

Senator James C. Moylan,  
Member

Senator Mary Camacho Torres,  
Member and  
Chair, Subcommittee on Protocol

April 1, 2019

## MEMO

**To:** **Rennae Meno**  
Clerk of the Legislature  
**Attorney Julian Aguon**  
Legislative Legal Counsel

**From:** **Senator Régine Biscoe Lee**  
Chairperson, Committee on Rules

**Re:** **Referral of Bill No. 56-35 (COR)**

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*Buenas yan Håfa adai.*

As per my authority as Chairperson of the Committee on Rules and subject to §6.01(d), Rule VI of our Standing Rules, I am forwarding the referral of **Bill No. 56-35 (COR)**.

Please ensure that the subject bill is referred to the **Committee on Environment, Revenue and Taxation, and Procurement**, chaired by Senator Sabina Flores Perez.

I also request that the same be forwarded to the prime sponsor of the subject bill.

If you have any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.

Respectfully,

  
**Senator Régine Biscoe Lee**  
Chairperson, Committee on Rules

*I Mina'trentai Singko Na Lihelaturan Guahan*  
**BILL STATUS**

Bill Number	Author	Description	Effective Date	Effective Time	Committee	Committee Chair	Committee Member	Notes
56-35 (COR)	Telo T. Taitague William M. Castro	AN ACT TO ADD A NEW § 12130 TO ARTICLE 1, CHAPTER 12, DIVISION 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THE COMPLETION OF AN INDEPENDENT ECONOMIC IMPACT STATEMENT RELATIVE TO FIBER-OPTIC UNDERSEA CABLE LANDING STATIONS.	3/7/19 9:39 a.m.	4/1/19	Committee on Environment, Revenue and Taxation, and Procurement			



**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA TRENTAI SINGKO NA LIHESLATURAN GUÁHAN*

35<sup>TH</sup> GUAM LEGISLATURE

**1<sup>st</sup> Hearing**

**Wednesday, June 5, 2019 at 9am**

**Bill No. 56-35 (COR)**

**Introduced by: Telo T. Taitague and William M. Castro**

**“AN ACT TO *ADD* A NEW § 12130 TO  
ARTICLE 1, CHAPTER 12, DIVISION 1,  
TITLE 12, GUAM CODE ANNOTATED,  
RELATIVE TO REQUIRING THE  
COMPLETION OF AN INDEPENDENT  
ECONOMIC IMPACT STATEMENT  
RELATIVE TO FIBER-OPTIC UNDERSEA  
CABLE LANDING STATIONS.”**



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## 1st Notice of Public Hearing: Wednesday, June 5, 2019 at 9:00 a.m.

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Office of Senator Sabina Perez <office@senatorperez.org>

Wed, May 29, 2019 at 9:20 AM

To: lpalomo@guampuc.com, mel.mendiola@investguam.com, a.hernandez@investguam.com, larry.toves@investguam.com, "Dafne M. Shimizu" <Dafne.Shimizu@revtax.guam.gov>, "Michele B. Santos" <Michele.Santos@revtax.guam.gov>, frank.lujan@otech.guam.gov, bjacruz@guamopa.com, claudia.acfalle@gsa.guam.gov, Robert Kono <robert.kono@gsa.guam.gov>, Chelsa Muna-Brecht <chelsa.munabrecht@agriculture.guam.gov>, "Walter S. Leon Guerrero" <walter.leonguerrero@epa.guam.gov>, "John Thos. Brown" <jngoz@ozemail.com.au>, dlmdir@land.guam.gov, joseph.borja@land.guam.gov, rstopasna@ghura.org, efnapoli@ghura.org, linda.denorcey@dphss.guam.gov, laurent.duenas@dphss.guam.gov, Sarah Thomas-Nededog <sarah.thomasnededog@westcare.com>, Samantha Eliptico <samantha.eliptico@westcare.com>, amscruz@gdoe.net, amsay@ghura.org, info@guamchamber.com.gu, law@guamag.org, Lester Carlson <lester.carlson@bbmr.guam.gov>, vince.arriola@dpw.guam.gov, edward.birn@doa.guam.gov, Tyrone Taitano <tyrone.taitano@bsp.guam.gov>, theresa.arriola@gbhwc.guam.gov, Mary Okada <mary.okada@guamcc.edu>, tkrise@triton.uog.edu, jonfernandez@gdoe.net, mdr@gdoe.net, Richard Ybanez <richard.ybanez@dpr.guam.gov>, sjbrennan@doc.guam.gov, rjrespicio@portguam.com, tom.ada@guamairport.net, Ignacio.peredo@cqa.guam.gov, director@cqa.guam.gov, gpls@gpls.guam.gov, david.dellisola@dol.guam.gov, Jayne Therese Flores <jayne.flores@guam.gov>, "Stephanie G. Flores" <stephanie.flores@guam.gov>, jack.hattig@cltc.guam.gov, melvin.borja@guam.gov, jermaine.alerta@gddc.guam.gov, fred.bordallo@gvao.guam.gov, lasia.casil@hrra.guam.gov, daniel.leonguerrero@csc.guam.gov, annmarie.arceo@dca.guam.gov, joseph.angoco@galc.guam.gov, melanie.brennan@dya.guam.gov, pmbblas@ite.net, vote@gec.guam.gov, rebecca.respicio@energy.guam.gov, daniel.stone@gfd.guam.gov, alice.taijeron@ghc.guam.gov, lillan.perez-posadas@gmha.org, stephen.ignacio@gpd.guam.gov, jbenavente@gpagwa.com, celestin.babauta@grta.guam.gov, pilar.laguana@visitguam.org, Miguel Bordallo <mcbordallo@guamwaterworks.org>, mcogadmin@teleguam.net, John Lizama <jqlizama@guamcourts.org>, Sabrina Salas Matanane <sabrina@kuam.com>, nestor@kuam.com, Chris Barnett <malafunkshun@kuam.com>, carmen@kuam.com, joan@kuam.com, news@sorensenmediagroup.com, reporters@postguam.com, news@guampdn.com, news@k57.com, phill@k57.com, rlimtiaco@guampdn.com, heugenio@guampdn.com, John O'Connor <johntaoconnor@gmail.com>, kstokish@gmail.com, editor@pacificislandtimes.com, Maureen Maratita <publisher@glimpsesofguam.com>, businesseditor@glimpsesofguam.com, reporter2@glimpsesofguam.com, Joy White <reporter4@glimpsesofguam.com>, Guam Progress <guamprogress@yahoo.com>, colinperez@gmail.com, Gabejereza@gmail.com, phnotice@guamlegislature.org

May 29, 2019

### MEMORANDUM

To: All Senators, Stakeholders and Media

Fr: Senator Sabina Flores Perez, *Chairperson*

Subject: **1<sup>st</sup> Notice of Public Hearing: Wednesday, June 5, 2019 at 9:00 a.m.**

The Committee on Environment, Revenue and Taxation, and Procurement will be conducting a public hearing on **Wednesday, June 5, 2019 at 9:00 a.m.** This public hearing will take place in *Liheslaturan Guahan*, Public Hearing Room. The agenda is as follows:

- **9:00 a.m.**

- **Bill No. 56-35 (COR) - Telo T. Taitague / William M. Castro** -An act to add a new § 12130 to



Article 1, Chapter 12, Division 1, Title 12, Guam Code Annotated, relative to requiring the completion of an independent economic impact statement relative to fiber-optic undersea cable landing stations.

**Bill No. 69-35 (LS) - Sabina Flores Perez** -An act to amend §7102(q) of Chapter 7, Title 3, Guam Administrative Rules and Regulations, relative to correcting the definition of gross receipts.

**Bill No. 90-35 (COR) - Sabina Flores Perez / Kelly Marsh (Taitano), PhD / Amanda L. Shelton** -An act to amend §5215 of Chapter 5, Title 5, Guam Code Annotated, relative to strengthening emergency procurement provisions and transparency, and providing for emergency procurement for threats to the environment.

**Bill No. 126-35 (LS) - Mary Camacho Torres** -An act to add a new § 57107 to Chapter 57, Title 10 of the Guam Code Annotated, relative to requiring the department of revenue and taxation to establish an exceptions process for homeless individuals and unaccompanied homeless youth obtaining a Guam identification card; and to further citing this act as the “Homeless Youth and Families Identification Act.”

Testimony on **Bill No. 56-35 (COR), Bill No. 69-35 (LS), Bill No. 90-35 (COR) and Bill No. 126-35 (LS)** should be addressed to Senator Sabina Flores Perez, Chairperson, and will be accepted via hand delivery to our office, our mailbox at the Guam Congress Building at 163 *Chalan Santo Papa, Hagåtña*, Guam 96910, via email to [office@senatorperez.org](mailto:office@senatorperez.org), no later than 4pm, June 10, 2019.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or services should contact the Office of Senator Sabina Flores Perez at 989-2968.



**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement  
*I MINA TRENTAI SINGKO NA LIHESLATURAN GUAHAN*  
35<sup>TH</sup> GUAM LEGISLATURE

May 29, 2019

**MEMORANDUM**

To: All Senators, Stakeholders and Media

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## 2nd Notice of Public Hearing: Wednesday, June 5, 2019 at 9:00 a.m.

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Office of Senator Sabina Perez <office@senatorperez.org>

Mon, Jun 3, 2019 at 8:56 AM

To: lpalomo@guampuc.com, mel.mendiola@investguam.com, a.hernandez@investguam.com, larry.toves@investguam.com, "Dafne M. Shimizu" <Dafne.Shimizu@revtax.guam.gov>, "Michele B. Santos" <Michele.Santos@revtax.guam.gov>, frank.lujan@otech.guam.gov, bjacruz@guamopa.com, claudia.acfalle@gsa.guam.gov, Robert Kono <robert.kono@gsa.guam.gov>, Chelsa Muna-Brecht <chelsa.munabrecht@agriculture.guam.gov>, "Walter S. Leon Guerrero" <walter.leonguerrero@epa.guam.gov>, "John Thos. Brown" <jngo@ozemail.com.au>, dlmdir@land.guam.gov, joseph.borja@land.guam.gov, rstopasna@ghura.org, efnapoli@ghura.org, linda.denorcey@dphss.guam.gov, laurent.duenas@dphss.guam.gov, Sarah Thomas-Nededog <sarah.thomasnededog@westcare.com>, Samantha Eliptico <samantha.eliptico@westcare.com>, Angelina Marie Cruz <amscruz@gdoe.net>, Amor Say <amsay@ghura.org>, info@guamchamber.com.gu, law@guamag.org, Lester Carlson <lester.carlson@bbmr.guam.gov>, vince.arriola@dpw.guam.gov, edward.birn@doa.guam.gov, Tyrone Taitano <tyrone.taitano@bsp.guam.gov>, theresa.arriola@gbhwc.guam.gov, Mary Okada <mary.okada@guamcc.edu>, tkrise@triton.uog.edu, jonfernandez@gdoe.net, mdr@gdoe.net, Richard Ybanez <richard.ybanez@dpr.guam.gov>, sjbrennan@doc.guam.gov, rjrespicio@portguam.com, tom.ada@guamairport.net, Ignacio.peredo@cqa.guam.gov, director@cqa.guam.gov, gpls@gpls.guam.gov, david.dellisola@dol.guam.gov, Jayne Therese Flores <jayne.flores@guam.gov>, "Stephanie G. Flores" <stephanie.flores@guam.gov>, jack.hattig@cltc.guam.gov, melvin.borja@guam.gov, jermaine.alerta@gddc.guam.gov, fred.bordallo@gvao.guam.gov, lasia.casil@hrra.guam.gov, daniel.leonguerrero@csc.guam.gov, annmarie.arceo@dca.guam.gov, joseph.angoco@galc.guam.gov, melanie.brennan@dya.guam.gov, pmbblas@ite.net, vote@gec.guam.gov, rebecca.respicio@energy.guam.gov, daniel.stone@gfd.guam.gov, alice.taijeron@ghc.guam.gov, lillian.perez-posadas@gmha.org, stephen.ignacio@gpd.guam.gov, jbenavente@gpagwa.com, celestin.babauta@grta.guam.gov, pilar.laguana@visitguam.org, Miguel Bordallo <mcbordallo@guamwaterworks.org>, mcogadmin@teleguam.net, John Lizama <jqlizama@guamcourts.org>, rcruz@guamcourts.org, Sabrina Salas Matanane <sabrina@kuam.com>, nestor@kuam.com, Chris Barnett <malafunkshun@kuam.com>, carmen@kuam.com, joan@kuam.com, news@sorensenmediagroup.com, reporters@postguam.com, news@guampdn.com, news@k57.com, phill@k57.com, rlimtiaco@guampdn.com, heugenio@guampdn.com, John O'Connor <johntaoconnor@gmail.com>, kstokish@gmail.com, editor@pacificislandtimes.com, Maureen Maratita <publisher@glimpsesofiguam.com>, businesseditor@glimpsesofiguam.com, reporter2@glimpsesofiguam.com, Joy White <reporter4@glimpsesofiguam.com>, Guam Progress <guamprogress@yahoo.com>, colinperez@gmail.com, Gabejereza@gmail.com, aebenavente@gdoe.net, phnotice@guamlegislature.org

June 3, 2019

### MEMORANDUM

To: All Senators, Stakeholders and Media

Fr: Senator Sabina Flores Perez, *Chairperson*

Subject: **2<sup>nd</sup> Notice of Public Hearing: Wednesday, June 5, 2019 at 9:00 a.m.**

The Committee on Environment, Revenue and Taxation, and Procurement will be conducting a public hearing on **Wednesday, June 5, 2019 at 9:00 a.m.** This public hearing will take place in *Liheslaturan Guahan*, Public Hearing Room. The agenda is as follows:

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 **2nd Notice.pdf**  
78K



**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement  
*I MINA TRENTAI SINGKO NA LIHESLATURAN GUÁHAN*  
35<sup>TH</sup> GUAM LEGISLATURE

June 3, 2019

**MEMORANDUM**

To: All Senators, Stakeholders and Media

Fr: Senator Sabina Flores Perez, *Chairperson* *SFP*

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# Indonesia in chaos after vote

GUAM DAILY POST • MONDAY JUNE 3, 2019

**SINGAPORE (Tribune News Service)** — It's been six weeks since Indonesian President Joko Widodo, better known as Jokowi, appeared to comfortably secure a second term against challenger Prabowo Subianto, a former special forces general.

But the aftermath of one of the world's largest democratic elections has been anything but stable.

Prabowo, who also lost to Jokowi in the last presidential election in 2014, has rejected the results of the April 17 contest, claiming rampant election fraud.

Blood flowed when several thousand of his supporters took to the streets of the Indonesian capital of Jakarta last week after the country's General Elections Commission officially declared Jokowi the winner with 55.5% of the 154 million ballots cast, a record turnout.

Two days of violent riots resulted in the deaths of eight demonstrators. Hundreds more were injured as police fired rubber bullets, tear gas and water cannons at protesters hurling rocks and Molotov cocktails. More than 400 people were arrested.

This week, police accused Prabowo

supporters, including a retired two-star general, of plotting to assassinate four of the president's top security officials — his chief security minister, the head of the nation's intelligence agency, the presidential intelligence adviser and a minister for maritime affairs.

Authorities said the plot was aimed at sowing chaos to undermine Jokowi as he embarked on a second five-year term.

The president will preside over a country that's been divided over religious identity. Prabowo, who is not particularly religious himself, represents hard-line Muslim conservatives. Jokowi, the former mayor of Jakarta, champions a more inclusive and progressive Indonesia — though he selected a conservative cleric as his running mate to boost his religious credentials.

Questions abound about how quickly the Southeast Asian nation of 250 million, the world's fourth most populous, will rebound. Here are four:

**Question: Why is Prabowo contesting?**  
**Answer:** Prabowo, the former son-in-law of Indonesian dictator Suharto, has accused the election commission of "fraudulent tabulations," alleging vote-rigging in favor of Jokowi. Prabowo



**RALLY:** A supporter of Prabowo Subianto, an Indonesian presidential candidate, cries outside the Elections Supervisory Agency after official government election results were announced on May 24 in Jakarta, Indonesia. Joko Widodo was reelected as president, beating Subianto. Ulet Ifansasti/Getty Images/Tribune News Service

filed a lawsuit with the Constitutional Court, which will decide the case in June.

Experts say Prabowo, 67, is contesting the election results largely because he can and has nothing to lose. He's also making a tradition of it. Prabowo rejected the outcome of the 2014 election when he lost to Jokowi by a slimmer official margin.

In putting up a fight, Prabowo can maintain his coalition of conservative Muslims, extract more concessions from Jokowi and maintain some semblance of face after losing an election by 17 million votes.

**Q: Is there evidence of voter fraud?**  
**A:** Yes, but nothing on a scale that could explain the lopsided election outcome. Analysts say there will always

be isolated examples of vote-buying and voter roll chicanery in a developing country as large as Indonesia.

In one such case, thousands of ballot papers destined for Indonesians living in Malaysia were discovered to have already been checked in favor of Jokowi.

However, the claims by the Prabowo camp of massive irregularities that would have swayed the overall results appear to be unfounded. Indonesia's election watchdog dismissed complaints by Prabowo supporters of cheating, citing insufficient evidence.

"There was very, very little evidence in 2014 and there's very little evidence now," said Made Supriatna, a visiting fellow at the Institute of Southeast Asian Studies in Singapore. "The claims are baseless."

**Q: Will Indonesia plunge further into violence?**

**A:** The riots naturally sparked fears of a repeat of 1998 mass unrest that resulted in more than 1,000 deaths of mostly Chinese-heritage Indonesians and the toppling of President Suharto after three decades of rule.

But conditions were far different back then. Discontent in Indonesia at the time was widespread and hinged on deep-rooted economic problems. Jokowi remains a popular president stewarding an economy that's growing at a clip of 5% or more the last five years.

Analysts say the recent riots were contained to hardcore Prabowo supporters and didn't suggest a much wider popular movement against the president that could trigger further bloodshed.

**Kumion I Tano Saina'ta  
Guam Ancestral Lands Commission**

The Guam Ancestral Lands Commission Board Meeting will be held on **Wednesday, June 5, 2019 at 2:00 p.m.**, Department of Land Management conference room, 3<sup>rd</sup> Floor of the ITC Building 590<sup>th</sup> S. Marine Corps Drive, Tamuning. The agenda may be viewed at the following link:

<http://dlm.guam.gov/announcements-2/>

Individuals requiring special accommodations, auxiliary aids or services, please call Liza Camacho at 649-5263 ext. 440.

This ad paid for by Government funds.

**GUAM ENVIRONMENTAL PROTECTION AGENCY**  
 AHEÑSIAN PROTETSIÓN LINA LA GUAHAN

**REMINDER NOTICE**  
 ABOVEGROUND STORAGE TANK ANNUAL PERMIT

The Guam Environmental Protection Agency (Guam EPA) reminds owners of Aboveground Storage Tanks (AST) containing Regulated Substances that they are required to apply for an AST Permit with the Agency by February 10, 2019, in accordance with Guam Public Law 34-140 - the Aboveground Storage of Regulated Substances Act, and codified in Title 10 Guam Code Annotated Chapter 76A, Division 3.

**Guam EPA is currently extending the permitting period to June 30, 2019 in an effort to have all owners of ASTs to come into compliance with Guam Public Law 34-140**

The AST Permit Application Form and the Aboveground Storage of Regulated Substances Act are available online at [www.epa.guam.gov](http://www.epa.guam.gov).

**FAILURE TO OBTAIN A PERMIT FOR YOUR FACILITY OR BUILDING MAY RESULT IN A FINE OF UP TO TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00), OR A DAILY FINE OF ONE HUNDRED DOLLARS (\$100.00) PER 500 GALLONS OR GREATER, FOR ASTs OR CONTAINERS WITH AN AGGREGATE EQUAL TO, OR GREATER THAN 500 GALLONS CONTAINING REGULATED SUBSTANCES.**

Should you have any questions or need further clarification, please contact the Hazardous Waste Management Program at (671) 300-4751/52 or by email at [astpermits@epa.guam.gov](mailto:astpermits@epa.guam.gov).

/s/ WALTER S. LEON GUERRERO, Administrator

GUAM EPA | 17-2004 Maricao Avenue Tapan Barrigada, Guam 96913-1011 | Tel: (671) 300-4751/52 | Fax: (671) 300-4751 | Email: [astpermits@epa.guam.gov](mailto:astpermits@epa.guam.gov)  
 TOKU'Y MIHALA'Y TANGI MAAN UNO • ALL IYANGI THINGI ARE ONE

**PUBLICATION NOTICE**

In accordance with the provisions of Guam Code Annotated, Title XI, Chapter III, Section 3315, notice is hereby given that:

**GREENPA'S CORPORATION**  
**DBA: UNCLE PARK BISTRO**

has applied for a Class: 4/ General On-Sale Alcoholic Beverage License. Said premises being marked as Lot: 5076-3-4-1 R1 NEW A-3 JDK BLDG. 1<sup>st</sup> FLR. 1206 PALE SAN VITORES RD. TUMON, GUAM 96913.

**Senator Sabina Flores Perez**  
 Committee on Environment, Revenue and Taxation, and Procurement

**Public Hearing Notice**  
 Wednesday, June 5, 2019  
 1 Liheslaturan Guahan, Public Hearing Room

**AGENDA**

**9:00am**

**Bill No. 56-35 (COR) - Telo T. Taitague / William M. Castro** - An act to add a new §12130 to Article 1, Chapter 12, Division 1, Title 12, Guam Code Annotated, relative to requiring the completion of an independent economic impact statement relative to fiber-optic undersea cable landing stations.

**Bill No. 69-35 (LS) - Sabina Flores Perez** - An act to amend §7102(g) of Chapter 7, Title 3, Guam Administrative Rules and Regulations, relative to correcting the definition of gross receipts.

**Bill No. 90-35 (COR) - Sabina Flores Perez / Kelly Marsh (Taitano), PhD / Amanda L. Shelton** - An act to amend §3215 of Chapter 5, Title 5, Guam Code Annotated, relative to strengthening emergency procurement provisions and transparency, and providing for emergency procurement for threats to the environment.

**Bill No. 126-35 (LS) - Mary Camacho Torres** - An act to add a new §57107 to Chapter 57, Title 10 of the Guam Code Annotated, relative to requiring the Department of Revenue and Taxation to establish an exceptions process for homeless individuals and unaccompanied homeless youth obtaining a Guam identification card; and to further citing this act as the "Homeless Youth and Families Identification Act."

Testimonies can be delivered to the Legislative Mailbox at the Guam Congress Building at 163 Chalan Santo Papa, Hagåtña, Guam 96910, or via email to [office@senatorperez.org](mailto:office@senatorperez.org), no later than 4pm June 10, 2019. Individuals requiring special accommodations should submit request to Office of Senator Sabina Flores Perez at 989-2968. Paid for by committee funds.



**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUAHAN*

35<sup>TH</sup> GUAM LEGISLATURE

**AGENDA**

**PUBLIC HEARING**

**Wednesday, June 5, 2019**

***I Liheslaturan Guahan, Public Hearing Room***

The agenda is as follows:

**9:00 am**

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**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÁHAN*

35<sup>TH</sup> GUAM LEGISLATURE

Public Hearing

Wednesday, June 5, 2019, 9:00am

*I Liheslaturan Guahan, Public Hearing Room*

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NAME (please print)	AGENCY/ ORGANIZATION	ORAL TESTIMONY	WRITTEN TESTIMONY	IN FAVOR	NOT IN FAVOR	CONTACT INFORMATION
Artemio "Ricky" Hernandez	GEDA	✓	✓			647-4332
DAN YIPSENCO	GTA	✓	✓			687-9363



**LOURDES A. LEON GUERRERO**

*Governor of Guam*  
*I Maga'Haga Guahan*

**JOSHUA F. TENORIO**

*Lt. Governor of Guam*  
*I Segundo Na Maga'Lahen Guahan*



**MELANIE MENDIOLA**

*Chief Executive Officer/Administrator*  
*Ge'helo' Ekseketibu Ofisiãt*

**ARTEMIO "RICKY" HERNANDEZ**

*Deputy Administrator*  
*Sigundo Ge'helo'*

June 5, 2019

Honorable Sabina E. Perez  
Chairperson  
Committee on Environment, Revenue and Taxation, and Procurement  
Terlaje Professional Building  
194 Hernan Cortez Avenue, 1<sup>st</sup> Fl.  
Hagatna, GU 96910

**RE: GEDA's Testimony on Bill No. 56-35 (COR) An Act Relative to Requiring the Completion of Independent Economic Impact Statement Relative to Fiber-Optic Undersea Cable Landing Stations**

Hafa Adai Senator Sabina Perez and members of the Committee on Environment, Revenue and Taxation, and Procurement (Committee). My name is Melanie Mendiola, CEO/Administrator of the Guam Economic Development Authority (GEDA), and I hereby submit this written testimony on Bill No.56-35.

Bill 56-35 requires the Public Utilities Commission (PUC) to issue a Request for Proposal (RFP) for the purpose of conducting an Independent Economic Impact Statement relative to the potential taxation of fiber-optic undersea cable landing stations which use Guam as a pass-through site. The legislation identifies the Guam Economic Development Authority (GEDA) as a collaborative member in this solicitation process as the entity to identify the financial resources necessary to fund such a study. Additionally, the Office of Technology (OTech) and the Department of Revenue and Taxation (DRT) are identified, in addition to the GEDA, to determine the scope of such solicitation.

The GEDA's mission is to develop a sound and sustainable economy through innovative programs that preserve and promote economic opportunities, local culture, and quality of life. GEDA believes that the increased interest in fiber-optic undersea cable landing stations on Guam presents an economic opportunity to grow the telecommunications industry and could also lead to the establishment of data centers on Guam. As it relates to Bill 56-35, the GEDA believes that providing incentives for companies interested in establishing data centers on Guam can be prioritized above possibly discouraging such economic activity through placing what would be conceived as additional financial burdens.

The GEDA has internally been discussing ways in which we could incentivize companies to establish data centers on Guam but the barriers that have been cited were the high cost of electricity. Such incentives could involve the possibility of solar power generation for these data



centers which could utilize the existing renewable energy industry to spur further economic growth.

The GEDA recommends adjusting the Independent Economic Impact Statement to involve the providing of potential tax incentives rather than potential taxation. This may alleviate the possible disincentives to growing the industries that come with fiber-optic undersea cable landing stations on Guam such as the establishment of data centers. Additionally, the GEDA is capable of issuing such an RFP while we could also collaborate with the OTech and the DRT to determine the scope and parameters of the solicitation, but would require an additional funding source to be able to do so.

Thank you for the opportunity to provide testimony on Bill 56-35. With the inclusion with the recommendations herein, GEDA is willing to support Bill 56-35.

*Si Yu'us Ma'ase,*



**MELANIE MENDIOLA**  
CEO / Administrator



## TESTIMONY

On

Bill 56-35

Legislative Public Hearing Room

Hagatna, Guam

June 6, 2019

Hafa adai and good morning Chairwoman Perez and Senators.

On behalf of Teleguam Holdings, LLC dba GTA, I am Dan Tydingco, Executive Vice President.

I was invited here by the bill sponsor, Senator Telo Taitague to testify and comment on the measure before us.

In brief discussion with her prior to this hearing, she queried what our company's views are on the measure.

I commended her for the effort to seek additional revenues for the benefit of the island. However, I noted that the legislative intent should aim toward attracting new investment and industry, rather than potentially discouraging such.

When the ownership of our company sought to enter the cable operating space with a cable landing station, we decided to make such investment for the benefit of our subscribers and the community. The local demand and appetite for data, like everywhere else, is insatiable. Significant time and financial resources have been expended studying and assessing the benefits of such: more capacity, greater speeds, and reduced latency for individual, enterprise and public consumers. People and businesses have a need for speed. They don't want their smartphones or lap tops or pads bogged down uploading or downloading data and information.

To fulfill that demand and expectation, we have made the necessary investments for our customers and the community.

Last Friday, Governor Leon Guerrero and Lt. Governor Tenorio executed the legislatively authorized land lease agreement which was passed by the 34<sup>th</sup> Guam Legislature this past December. This lease is for the expansion of the Piti Cable landing station which we constructed nearly two years ago to bring in much needed and new capacity for our island. This new lease allows for expansion of the existing, adjacent facility to house more electronics and equipment associated with the cable investments we have made to enable our customers more capacity locally and globally.

As the largest lessee for the Chamorro Land Trust, we pay vast rental monies for the benefit of the community. The new lease which our predecessors authorized in Piti allows us to directly pay our community partner, the village of Piti. Aside from the associated rent and utilities, we have direct community contributions to the village like a new basketball facility, donations annually for recurring maintenance of the court and the village park on the beachside, free-wi fi in the community center, mayoral office and contributions for the annual village activities. Further, out of the 450+ tax paying, payroll GTA employees, we have scores of them trained and operating the facility there and at our Network Operations Center. Moreover, we pay required corporate and business privilege taxes. I note all this to illustrate the positive financial impact and contributions our investment has for the benefit of our community.

To facilitate the potential development and rise of new industry or investment on island, I would respectfully suggest the committee and body consider looking through a different lens to establish a new economic pillar for our island economy.

The emergence and growing need for data centers is one area which you may want to explore for development. We have the potential to be a bridge for data center business operations in this region of the world. Our neighbors in South Korea, Singapore and Thailand have rolled out aggressive and attractive incentives for data center operators. The study called for in the measure for the Guam Economic Development Authority to conduct is a great idea. If this measure is passed, I am sure GEDA will report back on what it would take to make data center operations viable and attractive here, for new investment. They will probably take a deep dive into the high cost of electricity, employee costs and construction costs. But, they will probably come back and note that we do have potential, with the right incentives. The potential is enormous for our island. And it's an opportunity we should explore and take advantage of in expanding our economic base.

Thank you for the opportunity to testify.



**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA TRENTAI SINGKO NA LIHESLATURAN GUÁHAN*

35<sup>TH</sup> GUAM LEGISLATURE

**2<sup>nd</sup> Hearing**

**Wednesday, September 11, 2019 at 10:30am**

**Bill No. 56-35 (COR), As Substituted by the Committee on  
Environment, Revenue and Taxation, and Procurement**

**Introduced by: Telo T. Taitague and William M. Castro**

**“AN ACT TO *ADD* A NEW ARTICLE 4 TO CHAPTER 12,  
DIVISION 1, TITLE 12, GUAM CODE ANNOTATED,  
RELATIVE TO CREATING A TASK FORCE TO  
REVIEW INFORMATION, CONDUCT A FEASIBILITY  
STUDY, AND DEVELOP POLICY CONCERNING  
SUBMARINE CABLES.”**



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## 1st Notice of Public Hearing: Wednesday, September 11, 2019 at 10:30 a.m.

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Office of Senator Sabina Perez <office@senatorperez.org>

Wed, Sep 4, 2019 at 4:57 PM

To: johnm@bankpacific.com, michael@guamparadisefitness.com, lpalomo@guampuc.com, mel.mendiola@investguam.com, a.hernandez@investguam.com, larry.toves@investguam.com, "Dafne M. Shimizu" <Dafne.Shimizu@revtax.guam.gov>, "Michele B. Santos" <Michele.Santos@revtax.guam.gov>, frank.lujan@otech.guam.gov, bjcruz@guamopa.com, "Claudia S. Acfalle" <claudia.acfalle@gsa.guam.gov>, Robert Kono <robert.kono@gsa.guam.gov>, Chelsa Muna-Brecht <chelsa.munabrecht@agriculture.guam.gov>, "Walter S. Leon Guerrero" <walter.leonguerrero@epa.guam.gov>, "John Thos. Brown" <jngo@ozemail.com.au>, dlmdir@land.guam.gov, joseph.borja@land.guam.gov, rstopasna@ghura.org, efnapoli@ghura.org, linda.denorcey@dphss.guam.gov, laurent.duenas@dphss.guam.gov, Sarah Thomas-Nededog <sarah.thomasnededog@westcare.com>, Samantha Eliptico <samantha.eliptico@westcare.com>, Angelina Marie Cruz <amsacruz@gdoe.net>, Amor Say <amsay@ghura.org>, info@guamchamber.com.gu, "Leevin T. Camacho" <law@guamag.org>, Lester Carlson <lester.carlson@bbmr.guam.gov>, vince.arriola@dpw.guam.gov, edward.birn@doa.guam.gov, Tyrone Taitano <tyrone.taitano@bsp.guam.gov>, theresa.arriola@gbhwc.guam.gov, Mary Okada <mary.okada@guamcc.edu>, tkrise@triton.uog.edu, jonfernandez@gdoe.net, mdr@gdoe.net, Richard Ybanez <richard.ybanez@dpr.guam.gov>, sjbrennan@doc.guam.gov, rjrespicio@portguam.com, tom.ada@guamairport.net, Ignacio.peredo@cqa.guam.gov, director@cqa.guam.gov, gpls@gpls.guam.gov, david.dellisola@dol.guam.gov, Jayne Therese Flores <jayne.flores@guam.gov>, "Stephanie G. Flores" <stephanie.flores@guam.gov>, jack.hattig@cltc.guam.gov, melvin.borja@guam.gov, jermaine.alerta@gddc.guam.gov, fred.bordallo@gvao.guam.gov, lasia.casil@hrra.guam.gov, daniel.leonguerrero@csc.guam.gov, annmarie.arceo@dca.guam.gov, joseph.angoco@galc.guam.gov, melanie.brennan@dya.guam.gov, pmbblas@ite.net, vote@gec.guam.gov, rebecca.respicio@energy.guam.gov, daniel.stone@gfd.guam.gov, alice.taijeron@ghc.guam.gov, lillian.perez-posadas@gmha.org, stephen.ignacio@gpd.guam.gov, jbenavente@gpagwa.com, celestin.babauta@grta.guam.gov, pilar.laguana@visitguam.org, Miguel Bordallo <mcbordallo@guamwaterworks.org>, mcogadmin@teleguam.net, John Lizama <jqlizama@guamcourts.org>, rcruz@guamcourts.org, djtydingco@gta.net  
Cc: Sabrina Salas Matanane <sabrina@kuam.com>, nestor@kuam.com, Chris Barnett <malafunkshun@kuam.com>, joan@kuam.com, news@sorensenmediagroup.com, reporters@postguam.com, news@guampdn.com, news@k57.com, phill@k57.com, rlimtiaco@guampdn.com, heugenio@guampdn.com, John O'Connor <johntaoconnor@gmail.com>, kstokish@gmail.com, editor@pacificislandtimes.com, Maureen Maratita <publisher@glimpsesofguam.com>, businesseditor@glimpsesofguam.com, assist\_editor@glimpsesofguam.com, reporter2@glimpsesofguam.com, Guam Progress <guamprogress@yahoo.com>, colinperez@gmail.com, Gabejereza@gmail.com, aebenavente@gdoe.net, phnotice@guamlegislature.org

September 4, 2019

### MEMORANDUM

To: All Senators, Stakeholders and Media

Fr: Senator Sabina Flores Perez, *Chairperson*

Subject: **1<sup>st</sup> Notice of Public Hearing: Wednesday, September 11, 2019 at 10:30 a.m.**

The Committee on Environment, Revenue and Taxation, and Procurement will be conducting a public hearing on **Wednesday, September 11, 2019 at 10:30 a.m.** This public hearing will take place in *Liheslaturan Guahan*, Public Hearing Room. The agenda is as follows:

**10:30 a.m.**

**Executive Appointment of Mr. Michael A. Sgro to serve as a Member of the Guam Banking & Insurance Board.**

**Executive Appointment of Mr. John McKinnon to serve as a Member (Bank Industry) of the Guam Banking & Insurance Board.**

**Bill No. 56-35 (COR), As Substituted - Telo T. Taitague/ William M. Castro** -An act to add a new Article 4 to Chapter 12, Division 1, Title 12, Guam Code Annotated, relative to creating a task force to review information, conduct a feasibility study, and develop policy concerning submarine cables.

**Bill No. 90-35 (COR), As Substituted - Sabina Flores Perez/Kelly Marsh (Taitano), PhD/Amanda L. Shelton** - An act to amend § 5215 of Subarticle b, Article 3, Chapter 5, Title 5, Guam Code Annotated, relative to providing for emergency procurement for threats to the environment, increasing transparency and otherwise improving emergency procurement.

Testimonies should be addressed to Senator Sabina Flores Perez, Chairperson, and will be accepted via hand delivery to our office, our mailbox at the Guam Congress Building at 163 *Chalan Santo Papa, Hagåtña*, Guam 96910, via email to [office@senatorperez.org](mailto:office@senatorperez.org), no later than 4pm, September 16, 2019.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or services should contact the Office of Senator Sabina Flores Perez at 989-2968.

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 **9.11 1st Notice.pdf**  
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**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement  
*I MINA TRENTAI SINGKO NA LIHESLATURAN GUAHAN*  
35<sup>TH</sup> GUAM LEGISLATURE

September 4, 2019

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 **2nd Notice.pdf**  
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**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA TRENDAI SINGKO NA LIHESLATURAN GUAHAN*

35<sup>TH</sup> GUAM LEGISLATURE

September 9, 2019

**MEMORANDUM**

To: All Senators, Stakeholders and Media

Fr: Senator Sabina Flores Perez, *Chairperson SFP*

Subject: **2<sup>nd</sup> Notice of Public Hearing: Wednesday, September 11, 2019 at 10:30 a.m.**

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Testimonies should be addressed to Senator Sabina Flores Perez, Chairperson, and will be accepted via hand delivery to our office, our mailbox at the Guam Congress Building at 163 *Chalan Santo Papa, Hagåtña*, Guam 96910, via email to [office@senatorperez.org](mailto:office@senatorperez.org), no later than 4pm, September 16, 2019.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or services should contact the Office of Senator Sabina Flores Perez at 989-2968.

GUAM DAILY POST • MONDAY, SEPTEMBER 9, 2019

# Dorian heads north after swiping NC

KITTY HAWK, N.C. (Reuters) - Hurricane Dorian briefly made landfall on the Outer Banks of North Carolina on Friday, hitting the beach-fringed barrier islands with powerful winds and battering waves days after reducing parts of the Bahamas to rubble.

The storm made landfall at Cape Hatteras about 9 a.m. with maximum sustained winds of 90 mph, according to the National Hurricane Center. That was far weaker than its slow, deadly tour through the Bahamas earlier in the week that caused at least 43 deaths, according to news media accounts late Friday, and likely many more.

By late afternoon, Dorian was moving away from the mid-Atlantic states and headed toward Canada where it was expected to bring hurricane-force winds to parts of Nova Scotia by Saturday evening, the National Hurricane Center said.

The storm surge inundated the Outer Banks' Ocracoke Island, cutting off power and submerging many homes and buildings, North Carolina Gov. Roy Cooper told reporters.

Floodwaters came halfway up to kitchen countertops and battered fences and boardwalks, according to images on social media. One island resident uploaded a video on social media showing people driving a speedboat down a flooded street.

"We estimate about 800 people remained on the island during the storm and have heard reports from residents who say the flooding there was catastrophic," Cooper said. "We're thankful not to have reports of serious injury or death since the storm arrived."

One resident in need of immediate medical attention was airlifted off



**CLEANUP:** A girl removes belongings from her home after a tornado spawned by Hurricane Dorian ripped off her roof in Carolina Shores, N.C., Sept. 6. Jonathan Drake/Reuters

## More inside

Hurricane leaves devastation in Bahamas, Page 16.

Ocracoke, and helicopters will fly in food and water, the governor added.

The Outer Banks are a picturesque series of narrow islands known for their beaches, lighthouses and natural beauty.

The Kitty Hawk area, on the northern end of the Outer Banks, emerged from the storm with little damage. Many houses near the ocean lost power on Friday, but houses on higher ground continued to have power and cable television.

### Storm surge

Stacy and Ryan Marshall said their home, which is not oceanfront, came through unscathed. They drove to the beach on Friday afternoon to view the storm surge. "We got lucky, just lost a couple of boards on the fence," Stacy Marshall said.

South Carolina Gov. Henry McMaster held a news conference with smiling officials, saying that the storm had not been as bad as had been feared and floodwaters had ebbed in coastal areas.

# Ryan, Booker temper attacks on Biden

MANCHESTER, N.H. (Tribune News Service) - Two Democratic presidential hopefuls walked back their attacks on front-runner Joe Biden as they faced questions Saturday about their previous statements on the former vice president.

Rep. Tim Ryan of Ohio, who this week said he's lost faith in the front-runner's ability to beat Donald Trump, and New Jersey Sen. Cory Booker, who spent weeks criticizing Biden's record on race, both said their goal is to win back the White House.

"I have some concerns with a lot of the candidates," Ryan said at the New Hampshire state Democratic Convention in Manchester. "It was a comment that I made and I'm not backtracking from it; it is a concern you're hearing from a lot of people."

But Ryan, who has languished in the low single digits in polls and failed to qualify for the third debate next week, said to reporters at the event that he isn't concerned about Biden's age, after telling Bloomberg on Thursday that he doesn't have faith that a "declining" Biden can defeat Trump.

When pressed to explain, Ryan cited "a lack of clarity" when Biden articulates his positions. Asked about whether such attacks threaten Democratic unity, Ryan said the party has a common goal.

"There is a very unifying force in this world for Democrats and he is the current occupant of the White House," Ryan said.

In his call for unity in Manchester, Booker offered up veiled swipe against rival Bernie Sanders of Vermont.

"We Democrats have to be careful," Booker said in prepared remarks. "I don't care who our nominee is, but we cannot tolerate Democrats who



**DEMOCRATIC UNITY:** Democratic presidential candidate Sen. Cory Booker of New Jersey speaks in front of supporters outside the New Hampshire Democratic Party Convention on Sept. 7 in Manchester, N.H. Scott Eisen/Getty Images/Tribune News Service

turn against other Democrats and try to tear us down."

Booker's remarks were seen as directed at Sanders, who refused to wholeheartedly back Hillary Clinton after she won the nomination in 2016.

Booker, who trails the top-tier candidates at 2.5% in a recent average of polls by RealClearPolitics, was asked later by reporters to explain his call for unity after repeatedly faulting Biden on race issues, including calling him "an architect of mass incarceration" for working on the 1994 tough-on-crime legislation.

"I think pointing out differences is OK," Booker said. "I'm talking about what we've seen in the past election where you had Democrats literally, even after the primary was over, trying to tear down the nominee of our party."

Sanders was widely criticized by Democrats in 2016 for not being sufficiently supportive of Clinton after she won the nomination. While Sanders eventually backed her, aides and allies complained his tone was begrudging and didn't help bring his supporters on board.

**Senator Sabina Flores Perez**  
Committee on Environment, Revenue and Taxation, and Procurement

**Public Hearing Notice**  
Wednesday, September 11, 2019  
1 Liheslanaran Guahan, Public Hearing Room

**AGENDA**

**10:30am**

Executive Appointment of Mr. Michael A. Sgro to serve as a Member of the Guam Banking & Insurance Board.

Executive Appointment of Mr. John McKinnon to serve as a Member (Bank Industry) of the Guam Banking & Insurance Board.

**BHJ No. 56-35 (COR). As Substituted - Telo T. Taitague/William M. Castro** - An act to add a new Article 4 to Chapter 12, Division 1, Title 12, Guam Code Annotated, relative to creating a task force to review information, conduct a feasibility study, and develop policy concerning submarine cables.

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Testimonies should be addressed to Senator Sabina Flores Perez, Chairperson, and will be accepted via hand delivery to our office, our mailbox at the Guam Congress Building at 163 Chalan Santo Papeo, Hagåtña, Guam 96910, via email to office@senatorperez.org, no later than 4pm, September 16, 2019. Individuals requiring special accommodations should submit request to Office of Senator Sabina Flores Perez at 989-2968. Paid for by Committee funds.

**OFFICE OF PUBLIC ACCOUNTABILITY**  
G U A M

**REQUEST FOR PROPOSAL**  
OPA-RFP-19-001

**HUMAN RESOURCES CONSULTING SERVICES**  
FOR FISCAL YEARS 2020, 2021, and 2022

The Office of Public Accountability (OPA) is soliciting written proposals for Human Resources (HR) Consulting Services on an as-needed basis. The OPA requires the services of qualified individuals with general knowledge, skill, and experience in providing consultation on HR-related matters and training. Such individuals shall have a minimum of 10 years of HR consulting experience.

RFPs may be downloaded from [www.opaguam.org](http://www.opaguam.org) or picked-up from the address below. Proposals should be prepared simply and economically, providing a straightforward, concise description of the offeror's ability to fulfill the requirements of the proposal. In order to ensure a uniform review process and to obtain the maximum degree of comparability, it is required that proposals be organized and submitted in the manner and format specified in the RFP, and each offeror agrees to be bound by all specified terms and conditions.

**Issued by:** Office of Public Accountability  
Suite 401, DNA Building  
238 Archbishop Flores Street  
Hagåtña, Guam 96910

**Date Issued:** Monday, September 9, 2019

**RFP Deadline:** Friday, October 4, 2019 at 12:00 p.m. (Guam Time)

To be considered, all proposals must be written and submitted with one (1) original and three (3) copies by 12:00 p.m. (Guam Time), Friday, October 4, 2019 to OPA. Proposals must be mailed or hand-delivered to the address above and proposals submitted after the deadline will not be accepted.

//s/  
**Benjamin J.F. Cruz**  
Public Auditor

*I Mina'trentai Singko Na Liheslaturan Guåhan*

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Updated as of 8/6/19



**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUAHAN*

35<sup>TH</sup> GUAM LEGISLATURE

**AGENDA**

**PUBLIC HEARING**

**Wednesday, September 11, 2019**

***I Liheslaturan Guahan, Public Hearing Room***

The agenda is as follows:

**10:30 am**

Executive Appointment of **Mr. Michael A. Sgro** to serve as a **Member** of the **Guam Banking & Insurance Board**.

Executive Appointment of **Mr. John McKinnon** to serve as a **Member (Bank Industry)** of the **Guam Banking & Insurance Board**.

**Bill No. 56-35 (COR), As Substituted - Telo T. Taitague/ William M. Castro -**  
An act to add a new Article 4 to Chapter 12, Division 1, Title 12, Guam Code Annotated, relative to creating a task force to review information, conduct a feasibility study, and develop policy concerning submarine cables.

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**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUAHAN*

35<sup>TH</sup> GUAM LEGISLATURE

Public Hearing

Wednesday, September 11, 2019, 10:30am

*I Liheslaturan Guahan, Public Hearing Room*

**Bill No. 56-35 (COR), As Substituted - Telo T. Taitague/ William M. Castro** - An act to add a new Article 4 to Chapter 12, Division 1, Title 12, Guam Code Annotated, relative to creating a task force to review information, conduct a feasibility study, and develop policy concerning submarine cables.

NAME (please print)	AGENCY/ ORGANIZATION	ORAL TESTIMONY	WRITTEN TESTIMONY	IN FAVOR	NOT IN FAVOR	CONTACT INFORMATION
DAN Y. DIUBU	GTA	X	X			687-9363

September 16, 2019

Senator Sabina E. Perez  
194 Herman Cortes Ave., 1<sup>st</sup> Fl  
Hagatna, Guam 96913

**Re: Testimony on Bill 56-35**

Dear Senator Perez and Members of the Committee,

Thank you for this opportunity to provide testimony on Bill 56-35, The Task Force on Submarine Cables Act.

Docomo Pacific, Inc. (“DPAC”) supports policies and legislation that promote the interests of owners and operators of submarine cables and that incentivize other telecommunications providers to invest in Guam. For the reasons outlined below, DPAC believes that any additional tax initiatives must be carefully balanced against the cost-sensitive decisions that are invariably a part of a private business’s overall decision-making as to where to invest.

Submarine cable connections provide many benefits to the areas they land in by vastly improving data and voice communications infrastructure. Services include everything from advancements in healthcare through telemedicine to connecting family and friends through social media. Infrastructure investment also tends to lower prices through increased competition.

As an example of how our local community benefits from such infrastructure, Committee members may recall that, with investment from its parent company, NTT DOCOMO, Docomo Pacific built the ATISA submarine cable from Guam to the CNMI in 2017. ATISA is the second cable to connect Guam, Rota, Tinian and Saipan and its benefits were immediately felt: CNMI schools now have access to gigabit speeds. Residential and business customers saw available Internet speeds increase from 10-15Mbps (megabits per second) to speeds up to 75-100Mbps. Meanwhile, prices remained the same or even decreased.

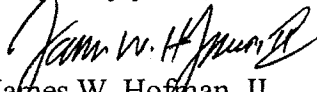
Likewise, these same beneficial effects were also observed in the FSM and Marshall Islands when the HANTRU submarine cable was installed, connecting these island neighbors to Guam and on to the rest of the world via the many submarine cables that already land in Guam.

As the owner-operator of ATISA, DPAC is familiar with the massive investment in time, resources involved in planning and constructing a submarine cable system. For this reason, while we support any actions that encourage further submarine cable investments, we do not support the idea of taxing or adding more fees to an already long list of mandated fees required for the construction of a submarine cable.

Guam is an important strategic stopover for many transpacific submarine cables and we additional providers to look to Guam in the future as regional demand for data capacity continues to grow. We would strongly caution the Legislature that any additional local fees that increase the already high cost of landing a submarine cable, cable system investors may opt to bypass Guam entirely in favor of a more direct route.

Thank you for your support.

Very truly yours,



James W. Hofman, II  
Chief Legal Officer  
Docomo Pacific, Inc.  
[jhofman@docomopacific.com](mailto:jhofman@docomopacific.com)

cc: Roderick Boss

**LOURDES A. LEON GUERRERO**

*Governor of Guam  
I Maga'Haga Guahan*

**JOSHUA F. TENORIO**

*Lt. Governor of Guam  
I Segundo Na Maga'Lahen Guahan*

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*America in Asia*

*Aturidãd Inadilãnton Ikunumihan Guahan*



**MELANIE MENDIOLA**

*Chief Executive Officer/Administrator  
Åkto Ge'helo' Ekseketibu Ofisiãt*

**ARTEMIO "RICKY" HERNANDEZ, Ph.D.**

*Deputy Administrator  
Sigundo Ge'helo'*

October 3, 2019

Honorable Sabina E. Perez  
Legislative Chairperson on Environment, Revenue and Taxation, and Procurement  
Terlaje Professional Building  
194 Hernan Cortez Avenue, 1st Fl.  
Hagatna, GU 96910

**RE: GEDA's Testimony in Opposition to Substitute Bill No. 56-35 (COR): AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 12, DIVISION 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A TASK FORCE TO REVIEW INFORMATION, CONDUCT A FEASIBILITY STUDY, AND DEVELOP POLICY CONCERNING SUBMARINE CABLES.**

Hafa Adai Senator Sabina Perez and members of the Committee on Environment, Revenue and Taxation, and Procurement. My name is Melanie Mendiola, CEO/Administrator of the Guam Economic Development Authority (GEDA). Thank you for this opportunity to submit testimony on Substitute Bill No. 56-35 (Bill 56-35). As you may be aware, Guam has been a major landing point for transpacific submarine cables for several decades, which has been of great benefit to Guam. Bill 56-35 seeks to empanel a task force, with GEDA as the lead, to determine policies regarding submarine cables running through Guam. Based on our review of Bill 56-35, GEDA would like to enumerate a few points that we hope the members of this Committee and I Liheslaturan Guahan as a whole will consider as this bill moves through the legislative process.

1. Although policies and procedures exist in general with regards to government real property, permit-able land use, leasing, and grants of easements, as of the date of this testimony GEDA is unaware of any existing policies that specifically address submarine cables. As such, the proposed task force will be faced with the daunting task of formulating a comprehensive report that details specific policy regulations with regards to submarine cables. A report of this nature is extremely complex and the task force may not have the necessary resources to carry out its mandate in the time allotted in the bill. As written, Bill 56-35 does not provide any **guaranteed** financial resources to assist the task force in meeting a **guaranteed** deadline and mandate.
2. GEDA continues to be supportive of increased workforce development, the expansion of current industries, and the attracting of new industries while constantly looking for ways to more efficiently generate responsible development into our economy. Nevertheless, Guam still has barriers that may detract from an investment friendly climate, both with regulations as well as investment costs. Guam is already perceived as a less attractive destination for investment as it relates to government of Guam real property due to the requirement that any lease of government property over five (5) years requires approval of the Guam Legislature. The CNMI government, for example, has an already established policy of allowing government real property leases for up to 25 years without additional



government approval. This will pose an issue with any potential public-private partnerships in the future with regards to submarine cables.

3. Any effort to impose additional requirements on operators of submarine cables may lead to overregulation, which is contrary to any efforts to market Guam as an attractive location for a submarine cable hub. It may be logical to conclude that if the government were to impose new regulations and/or taxes on both existing and new telecom providers, those increased costs will either be passed on to the customer, or may discourage entirely the continued or new investment and operation of submarine cables in Guam.

The GEDA has strived to make it a priority to assist I Liheslaturan Guåhan and other agencies and instrumentalities of the government of Guam with matters of this nature. It is our hope that you will consider the aforementioned points as you deliberate on this bill. Guam has benefitted greatly from the submarine cables that run through Guam, and efforts should be made to encourage these types of activities, not provide barriers to entry or growth.

Further, Governor Lou Leon Guerrero recognizes the importance of the telecommunications industry as a driver of workforce development and investment. As such, the GEDA is already actively involved through a GEDA Board-established "Telecommunications Committee" which was created during this Administration and reports to the GEDA Board at regularly scheduled meetings. We are more than willing to invite proposed task force members to sit on or assist the Committee or to volunteer their time at the point in which their expertise may be most efficiently applied. GEDA believes that establishing and creating a Task Force as proposed in Bill 56-35 may be duplicative but also narrowly focused on Submarine Cables, whereas the Telecommunications Committee work involves a broader set of goals.

For reasons stated above, GEDA **opposes** Substitute Bill No. 56-35 (COR). Thank you again for the opportunity to present testimony on Bill 56-35. If you have any questions regarding any of the above, please do not hesitate to contact me at 647-4332.

Sincerely,



**MELANIE MENDIOLA**  
CEO / Administrator





**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement  
*I MINA 'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN*  
35<sup>TH</sup> GUAM LEGISLATURE

October 30, 2019

**The Honorable Régine Biscoe Lee**

Chairperson, Committee on Rules

*I Mina 'trentai Singko Na Liheslaturan Guåhan*

163 Chalan Santo Papa

Hagåtña, Guam 96910

**SUBJECT: Supplemental Document for the Committee Report on Bill No. 56-35 (COR), As Substituted; and Amended.**

*Håfa Adai* Chairperson Lee,

Please find appended to this letter an additional testimony for Bill No. 56-35 (COR), As Substituted; and amended, which the Committee on Environment, Revenue and Taxation, and Procurement received after the committee report was submitted.

I respectfully request that this document be included as a supplemental to the Committee Report.

Thank you for your attention to this matter. Please contact my office at 989-2968, should you have any questions or concerns regarding this matter.

*Si Yu'os ma'åse',*

Sabina Flores Perez



**LOURDES A. LEON GUERRERO**

Governor of Guam  
*I Maga'Haga Guahan*

**JOSHUA F. TENORIO**

Lt. Governor of Guam  
*I Segundo Na Maga'Lahen Guahan*



**MELANIE MENDIOLA**

Chief Executive Officer/Administrator  
*Åkto Ge'helo' Ekseketibu Ofisiãt*

**ARTEMIO "RICKY" HERNANDEZ, Ph.D.**

Deputy Administrator  
*Sigundo Ge'helo'*

October 29, 2019

Honorable Sabina E. Perez  
Legislative Chairperson on Environment, Revenue and Taxation, and Procurement  
Terlaje Professional Building  
194 Hernan Cortez Avenue, 1<sup>st</sup> Fl.  
Hagatna, GU 96910

**RE: GEDA's Testimony on Substitute Bill No. 56-35 (COR): AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 12, DIVISION 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A TASK FORCE TO REVIEW INFORMATION, CONDUCT A FEASIBILITY STUDY, AND DEVELOP POLICY CONCERNING SUBMARINE CABLES.**

Hafa Adai Senator Sabina Perez and members of the Committee on Environment, Revenue and Taxation, and Procurement. My name is Melanie Mendiola, CEO/Administrator of the Guam Economic Development Authority (GEDA). Thank you for this opportunity to submit testimony on Substitute Bill No. 56-35 (Bill 56-35). As you may be aware, Guam has been a major landing point for transpacific submarine cables for several decades, which has been of great benefit to Guam. Bill 56-35 seeks to empanel a task force, with GEDA as the lead, to determine policies regarding submarine cables running through Guam. Based on our review of Bill 56-35, GEDA would like to enumerate a few points that we hope the members of this Committee and *I Liheslaturan Guahan* as a whole will consider as this bill moves through the legislative process.

1. Although policies and procedures exist in general with regards to government real property, permit-able land use, leasing, and grants of easements, as of the date of this testimony GEDA is unaware of any existing policies that specifically address submarine cables. As such, the proposed task force will be faced with the daunting task of formulating a comprehensive report that details specific policy regulations with regards to submarine cables. A report of this nature is extremely complex and the task force may not have the necessary resources to carry out its mandate in the time allotted in the bill. As written, Bill 56-35 does not provide any **guaranteed** financial resources to assist the task force in meeting a **guaranteed** deadline and mandate.
2. GEDA continues to be supportive of increased workforce development, the expansion of current industries, and the attracting of new industries while constantly looking for ways to more efficiently generate responsible development into our economy. Nevertheless, Guam still has barriers that may detract from an investment friendly climate, both with regulations as well as investment costs. Guam is already perceived as a less attractive destination for investment as it relates to government of Guam real property due to the requirement that any lease of government property over five (5) years requires approval of the Guam Legislature. The CNMI government, for example, has an already established policy of allowing government real property leases for up to 25 years without additional government





approval. This will pose an issue with any potential public-private partnerships in the future with regards to submarine cables.

3. Any effort to impose additional requirements on operators of submarine cables may lead to overregulation, which is contrary to any efforts to market Guam as an attractive location for a submarine cable hub. It may be logical to conclude that if the government were to impose new regulations and/or taxes on both existing and new telecom providers, those increased costs will either be passed on to the customer, or may discourage entirely the continued or new investment and operation of submarine cables in Guam.

The GEDA has strived to make it a priority to assist *I Liheslaturan* Guåhan and other agencies and instrumentalities of the government of Guam with matters of this nature. It is our hope that you will consider the aforementioned points as you deliberate on this bill. Guam has benefitted greatly from the submarine cables that run through Guam, and efforts should be made to encourage these types of activities, not provide barriers to entry or growth.

Further, Governor Lou Leon Guerrero recognizes the importance of the telecommunications industry as a driver of workforce development and investment. As such, the GEDA is already actively involved through a GEDA Board-established "Telecommunications Committee" which was created during this Administration and reports to the GEDA Board at regularly scheduled meetings.

The GEDA recommends the following changes to the bill:

1. Amend Page 2, Line 9 to add, "or his or her designee" after "The Administrator." This will provide flexibility as contemplated in § 12402(a).
2. Delete "by June 30, 2020" on Page 3, Lines 6 – 7 or include a funding source for the Feasibility Study contemplated in § 12403(b) on Page 2. Without a guaranteed funding source, a guaranteed deadline to produce such a report places the efficacy of such recommendations and report in jeopardy. Although there is a possibility to apply for federal grant funds through the U.S. Economic Development Administration, these funds are not guaranteed and therefore such an amendment is necessary.

Without these amendments, GEDA is not willing to support Bill 56-35. Thank you again for the opportunity to present testimony on Bill 56-35. If you have any questions regarding any of the above, please do not hesitate to contact me at 647-4332.

Sincerely,



**MELANIE MENDIOLA**  
CEO / Administrator





**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA 'TRENTAI SINGKO NA LIHESLATURAN GUÁHAN*

35<sup>TH</sup> GUAM LEGISLATURE

**COMMITTEE REPORT DIGEST – 1<sup>ST</sup> HEARING**

**I. OVERVIEW**

Bill No. 56-35 (COR) was introduced on March 7, 2019 by Senators Telo T. Taitague and William M. Castro and was subsequently referred by the Committee on Rules to the Committee on Environment, Revenue and Taxation, and Procurement on April 1, 2019.

The Committee on Environment, Revenue and Taxation, and Procurement convened a public hearing on Bill No. 56-35 (COR) on Wednesday, June 5, 2019 at 9:00 AM in *I Liheslatura's* Public Hearing Room.

**Public Notice Requirements**

Public Hearing notices were disseminated via email to all Senators and all main media broadcasting outlets on May 29, 2019 and again on June 3, 2019. Publication was conducted in the **Guam Daily Post**, a newspaper of general circulation, fulfilling the 5-Day Notice and 48 Hour Notice of the Open Government Law requirements respectively.

**Senators Present**

Senator Sabina Flores Perez

*Committee Chairperson*

Vice Speaker Telena Cruz Nelson

*Committee Vice Chairperson*

Senator Telo T. Taitague

*Committee Member*

Senator Therese M. Terlaje

*Committee Member*

Senator Mary Camacho Torres

*Committee Member*

Senator William M. Castro

*Legislative Member*

Senator Amanda L. Shelton

*Legislative Member*

Senator Louise B. Muna

*Legislative Member*

Senator James C. Moylan

*Legislative Member*

**II. SUMMARY OF TESTIMONY AND DISCUSSION**

The public hearing was Called-to-Order at 9:00AM.

Chairperson Perez allowed the sponsor to introduce the bill.

**Senator Taitague:** Thank you for including Bill 56 in today’s public hearing, for this opportunity to provide an oral review on the measure. Madam Chair, Bill 56 provides for an independent economic impact statement on the potential revenue generated from taxing telecommunication companies that use Guam strictly as a pass-through site for fiber-optic, to undersea cable landing stations, or submarine cables in general. However, Madam Chair prior to this public hearing I’ve met with representatives from both the public and the private sector regarding Bill 56, which after extensive research. I would also like to at this time, take the opportunity to thank my staff, who did much of the research on this this subject matter. It’s very intensive and most of it is done from

information, that's done off island. I'd like to just recognize them Madam Senator. After much research and meetings with the private and public sector, I began to draft changes to the original bill, which provide a cleaner and more appropriate path forward on the subject of submarine cables, to include creation of a task force, a feasibility study involving the review of local and federal tax policy, and develop a reasonable incentive program for the industry. Madam Chair, this issue was first brought to my attention during my work on the revenue generating policies as a special assistant to governor Calvo and in 2018 by the former leadership of the Department of Revenue and Taxation. Discussions involve the need for a thorough review of all taxes and fees that may or may not be assessed on submarine cables. The EIS effects fiber-optic undersea cable landing stations provided service outside of Guam and the measure does not seek to establish new taxes for local carriers.

As I mentioned, there are other suggestions such as incentives and opportunities for this industry to expand and create additional jobs for our families. Madam Chair, Bill 56 requires a study that should help gov Guam explore potential mechanisms in assessing submarine cables, that connect to Guam due to our strategic and political importance. As I've stated publicly, Madam Chair this measure should help determine the right questions with respect to if and how this category of telecommunication companies are being assessed local GRT, use tax, and/or real property tax. Applicable tax policies and practices of coastal states including California, Oregon, New York, and Texas, and the experience of similar situated jurisdictions such as Puerto Rico, the US Virgin Islands. Madam Chair according to the 2015 report from the National Conference of State Legislators concerning tax issues related to telecommunication providers, the NCSL included that states seeking to enact policies favorable to investment in communications networks may want to modernize tax policies related to communication property.

Moreover, the NCSL report recognizes that many states have antiquated property tax systems that have not been modernized since the telecommunication industry evolved from a relative monopoly marketplace. Madam Chair, Bill 56 begins an important conversation on the type of policies this legislature should support to help Guam maintain and attract a place to invest, while ensuring that our tax system isn't taken advantage of. In addition, to reaching out directly to NCSL Director William Pond, for technical assistance on this matter, I've also reached out to industry representatives and the leadership of GEDA. Madam Chair in closing, I'll continue to work closely with these stakeholders, your committee, and others who may be interested in this topic, as amended to bill 56 are considered. I look forward to reviewing additional suggestions, if any during this public hearing, as we work to improve Bill 56.

Chairperson Perez called those that have signed up to give oral testimony to come forward.

**Artemio "Ricky" Hernandez**, *Deputy Administrator, Guam Economic Development Authority: Hafa Adai*, my name is Ricky Hernandez. I'm the Deputy Administrator to Guam Economic Development Authority. Senator Sabina Perez and members of the Committee on Environment Revenue and Taxation and Procurement this testimony is on behalf of the CEO/Administrator Melanie Mendiola. I hereby submit this written testimony on Bill 56-35. Bill 56-35 requires the Public Utilities Commission PUC to issue a request for proposal for the proposed, for the purpose of conducting an independent economic impact statement, relative to the potential taxation of fiber-optic undersea cables landing stations, which use Guam as a pass-through site. The

legislation identifies the Guam Economic Development Authority GEDA, as a collaborative member in this solicitation process, as the entity to identify financial resources necessary to fund such a study. Additionally, the Office of Technology OTech, and the Department of Revenue and Taxation DRT are identified in addition to GEDA to determine the scope of such a solicitation. GEDAs mission is to develop a sounded sustainable economy through innovative programs that preserve and promote economic opportunities, local, culture, and quality of life. GEDA believes that the increased interest in fiber-optic undersea cable landing stations on Guam, presents an economic opportunity to grow the telecommunications industry, and could also lead to the establishment of data centers on Guam. As it relates to Bill 56-35, GEDA believes that providing incentives for companies interested in establishing data centers on Guam can be prioritized above possibly discouraging such economic activity. Replacing what would be conceived as additional financial burdens, the GEDA has internally been discussing ways in which, we could incentivize companies to establish data centers on Guam, but the barriers that have been cited were the high cost of electricity. Such incentives could involve the possibility of solar power generation for these data centers, which could utilize the existing renewable energy industry to spur further economic growth. As it relates to the bill itself, the GEDA recommends adjusting the independent economic impact statement to involve providing of potential tax incentives, instead of potential taxation. This may alleviate the possible disincentives to growing the industries that come with fiber optic undersea cable landing stations on Guam, such as the establishment of data centers. Additionally, GEDA is capable of issuing such an RFP, while we could also collaborate with the OTech and DRT to determine the scope and parameters of such solicitation. We would also require an additional funding source to be able to do so. Thank you for the opportunity to provide testimony on Bill 56-35 with the inclusion of the recommendations here in. GEDAs willing to support Bill 56-35. Thank you.

**Dan Tydingco**, *Executive Vice President, GTA: Hafa Adai* and good morning Chairwoman Perez and Senators. On behalf of Teleguam Holdings LLC dba GTA, I'm Dan Tydingco, Executive Vice President. I was invited here by the bill sponsor Senator Taitague to testify and comment on the measure before us. In brief discussion with her prior to this hearing, she queried what our company's views are on the measure. I commended her for the effort to seek additional revenues for the benefit of the island. However, I noted that the legislative intent should aim toward attracting new investment in industry, rather than potential discouraging such. When the ownership of our company sought to enter the cable operating space with a cable landing station, a couple of years ago. We decided to make such investment for the benefit of our subscribers and the community. The local demand and appetite for data, like ever everywhere else, is insatiable. Significant time and financial resources have been expended by our company studying and assessing the benefits of such; more capacity, greater speeds, and reduce latency for individual enterprise, and public consumers. People and businesses have a need for speed. They don't want their smartphones, or laptops, or iPads bogged down uploading, or downloading data and information. To fulfill that demand and expectation we have made the necessary investments for our customers in the community. Last Friday, Governor Leon Guerrero and Lieutenant Governor Tenorio executed the legislatively authorized land lease agreement, which was passed by the 34th Guam Legislature this past December. This lease is for the expansion of our existing Piti Cable Landing Station, which we constructed nearly two years ago, to bring in much-needed capacity and new capacity for our customers both locally and globally.

As the largest lessee for the Chamorro Land Trust, we pay vast rental monies for the benefit of the community. The new lease which your predecessor authorized in Piti, allows us to directly pay our community partner, at the village of Piti. Aside from the associated rent and utilities, we have direct community contributions to the village, like a new basketball facility, donations annually for recurring maintenance of the court and the village park on the beachside, free Wi-Fi in the community center, mayoral office and contributions for the annual village activities.

Further, out of the of 450 plus taxpaying, payroll GTA employees, we have scores of them trained in operating the facility at the Cable Landing Station, in that our network operations center. Moreover, we pay the required corporate and business privilege taxes that are required.

To facilitate the potential development and rise of new industry or investment on island, I would respectfully suggest the committee and body consider looking through a different lens to establish a new economic pillar for the island in economy.

The emergence and growing need for data centers is one area which you may want to explore for development. We have the potential here to be a bridge for data center business operations in this region of the world. Our neighbors in South Korea, Singapore, and Thailand have rolled out aggressive and attractive incentives for data center operators. The study called for in the measure for the Guam Economic Development Authority to conduct is a great idea. If this measure is passed, I'm sure GTA will report back on what it would take to make data center operations viable and attractive here, for new investment. They will probably take a deep dive into the high cost of electricity, employee costs, and construction costs here on island. But they'll probably come back and note what that we do have the potential, with the right incentives. I think Mr. Hernandez, alluded to that, with solar power generation incentives. The potential is enormous for the island and it's an opportunity we should explore and take advantage of in expanding the economic base. Thank you very much for the opportunity.

**Senator Taitague:** Thank you Madam Chair and thank you gentlemen for being here today to bring your suggestions to the table. As I mentioned earlier, after meeting with not only yourselves but other stakeholders, we will be making quite a bit of amendments to the bill. We may even require a second public hearing on it, if we do change it. However, through your testimonies that you provided today. For GEDA, after our conversation last week, I understood that your agency would look into internal resources and federal grant funding, that may be available through the CIDS or the Comprehensive Economic Development Strategy to pay for the study, required in bill 56. That's not including going after PUC, because anyone can go to PUC and request for any kind of rate change requests, or study requested. That is onus of PUC, which is actually incorporated in this bill, for you to do. I believe once you start doing the study, the next step would be going to the PUC, because they are the regulatory agency under telecommunications. My question to you is, if the legislature doesn't include a funding source to this bill, is GEDA able to proceed with the study?

**Mr. Hernandez:** As it relates to the RFP for the study, we have internal resources to be able to work collaboratively with OTech and DRT as the bill is currently written, to come up with the scope of work. The technical aspects of what the RFP would probably need to include, but as it

relates to funding source. You mentioned the CIDs, that's the US Economic Development Administration funding that could potentially fund it. I believe it's included in our CIDs report. I'd probably have to get back to you on that. If it is, then it would be eligible for that type of funding source, federal grants. So, we would probably look into it, to see if it's one of the priority areas under our CIDs report. We can certainly, really take a deep dive into that, and see if that's a possibility. Thank you.

**Senator Taitague:** Thank you for that. I'm pretty sure by the time that comes in, there's a lot of information or research you can do and have been at GEDA myself. I know there's a department there that does look into that. So, I appreciate that answer and it's encouraging to know. I actually brought that up during another question. Mr. Tydingco, I appreciate again, you for being here today on behalf of Telecom Holdings or GTA. I know that Google is coming to Guam soon and they will be utilizing your landing station. I know that you'll be charging them to utilize your station, but will Google be responsible for obtaining a business license, or any kind of landing fee, or anything like that coming into Guam?

**Mr. Tydingco:** There's no determination at this point in time whether or not Google is going to be coming on in the territory. So, I can't answer your question on that.

**Senator Taitague:** I heard through the grapevine. I know that Rev and Tax is here. Dafne and I know that probably didn't have a chance to look at the bill. We will most likely have to go through another public hearing on it, because of the changes that we're going to make in it. I did want to mention some of the research we did. We had an opportunity to go to Rev and Tax. Dafne, can I have you come up? Thank you. I don't need to mean to put you on the spot, but just in case you wanted to make a comment. We've had someone go down to Rev and Tax to do some investigation on telecommunications, especially these companies that come into Guam. Tata for instance. A lot of people don't realize who they are, but they're a major cable company, a billion-dollar company. As we were going through this, we were looking at areas of Rev and Tax where they are given a license and fees. It's quite shocking to find out that in this area, it's an area Rev and Tax don't really address. Our researchers stated that, when asked, Rev and Tax, what is the fee for these billion-dollar companies? They said that it's \$50 and commented that this fee is so cheap. I know that in in the mark-up of this bill we've included Rev and Tax to be on this task force. Rev and Tax and the Office of Technology, along with GEDA, and some senators to sit down on this task force to oversee it. I just wanted to bring that information in. Thank you.

**Dafne Shimizu, Director, Department of Revenue and Taxation:** Senator, thank you.

**Vice Chair Nelson:** Thank you Madam Chair. Does DRT currently tax for the landing sea cables?

**Director Shimizu:** That's something that I'm not aware of. I'm not familiar with that, so I'd have to get back to you on that Senator Nelson. When we did meet with GEDA to discuss this bill, we talked about it. In terms of the economic impact study, and if this bill were to pass, then of course we would be involved then. DRT would fully support that, if that would be our involvement, but I am not familiar or sure about those being taxed at this time.

**Vice Chair Nelson:** I'm a little bit concerned about the bill, because if we are looking to tax the landing sea cables, I know that there's contract workers that are also included in this. Perhaps, their taxes, their tax payments, go elsewhere. So, I'm wondering is it really an economic advantage for us to look at the landing sea cables or is the economic advantage for us to look at the middlemen that performed the work and file their taxes in another state perhaps, or another country. If there is an economic impact study, that should be included within the study itself, because GTA employs many people within our island. They are an economic stimulus and I'd rather see us fine were they're most economic advantages. Rather, than to hurt or perhaps tax a company that has been doing great business here on Guam. If we can actually look into that avenue as well. Mr. Hernandez to see some of the opportunities that can reach as looking it through as Mr. Tydingco said, with a different pair of lenses. Thank you.

**Senator Therese Terlaje:** Thank you Madam Chair. Thank you for your testimony. So, the bill was originally intended to do a study or to authorize a study relative to potential taxation of fiber optic as a pass-through site. If any of you are knowledgeable just give us a background. How are these authorized right now? If they're not taxed or we don't know whether they are. I'm assuming they're not taxed. Otherwise, we wouldn't need this bill to determine how to tax them. Who authorizes? Is there any Guam entity that is involved in this? Who authorizes the undersea cables? I know that you lease land for this. GTA leases land and they come up in different lease lands, along the shore, so that they can have a landing site. Who authorizes?

**Mr. Tydingco:** Cables are providing data services. Those are deregulated services under the 1996 Telecom Act. With regards to authorization, to get a permit to construct and operate a submarine cable, that goes to the FCC. That's it within the purview of the FCC the Federal Communications Commission. There's an exhaustive and extensive review by the FCC to grant the authority to go ahead and operate.

**Senator Therese Terlaje:** Is there any Guam permits involved from going funder sea onto land?

**Mr. Tydingco:** We've had to deal with that recently when we did the Piti Cable Landing Station. I worked alongside the Territorial Sea Shore Commission, as well as the Chamorro Land Trust Commission, the Army Corps of Engineers, the State Historic Preservation Office and there's a number of other regulatory entities both terrestrially and on the marine side. Not only with regards to the authority to do that, but to get the license to be able to do that and for the lease payments for that. I think this was brought up when you were on the floor in December. When you guys were discussing the Piti lease. We indicated to you that we have both the terrestrial side lease and also a wet side lease on the submarine side. A license. There are fees associated with that, which we pay on an annual basis to Government of Guam. I noted in my testimony we're the largest lessee to the Chamorro Land Trust Commission that's on the land.

**Senator Therese Terlaje:** Submerged land also?

**Mr. Tydingco:** I think the revenues for the wet side also goes to Chamorro Land Trust, if I recall correctly.

**Senator Therese Terlaje:** Do other companies come up anywhere or do they have to come up through your sites?

**Mr. Tydingco:** No, there are other cables that come here. There's been cables coming in here for decades, dating back to the early 1900s. The life of a submarine cable typically now is about 20 to 25 years. A good number of them that have been here are coming to end of life. There's a need for additional cables or newer cables, that come in with a greater, and improved technology, because the technology just isn't the same as it was ten, fifteen, twenty years ago. Those investments have to be made for the benefit of everybody who needs the information.

**Senator Therese Terlaje:** Thanks for the information. I really don't know much about this topic, but we were told early, when I was first elected that we got a briefing. I don't remember all the details, but they also described an undersea cable that was coming into Guam. They were very excited about it. They were going to be able to utilize for a very high speed, that's all research is that yours? Mr. Hernandez from GEDA if you could just clarify also you mentioned these disincentives. Now, you don't talk about taxing the cables. You talk about a business that can be created, because we have these high-speed cables coming in. You talk about the disincentives and I'm curious if GEDA has already done a study, that outlines these disincentives? Do we really need another study to be done? Mr. Tydingco could discuss high power costs, high employee construction cost those things. If you've already had this information excuse me and you've already made studies as to what are the disincentives to general business on Guam. If those are applicable to this business as well. I guess I'm just if we don't need another study and you've got ready got this information and I'm I wanted to see if that's possible. I was also wondering yeah well that was it. For GEDA what is the source of your information? That is the barrier. The high cost of electricity for a data center or do you agree that those three elements that Mr. Tydingco pointed out those are really the disincentives and we can just work on those, as opposed to doing a study?

**Mr. Hernandez:** I'm not aware of any internal study that yet is published or done, as it relates to this specific topic. In the testimony, we talked about these incentives and it was mainly generally speaking. The additional potential taxation on top of business privilege taxes and real property taxes. Our testimony just requests to flip it and just say. When we take a look at the tax incentives to kind of prevent additional disincentives or barriers to this.

**Senator Therese Terlaje:** Does GEDA have any proposals currently, that they're working on regarding construction costs, employee costs, or electricity costs, that are disincentives to business proposals?

**Mr. Hernandez:** Our testimony references internal discussions, which is really the infancy stage of any proposals or plans. We've been discussing ways to incentivize these types of cable landing stations to come to Guam, instead of elsewhere. Those discussions really centered on one of the major disincentives, which is the cost of power here on Guam, as compared to other places that probably have a lower cost of kilowatt hour. That's why we brought up the discussion of solar energy and that industry. We could possibly incentivize on that side, because we obviously can't reduce the cost of power. That's not in GEDA or government's purview.

**Senator Therese Terlaje:** I am asking you if these are disincentives that you're already aware of and we are aware of these for all businesses and all different types of industry that we're trying to attract to Guam. It's GEDAs mandate to work on those things, to come up with a plan for the government. As to what are we going to do about that. Then I'm just wondering if we can go towards the plan as opposed to just going again to the study, that might come up with the same conclusion with the three things? If I could just ask you Dan. Did GTA run a data center? Is there any such thing on Guam that we're trying to attract?

**Mr. Hernandez:** Yes, we have a small data center presence right now. Primarily in our upper Tumon facility. Going back to your discussion here with Mr. Hernandez. I'll be happy to share with the committee industry data and information concerning disincentives, particularly for data centers within the region. You'll be able to glean at the explosion of that particular industry in South Korea, Thailand, Singapore, and how it has benefited those particular countries as a new economic engine. A new economic revenue source for the community. Data is just exploding all over the world and I think we have an opportunity here, if the Legislature develops policy that focuses on trying to figure out how to get something in here. How to nurture and cultivate that particular industry. We certainly have a very good opportunity out there. This is something near and dear to probably some of you guys. Particularly, since it's a clean industry. You're not going to have investment here on-island that's going to be stripping the lands, or the waters.

**Senator Therese Terlaje:** I appreciate that. There's been all kinds of promises that we can benefit from this type of industry. I'm hoping that's what we're looking into already. Thank you very much.

**Senator Castro:** I just want to contribute to the discussion Madam Chair. I would like to thank first of all the prime sponsor, for affording me the privilege to assign my name to the bill. Just to be clear. Mr. Tydingco, for me the incentive to co-sponsor the bill has less to do with creating additional tax structures or a tax burden for the insular carriers. I think that such a study, done well as is intended by the prime sponsor could reveal other revenue generating models. Maybe not just data centers, but other things associated directly or indirectly with data centers. For example, based on a direct conversation I had with a representative from the US Virgin Islands, about two years ago on the coral reef task force, had nothing to do with coral at the time. It had everything to do with the US VI serving as a destination were major pipes, dark fibers were converging, and each of these drop zones were charged about a half a million dollars a year. That was their fee for licensure, to be able to operate. After revisiting the model, because they were desperate for additional sources of revenue. Obviously for the government, they came to conclude at the time, perhaps it would be much more of an incentive for the government you would tax based on consumption of throughput. Meaning, they would own the pipes, but charge a fee or some type of a rate, based on how much volume of data was going through. I think that's also another opportunity for revenue generation. Vice Speaker and I share her concern about anything that would create an additional burden, that would stop growth. I think the idea would be to create the right tax structure or economic and sense of paradigm to allow private carriers, insular carriers like yourselves to further grow, to perhaps entice folks from maybe Facebook to manage content here. The only way they could do it is if they have the proper tools and infrastructure in place. That would be my motive and my prime concern. Senator Taitague, when I agreed to sign on to the bill. What this design in my opinion is, designed it should kind of elicit from the industry.



**Mr. Tydingco:** I agree with you to a certain extent. Our view is build it and they will come. The Googles will come here. The Facebook's will come here with all of the collateral services, that they'll bring for the benefit of the community and the consumers here. They will be taxed accordingly at some point in time. I think Mr. Hernandez and GEDA, once they conduct a study, they'll probably be able to provide a little bit more clarity. I'll give you guys the information with regards to the industry and in the region. How its emerging and developing.

**Senator Shelton:** Thank you very much Madam Chair. Mr. Tydingco does Telecom Holdings pay federal taxes on the undersea cables?

**Mr. Tydingco:** Data information services aren't taxed. I think under the 1996 Telecom Act. The only charges that were assessed are on the regulated side. The regulated side under the Telecom Act is for wireline services. If you look at your phone bill for example, and your landline, you'll see a Universal Service Fund charge. Universal Service Fund charge is the tax that we pay. We remit it over to the Fed government and we also have to pay additional fees on top of that for those charges. Okay thank you very much.

**Senator Shelton:** Mrs. Shimizu, I'm wondering if for these taxes, because our Organic Act says that we can get taxes that are remitted back to Guam from the federal government through Section 30. Is this something that Rev and Tax requests for through section 30? If you are aware?

**Director Shimizu:** I'm not specifically aware of that particular type of tax.

**Senator Shelton:** Okay thank you.

**Senator Muña:** Thank you. I just want to make a comment rather than any questions, because I'm not very well-versed in the Undersea Fiber-optic Cables. In all of our discussion here between the questions and the responses, is definitely better information for us to understand what we're doing here and moving forward. How could we benefit the island? I understand just like the military, we are a great hub to all the other outer islands. We can actually assist. So, rather than just incentivizing it, I'm a little bit more gearing towards giving more incentives. It would have been nice to have some someone from OT here to discuss what the possibilities are and what maybe. Would this benefit the island of Guam or not so maybe? If we could probably ask the Chair or even the author of this bill. If we can get maybe a comment with from OT to see how we can move forward with this. Not just so much tax but figure out how we can benefit as a whole for the island of Guam. Thank you very much for your testimony.

**Senator Castro:** Just a question for Mr. Tydingco are you aware if insular carriers receive federal subsidy for the purposes of Homeland Security, or commerce, to maintain and/or establish infrastructure? This might be new territory for me.

**Mr. Tydingco:** I can't recall right now off the top of my head.

**Chairperson Perez:** I would like to really reiterate the comments of my colleagues here. I feel that this is an important industry that is untapped, and I do agree with the incentive part. We can

come up with a plan to make this work for our island, in a positive way. So, thank you for being here today and your testimony. Last words from Senator Taitague.

**Senator Taitague:** Thank you Madam Chair for the closing. I'd like to thank you again for being here today. Dafne again, I apologize. I know you probably haven't had a chance to see this because your name wasn't on it, but the intention is to put your name to this task force. As well as OT. We met with the OT office. They were going to provide testimony as well. My guess is that it didn't get there in time. We just met them a couple days ago. Guam is only number two with regards to fiber optic cables going through the Pacific. Singapore is number one, but Guam is number two. This is a time that we need to address, in the potential of new cables coming, as they refurbish those that are dying out. Now, we have four landing stations on Guam. Cable lines coming in are about 11 right now, with the potential of more. This is definitely an area that we need to research and study. In this markup bill that I proposed, is to have the legislature involved, as well to keep them abreast to everything. Again, thank you Madam Chair for the opportunity and for hearing this bill.

Chairperson Perez adjourned the public hearing for Bill No. 56-35 (COR).

**Written Testimonies:**

- Daniel Tydingco, *Executive Vice President, Teleguam Holdings, LLC dba GTA*
- Melanie Mendiola, *CEO/Administrator, Guam Economic Development Authority*

**III. FINDINGS AND RECOMMENDATION**

The Committee on Environment, Revenue and Taxation, and Procurement finds the following ~~amendments/recommendations for Bill No. 56-35 (COR),~~ based on the testimony submitted at the public hearing:

- GEDA is in support of the bill. GEDA recommends adjusting the independent economic impact statement to involve providing of potential tax incentives, instead of potential taxation. This may alleviate the possible disincentives to growing the industries that come with fiber optic undersea cable landing stations on Guam, such as the establishment of data centers. Additionally, the GEDA is capable of issuing such an RFP, while we could also collaborate with the OTech and DRT to determine the scope and parameters of such solicitation. We would also require an additional funding source to be able to do so.
- GTA is in support of the Bill. They note that data center and fiber-optic services have enormous potential for the island and it's an opportunity we should explore and take advantage of in expanding the economic base.

Because of the substantial changes in Bill No. 56-35 (COR), the Committee drafted a proposed substitute version and held a secondary hearing required by the 35<sup>th</sup> Guam Legislature's Standing Rules. The committee report digest, for the subsequent hearing is below.



**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÁHAN*

35<sup>TH</sup> GUAM LEGISLATURE

**COMMITTEE REPORT DIGEST – 2<sup>ND</sup> HEARING**

**I. OVERVIEW**

The Committee on Environment, Revenue and Taxation, and Procurement convened a secondary public hearing on Bill No. 56-35 (COR), as Substituted by the Committee on Environment, Revenue and Taxation, and Procurement on Wednesday, September 11, 2019 at 10:30 AM in *Liheslatura's* Public Hearing Room.

**Public Notice Requirements**

Public Hearing notices were disseminated via email to all Senators and all main media broadcasting outlets on September 4, 2019 and again on September 9, 2019. Publication was conducted in the **Guam Daily Post**, a newspaper of general circulation, fulfilling the 5-Day Notice and 48 Hour Notice of the Open Government Law requirements respectively.

**Senators Present**

Senator Sabina Flores Perez	<i>Committee Chairperson</i>
Senator Kelly Marsh (Taitano), Ph.D	<i>Committee Member</i>
Senator Telo T. Taitague	<i>Committee Member</i>
Senator James C. Moylan	Legislative Member
Senator William M. Castro	Legislative Member

**II. SUMMARY OF TESTIMONY AND DISCUSSION**

The public hearing was Called-to-Order at 10:30AM.

Chairperson Perez allowed the sponsor to introduce the bill.

**Senator Taitague:** Thank you, Madam Chair and thank you for scheduling a second public hearing on Bill 56 as required by our standing rules for measures that are materially different from their introduced version. Bill 56, as substituted, proposes to create a task force to review information, conduct fees feasibility study and develop policies concerning submarine cables for the Guam Legislature to consider. I wish to thank Mr. Dan Tydingco of GTA TelaGuam and Ricky Hernandez of GEDA for participating in the initial public hearing for Bill 56 and for offering recommendations such as for decision-makers to consider ways to support a new data center industry on Guam. Through its testimony during the initial public hearing on Bill 56, GEDA supports the idea of providing potential tax incentives rather than potential taxation, which may alleviate the possible decisions to growing the industry that come with fiber-optic undersea cable landing stations on Guam, such as as established of data centers. Madam Chair, I'm pleased to inform the community and the listening audience that the conversations with representatives from other organizations such as the National Conference of State Legislature (NCSL) and the Federal Communication Commission (FCC) remain active. During my participation at the 2019 NCSL legislative summit, I discussed this matter with Ms. Heather Morton, NCSL program principal for

physical affairs. Seeking any available information with respect to how other US jurisdictions are supporting the industry while ensuring their tax system isn't taken advantage of. I'll also be scheduling a conference with FCC representatives in the coming weeks and look forward to any technical assistance they're able to extend to the Guam Legislature on this critical issue. Madam Chair, in closing, I'll continue working closely with stakeholders, your committee and others who may be interested in this topic as we move forward and support the proposed task force on submarine cables so that members will be able to ask the right questions, learn new information from industry experts and regulatory agency and come back to the Legislature with recommendations that will help create new jobs and additional economic activity benefiting our family and island community. Thank you, again Madam Chair for this opportunity to speak on Bill 56, as substituted.

Chairperson Perez called up those who signed up to testify.

**Dan Tydingco, Executive Vice President, GTA:** Good morning Madam Chair, Senators Tatitague, Castro and Marsh Taitano, on behalf of telegram Holdings, LLC, DBA, GTA, I'm Dan Tydingco, Executive vice president. I thank the good Senator for the invitation to come back and comment on the substitute measure before all of us today. When I last appeared before the committee this past June, I testified that the original measure as introduced had not focused on attracting an investment rather that provisions will potentially discouraged growth and investment in digital infrastructure on island. The marked-up version now provides a bit more clarity with the goals of the authors. While it's commendable to see in here lawmakers discuss policy and policy formulation and development for submarine cable investments, hopefully it's with the goal of helping to pave the way and not getting in the way. They're already exists ample regulatory requirements and hurdles for would-be investors and operators to meet and comply with. Local and federal entities have jurisdiction and regulation on both the wet and terrestrial segments for submarine cables. Adding more wouldn't be helpful. Assuming the measure passes muster and enactment, the task force should collate all those existing regulatory requirements into an organized regime which the government, namely GEDA could ultimately use as a marketing tool. Perhaps, with incentives to attract more investment and harness the potential of making Guam a data epicenter.

As previously offered in my prior testimony, I noted that when the ownership of our companies sought to enter the cable operating space of the landing station back in 2017, we decided to make such investment for the benefit of the subscribers in the community. The local demand and appetite for data like everywhere else has been insatiable. Significant time and financial resources have been expended. Studying and assessing the benefits of such, more capacity, greater speeds and reduced latency for individuals and enterprise and public consumers. People and businesses have demanded a need for greater digital speed and capacity. They don't want their smartphones or the laptops or their other devices bogged down, uploading or downloading data and information which they need immediately for their business, their personal communications or even their entertainment. To fulfill that demand and expectation we made the necessary investments for the customers and the community. These types of investments are atypical and not insignificant to ensure the high-speed connectivity both locally and globally. The monetary sums and effort to get the infrastructure in place for the residents and businesses is vast and undertaken without any government financial support. Our recent investment in the village of *Piti* for our landing station

and expansion is an example of how such infrastructure can be built out in tandem with the community. We partner with the government and the *Piti* Mayor and Municipal Planning Council to make the investment work for the village and the island. From the government leases we pay on the water side and also on the land side, to the corporate business privilege and employee payroll taxes we pay, to the specialized high skilled employees we train and employ to operate the landing station, to the donations we make to *Piti* in the way of village maintenance, a new multi-purpose basketball court, their village activities and the Wi-Fi services we will be deploying in their village centers, we're proud of the partnership we have here. To facilitate the potential development and rise of a new industry or further investment, specifically data centers or establishment of a data center park, the committee or task force should redirect their focus on that particular objective. They should probably look to Singapore as an example.

I think I shared some of the information with some of you prior, but I'll resend it back to you. That country has skyrocketed near the top, globally for its suitability for new and international data centers. I'd respectfully request the committee and body considered looking again through a different lens to establish a new pillar for our economy rather than the sub-cable focus. There should be emphasis on data center development. Again, as previously testified the emergence and growing need for data centers is one area which you may want to explore for that development. We have the potential to be a bridge for data center operations in this region of the world. Our neighbors in South Korea, Singapore and Thailand have rolled out aggressive and attractive incentives for data center operators. The study called for in the measure for GEDA to conduct is a great idea. If the measures passed, I'm sure GEDA will report back to the Legislature on what it would take to make data center operations viable and attractive here for new investment. The potential is enormous for the island and it's an opportunity that the Legislature and all the policymakers should explore and take advantage of in expanding the economic base with a new pillar. Thank you.

**Chairperson Perez:** Thank you, Mr. Tydingco. Regarding questions, the importance of this bill is that it's meant to do a study on opportunities and providing incentives. Besides data centers are there other opportunities out there that can provide as an economic stimulus for Guam?

**Mr. Tydingco:** I just basically focused it on data and telecom and stuff. I'm sure there's lots of others. Mr. Hernandez or Ms. Mendiola would probably be able to tell you what suite of potential investments they would want to develop. They should sit down with the Legislature and your committee to figure that out. I think the data center or data park is a very good opportunity here for the Legislature to consider. I mean the sub-cables they're already here, but those investments are few and far between. Not everybody is building a submarine cable simply because it's just there's enormous cost with it. You're talking hundreds of millions of dollars. Data centers don't require that. I think Senator Castro in the last hearing, he was very focused on the data center concept development for the island as well.

**Chairperson Perez:** What about the competitive advantage as far as our location? Are there any opportunities there?

**Mr. Tydingco:** Yeah. I mean we're American flagged, US laws and stuff. Opportunities in the way of data centers absolutely. I mean or are you focusing back just on the submarine cables?

**Chairperson Perez:** Either one.

**Mr. Tydingco:** Yeah, I mean that's an advantage here. The downside to that though is electricity costs. I think I mentioned this previously. Electricity costs, labor costs, wages, those are downsides but as compared to going somewhere else. They certainly can go to the NMI which is just a short click north of us.

**Senator Castro:** Thank you Madam Chair. Thank you, so much Mr. Tydingco. I too can acknowledge the importance of wanting to move towards protecting any sound investments. I think the good proffer of the bill certainly can acknowledge that the asset serves not just a territorial but a national interest. I think without second guessing her that would be one of her main motives. I also agree with you that the outcome at least from my perspective as being a co-sponsor to this measure, one of the anticipated outcomes would be to determine how to create a greater climate for wider investments. Things as you mentioned, not once but maybe four times, now three times today, in the last time, in the last hearing are the need for maybe a data center. In my humble opinion not being an expert just knowing a little bit about the industry, I think with greater throughput, albeit through this medium come greater opportunities. The data center is one of them. You can also have multinational language content management centers and the list goes on. I do want to state for the record that I support your sentiment. I know my colleague and I seek not to see a greater lag in the speed to slow the industry rather to grow the industry. We want to speed up the time to web, to use a pass a phrase if you will. Certainly, entice and facilitate heavier investments with fewer risk.

I wouldn't say it's a major point of where we depart or differ. I like to look at it as another way to defray, if I could reframe this same sentiment Mr. Tydingco. If I can reframe it in my own words, where I think we may differ is I don't see it as the federal government to my colleague, the prime author, is the federal government having a sufficient set of rules and policies be set upon the territory. Rather I see this as a perfect opportunity to create a vehicle by which the territory establishes a better framework that we can proffer to Congress so that we can achieve the goals that you yourself have acknowledged. A greater investment, minimal risk, protecting a national territorial asset. I see it as domestic policy driving a change in federal posture and federal law perhaps because of certain regulations in the Department of Commerce or the FCC or other pertinent agencies. There are prohibitions from allowing the firm that you represent to enter into other markets or service provisioning. I think this is where maybe we can make... We put together that perfect marriage if you will. I guess you really wouldn't know until you explore it. Now that's where I see the opportunity Senator Taitague and I are consistent on. I think we're on the same page with this too Dan.

**Mr. Tydingco:** Well it's kind of interesting that you bring that up with regards to federal oversight. The submarine cables are licensed by the FCC. Senator Taitague kind of alluded to that in her discussions or whatever she's gonna be doing with the FCC. Their eyeballs are on Guam with regards to these types of investments. It's a heavily regulated industry in that regard primarily for national security. There just came out in the news a couple of days ago within the industry, it's not something that people normally look at but there was another cable that was interested in starting up to traverse Asia through Guam over to the west coast. But the team telecom is the group of the

federal security entities which consists of Commerce, Department of Defense, Department of Homeland Security, CIA and Naval Investigator Services, OSI etc. the whole alphabet soup of security agencies. They do the review on applications for any would-be cable operators that are going to be operating in US territories or even in that in the mainland. They've already telegraphed that they will not be, that particular cable project, will not be approved, because of the concerns they have with Chinese activity and the Chinese participation and investment that's been indicated to be part of that cable. We work closely hand-in-hand with the FCC. The FCC also gives some of its charge to the local PUC to the extent that it wants to. The PUC does not have regulatory authority over cables, regulatory authority for cables is simply vested with the FCC for security concerns and reasons. I understand what you're saying though.

**Senator Castro:** Thank you, Madam chair, if I could just add one more just for the sake of discussion. Thank you for the feedback. You referenced the CNMI and I know I had conversations with some folks in the, I think, the 21st legislature there. Just to build upon the capacity the infrastructure between Guam and the rest of the world or the CNMI in Guam, one of the opportunities as it may relate to the build-up could be the opportunity for cyber warfare training here in the Pacific, given the capacity of the undersea cables or whatever other medium or media may exists to bring in this kind of data at the rate of speed that's necessary to conduct such training. I think the opportunities enormous, it's just a matter of setting up the structure and going forward with it and seeing how far we can take it. I am in full support of Senator Taitague's measure for the purposes of defining and possibly having a hand in defining that future so that it can ultimately benefit the people of Guam. I'm certainly not looking forward to additional regulation to stymie growth.

**Senator Marsh (Taitano):** *Si Yu'os ma'åse'*, Madam Chair. It's interesting to be looking at this bill shortly after it was mentioned in a previous testimony about developing more task forces. I do see the importance of them, it's an opportunity to bring experts together and really have them look very intensively at a situation to provide us that information and their expert advice. I do take into consideration the testimony that was provided, where we do need to provide some balance. We need to make sure that this is not creating anything to impede development and growth in the industry. It does seem like it has that opportunity to identify some of the issues. Maybe even tackle those then in its recommendations and passing on what it has observed. It's very good that in there, they will be looking for ways to provide incentives to expand the industry, so those elements seem to be very good results of such a taskforce. Part of what I was looking at and I'll just comment on is looking a little bit at the nuts and bolts, if you will, of the task force. It's come to my attention as somebody who wants to write a bill to develop another task force herself, it's come to my attention people have been talking about having us look very carefully at who is part of these task force's. The people that have been identified or the agencies that have been identified are very important ones and it makes a lot of sense that they participate. At this point perhaps it's also very good to step back a little bit and look at how often we are putting somebody in from the Department of Revenue and Tax or one of the other offices on these task forces and making sure that this is done in such a way or we give them enough time that they can be meeting their main duties as well as balancing them with all the different demands that are being made on them. Like I said that's something that I will be considering for myself as well. I just like to put that forward and maybe have a little bit of discussion with the authors of the bill to just further strengthen that so that their

intentions are able to be carried out and the needs of the community are able to be met in these this way. *Si Yu'os ma'åse'* for allowing me to provide a little bit of comment.

**Senator Taitague:** Chairman Perez appreciate everything again for having this public hearing and hearing this bill again. I'm happy that my colleagues had made comments that we will consider going into the, once this goes back to committee for consideration. There's a lot of concern with regards to not providing the incentives needed for these fiber-optic cables to come to Guam. Guam is number two in the Pacific with fiber optic cables running through it, number two, number one is Singapore. You mentioned yourself Mr. Tydingco that we have the US flag waving over and there's a reason why these fiber-optic cables come through Guam. We're strategically located, and we have rules and regulations. We're not a country that doesn't have the utilities needed to support these landing stations. We are a great location for these fiber optic cables, submarine cables coming through us. I want to ensure that as we grow this industry we also are not taking the advantage of with regards to taxation or the ability to charge individual cables coming on to our island because whenever a cable comes on to the island you going through the reef, you're going through the beaches. These are areas that even Rev and Tax has stated to us that they're only charged what fifty-two dollars or something. That's a business license, I think like fifty-two dollars if I'm not mistaken, business license.

**Mr. Tydingco:** No, we pay a submerged license fee annually, its more than fifty-two.

**Senator Taitague:** That's totally different but the business license at fifty-six for a billion-dollar company coming to our island. Now I remember when governments were encouraging wide ban or fiber optics coming through their states because they were insured by these companies that had a hundred attorneys to back up that individual fiber optic cable company that this will lower the prices. Lower the prices for those utilizing data. Unfortunately, we have not seen those lower prices but all we've been seeing is that prices have gone up for utilizing Wi-Fi, for utilizing data. Where is the incentives that we were given to these broadband companies to lower their prices for data information and industry? It wasn't, it's growing, the prices are growing ask anybody. Their cell phones are costing more every year. The balance that my other colleague, the previous colleague was talking about a balance, totally into that. Making sure there is a balance. This task force put together and if there's anyone else that can come on this task force, I'm very much open to it. It doesn't say shall so hopefully they will come aboard. When I first started this just for the record, when I first started this bill that talked about fiber optic cables and met with GEDA it sparked an initiative with them to start working on some of this and being prepared because they know this bill was coming down the line. They actually found in an article, five point seven million dollars in back rent owed by AT&T; five million and we haven't even started a task force yet. I do know through federal regulations that anything over four thousand gigabytes which definitely, we're second in the Pacific, as far as fiber optic cables. 157,750 is given to the United's FCC for landing, cable landing license. Guam sees no money of that. We don't get any of that money for them coming on to our island. These are some of the things that through this task force they're going to be able to discover, find out, maybe provide incentives but of course if we're providing incentives for fiber-optic cables to come onto this island and there should be a give back to as well. I greatly again appreciate your testimony and I'd like Mr. Tydingco, if you can also give us a copy of your testimony as well. So, we have it for the record and we can use that as we deliberate this on the session floor. Thank you so much Mr. Chair. Thank you.



**Nathan Taimanglo**, *Executive Vice President and Chief Human Resources, Docomo Pacific*: Our company will be sending in written testimony and support of the bill but if I could speak to a few concerns or comments that were made. There is no doubt that Guam is one of the most connected islands in the Pacific but please understand that the industry has changed tremendously. In terms of just revenue that these companies see, I understand you made a comment around pricing. The landscape has completely changed in terms of how our companies operate. For many years the model has changed. Back in the day there was a ton of money made off of long-distance calls. If you remember the pricing of just one phone call to the US was quite high. You would also take note that prior to even a few years ago, cell phone companies used to make money off of voice calls. Not many people make those calls anymore. Again, we provide that service it ends up to now almost for free.

In terms of where the industry is changing and it's not just for telecom providers, it's also for every other service provider that feeds off of our systems. Data is what's going to change in the next few years and into the future. In terms of competition, Dan and I are competitors with both of our companies, the pricing of data is super cheap in terms of the cost per kilobit. If you look at all of the apps that you're using on your phone, all that data is basically going through the roof. With the advent of 5G and technology changing, we're expecting that data usage, cellphones and other devices to more than double or even 20 times the current amount. In terms of incentives for companies and I'm not speaking of ours but for them to have connectivity through the Pacific, we fully acknowledge the need for a task force to monitor and to see what's going on. I'm not gonna make comments on the other issues regarding rent payments but there needs to be some type of added incentive for these companies to come through the island. However, we must also remain cognizant, vigilant and review every one of these individually.

Again, in terms of connectivity, it's going to change. We just have to be ready for it because in terms of how we can take advantage of it as providers on this island. Keep in mind there are four of us, there are four telecom providers for this island. In other jurisdictions you wouldn't have four competitors in an island of our size. That just speaks to the type of competition we have and the pricing models that we have to have on an island of this size and population. You would never really have another jurisdiction have that many competitors. That just speaks to the opportunity that we have being the westernmost US flag-based island. Again, in terms of, I'm echoing Dan's statements now, we are in support of the bill and we will provide testimony, written testimony. Thank you.

**Mr. Tydingco**: A game changer happened with the submarine cable that we put in force back in 2017. It was a game-changer primarily for FSM and Palau because they were excited to hear about that. They had been relying previously on satellite communications. Any of you who had been to Yap or Palau prior to 2017, you're making a phone call or looking at data, you have experienced two things, one excruciating slow. Two you'd come home, and you'd be like wow my bill has just gone through the roof because it was provided through satellite communications, satellite feeds. They availed and took advantage of the cable traversing in their waters and they asked if they could attach what are called branching units or Spurs. They have and as a consequence that investment for them has yielded and resulted in their communities having lower pricing now and greater capacity and capability and accessibility. Those are the upsides for those investments coming in.

Everybody on Guam, like Nate says, everybody on Guam is all driving towards data now. Our networks are becoming data networks. They not voice networks anymore. In order for that data to come in we're gonna need data centers. You're gonna be need that capacity and you're gonna have to encourage that investment to continue coming in here. Otherwise we're gonna take steps back and they'll go elsewhere. The potential investors will go elsewhere and make the investment somewhere else.

**Chairperson Perez:** Do any of you know of any companies that have expressed interest in partnering with Guam, regards to data centers or undersea cables utilization?

**Mr. Tydingco:** Yeah, there's always companies out there looking at it, looking at the possibility. They're looking at the capacity that's available right now. Part of the whole ecosystem for a data center or data park is of course having to be including an established, very robust submarine cable capacity that's going to be able to ensure the transmission of data back and forth to wherever their customer their end customer may be so that end customer can look at their information real time with reduced latency etc. There's a number that have expressed interest. I'm sure if GEDA goes out on a tour puts this in their suite of incentive opportunities, I'm sure they'll probably get people that are gonna come in avail of it and take bite at it.

**Mr. Taimanglo:** If I could echo Dan's statements, in terms of data centers there's usually a... people don't really normally have a full understanding of what they look like or how they work. If you spend five minutes googling data centers, you'll notice that a lot of huge companies are taking it upon themselves to build brick-and-mortar data centers all over the world. It's really because they really want to have presence in each of these places. Guam is a routing tool for them to get in to let's say Asia. Speaking for my own company, everyone knows our sister, our neighbor islands the CNMI. For many years they only had one cable that supplied connectivity to the island in terms of bandwidth for internet. Our company NTT Docomo, with the help of our parent, we built our own submarine cable and to the islands. It was a huge investment that we undertook personally just because we needed it. For many years we were renting capacity from another provider. What that has done for just the CNMI alone, the prices have gone tremendously down. People were paying huge prices for even let's just say DSL or traditional like one gigabit access at offices. The pricing went down from a few thousand dollars to even a couple hundred dollars. In terms of competition, it all has a say in how these affect the end user. The CNMI, if you could look to them and how that has changed their connectivity and their islands in both pricing as well as connectivity, I'm sure you can reach out to your colleagues there to see what it's done for them.

**Mr. Tydingco:** That's the perfect example closer to home with the Docomo ATISA cable going between Guam and Saipan where they constructed it. Remember Guam and the NMI were single threaded until these guys came in and decided to make their own investment without any government assistance. They made the investment and it's not insignificant. I'm not at liberty to disclose the amount that these guys did, and I don't know if they want to disclose it, but it ended up for the benefit of that community, for the businesses, the government and the residents. Their prices dropped significantly. They also now have additional capacity without being potentially subjected of being in the dark again with a cable cut being single-threaded.

**Chairperson Perez:** Thank you. I've noticed maybe, I'll talk to the sponsor later but in addition to having big business invested in our community, it could be great to leverage some of that money to grow our own clean economy as far as coding and being producers of the technology rather than the consumers of the technology. That's one thing I hope that we can also look into.

**Mr. Taimanglo:** If I may comment, that's one area our competitors, as competitors we see eye to eye. There's no doubt we see IT as a future ecosystem for growth, both for jobs as well as for money to be made and opportunity. Again, that's why we're huge supporters of the Guam Regional Apprenticeship Program. That's one reason why we're pushing GCC, UOG to constantly redevelop their programs, first for students to learn about IT and learn about computers and computer science. That's also one reason why Mary Okada took it upon herself to find money for Tiyan High School to have a program where they could segue from high school programs in IT directly into GCC to get credit. The investment is being made at all levels within our companies so that we can ensure that we're providing that like you mentioned.

**Senator Castro:** Thank you, Chair just two follow up questions. I think he hit it on the head the two of you. I think that's where Senator Taitague tends to go with this organization, this framework. We know that over 60% of the United States GDP is coming out of a service-based economy. We're not looking at exports of any type of material particularly but just to follow up on your comments, Chair. My two specific questions were would you happen to know who the ILEC for the CNMI? Would that be either of your firms or no? The incumbent local exchange carrier there? Who's the infrastructure?

**Mr. Tydingco:** PTI, IT&E.

**Senator Castro:** I'm totally in the dark on this one and that's why I'm very excited about this opportunity. Are there particular federal laws that govern Guam and the CNMI and how we connect? Do they treat us as two separate jurisdictions, two different states and do you see an opportunity for us? For example, because I've been working again over the past three to four years on a Marianas Trade Zone concept, but this is completely new territory for me. Perhaps the same kind of thought process can apply to the Marianas. Is there a nuance there, an opportunity for improvement in federal policy between Guam and the CNMI as an example?

**Mr. Tydingco:** In the realm of telecommunications, the only side, this is not regulated. This (points to his cell phone) is by the FCC; this is deregulated, and it rigged. The only regulated part of telecommunications is the wireline, the landlines, that's the regulator part under the Telecom Act. The FCC is moving towards more and more deregulation on the telecommunications because they want to ensure that the government doesn't get in the way of the investment, government doesn't get in the way of the operation. Of course, there's a role for government to ensure that everybody's operating right or in this instance of Senator Taitague the government of the community gets its fair share of what the investment and stuff as far as taxes etc. I'm not quite sure where you're going, what your angling at? If there's an additional synergy that we can probably formulate.

**Senator Castro:** I think that would be it. Synergies through additional greater deregulation, but by landline, do you mean twisted pair or is a VoIP or copper, twisted pair copper?

**Mr. Tydingco:** VoIP is deregulated. That's a deregulated aside.

**Senator Castro:** We can take this up, Madam Chair once the bill is passed. I would appreciate another discussion.

**Mr. Tydingco:** This is one suggestion here on your taskforce. For clarification there's no Administrator of the Public Utilities Commission. You might want to just indicate, it's just the Public Utilities Commission, they're a staff of one person. She works in tandem with the commission as well as the Administrative Law Judge that they retain over there.

**Chairperson Perez:** It appears there's no other questions. Thank you so much for being here and providing testimony and answering the questions. *Si Yu'os ma'åse'.*

Chairperson Perez adjourned the public hearing for Bill No. 56-35 (COR), as Substituted by the Committee.

**Written Testimonies:**

- James W. Hofman, II, *Chief Legal Officer, Docomo Pacific, Inc.*
- Melanie Mendiola, *CEO/Administrator, Guam Economic Development Authority*

**III. FINDINGS AND RECOMMENDATION**

The Committee on Environment, Revenue and Taxation, and Procurement finds the following amendments/recommendations for Bill No. 56-35 (COR), As Substituted by the Committee, based on the testimony submitted at the public hearing:

- GTA is in support of the Bill. The task force should collate all those existing regulatory requirements into an organized regime which the government, namely GEDA could ultimately use as a marketing tool. They request the committee and body considered looking again through a different lens to establish a new pillar for our economy rather than the sub-cable focus. For clarification they stated there's no Administrator of the Public Utilities Commission.
- Docomo Pacific supports policies and legislation that promote the interest of owners and operators of submarine cables and that incentivize other telecommunications providers to invest in Guam. They strongly caution the Legislature that any additional local fees that increase the already high cost of landing s submarine cable, cable system investors may opt to bypass Guam entirely in favor of a more direct route.
- GEDA opposes Substitute Bill No. 56-35 (COR) as written for the following reasons; the bill does not provide any guaranteed financial resources to assist the task force in meeting a guaranteed deadline and mandate, Guam is already perceived as a less attractive destination for investment as it relates to government of Guam real property due to the requirement that any lease of government property over five (5) years requires approval of the Guam Legislature and It may be logical to conclude that if the government were to impose new regulations and/or taxes on



both existing and new telecom providers, those increased costs will either be passed on to the customer, or may discourage entirely the continued or new investment and operation of submarine cables in Guam.

The Committee on Environment, Revenue and Taxation, and Procurement hereby reports out Bill No. 56-35 (COR), **As Substituted; and amended by the Committee, “AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 12, DIVISION 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A TASK FORCE TO REVIEW INFORMATION, CONDUCT A FEASIBILITY STUDY, AND DEVELOP RECOMMENDATIONS CONCERNING SUBMARINE CABLES,”** with the recommendation to report out.

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

**Bill No.** 56-35 (COR)

**Introduced by:**

Telo T. Taitague   
William M. Castro 

2019 MAR -7 AM 9:39 AM

**AN ACT TO ADD A NEW § 12130 TO ARTICLE 1, CHAPTER 12, DIVISION 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THE COMPLETION OF AN INDEPENDENT ECONOMIC IMPACT STATEMENT RELATIVE TO FIBER-OPTIC UNDERSEA CABLE LANDING STATIONS.**

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

2       **Section 1.** A new § 12130 is *added* to Article 1, Chapter 12, Division 1,  
3 Title 12, Guam Code Annotated, to read:

4               **“§ 12130. Independent Economic Impact Statement on Fiber-**  
5 **Optic Undersea Cable Landing Stations.**

6               On or before June 1, 2019, the Public Utilities Commission shall issue  
7 a Request for Proposal for the purpose of conducting an Independent  
8 Economic Impact Statement relative to the potential taxation of fiber-optic  
9 undersea cable landing stations which use Guam as a pass-through site. The  
10 Public Utilities Commission, in collaboration with the Guam Economic  
11 Development Authority, shall identify the resources necessary to fund the

1 Independent Economic Impact Statement. The Public Utilities Commission,  
2 in collaboration with the Department of Revenue and Taxation, Guam  
3 Economic Development Authority, and the Office of Technology, shall  
4 determine the study parameters.

5 The Independent Economic Impact Statement shall be completed by  
6 an identified group that includes an Economist with a Master's Degree or  
7 Ph.D. in Economics from an institution of higher learning accredited by an  
8 accreditation agency recognized by the U.S. Secretary of Education, or  
9 similar accredited body that is recognized internationally, no later than  
10 January 1, 2020, and shall be transmitted to the Speaker of *I Liheslaturan*  
11 *Guåhan* and to *I Maga'håga Guåhan* on or before February 1, 2020.”

12  
13 **Section 2. Severability.** *If* any provision of this Act or the application to  
14 any person or circumstance is found to be invalid or contrary to law, such  
15 invalidity *shall not* affect other provisions or applications of this Act that can be  
16 given effect without the invalid provision or application, and to this end the  
17 provisions of this Act are severable.





1           (b) the Administrator of the Public Utilities Commission or his/her  
2 designee;

3           (c) the Chief Technology Officer, Office of Technology, or his/her  
4 designee;

5           (d) the Director of the Department of Revenue and Taxation or  
6 his/her designee; and,

7           (e) the Speaker of I Liheslaturan Guåhan or his/her designee who  
8 shall sit as an ex-officio non-voting member.

9           The Administrator of the Guam Economic Development Authority shall  
10 serve as Presiding Officer of the Task Force. The members of the Task Force shall  
11 serve without compensation.

12           **§ 12403. Duties of the Task Force.**

13           The Task Force shall meet at the call of the Presiding Officer and make  
14 recommendations concerning submarine cables on Guam.

15           In making recommendations, the Task Force shall:

16           (a) review information concerning licensure, taxes, fees, and other  
17 existing requirements for owners and operators of submarine cables on  
18 Guam;

19           (b) conduct a feasibility study and provide recommendations  
20 involving local tax policy, workforce development, and incentive programs  
21 promoting the expansion of submarine cable activities and the broader  
22 telecommunications industry on Guam;

23           (c) identify resources necessary to fund the feasibility study  
24 including agency resources and grant funding that may be available through  
25 the Comprehensive Economic Development Strategy. The Guam Economic  
26 Development Authority may draw upon the Public Utilities Commission,  
27 Office of Technology, Department of Revenue and Taxation and other

1 agencies for advice and assistance in developing the feasibility study  
2 required herein;

3 (d) receive reports and testimony from individuals, government of  
4 Guam agencies, and any other public and private organizations; and

5 (e) submit a report with its recommendations to I  
6 Maga'låhen/Maga'hågan Guåhan and I Liheslaturan Guåhan by June 30,  
7 2020. Any further recommendations shall be transmitted annually thereafter.

8 **§ 12404. Task Force Recommendations.**

9 The Task Force recommendations shall discuss existing regulations and  
10 proposed changes to local and/or federal statutes governing the operation of  
11 submarine cables in Guam; request(s) for technical assistance from the U.S.  
12 government; interagency and/or public-private collaboration; and other actions  
13 necessary to promote fair and reasonable incentives and opportunities for owners  
14 and operators of submarine cables to invest in Guam.”

15 **Section 2. Effective Date.** This Act *shall* be effective upon enactment.

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

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

**Bill No. 56-35 (COR)**

As Substituted; and amended by the Committee on Environment,  
Revenue and Taxation, and Procurement.

**Introduced by:**

Telo T. Taitague  
William M. Castro

**AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 12,  
DIVISION 1, TITLE 12, GUAM CODE ANNOTATED,  
RELATIVE TO CREATING A TASK FORCE TO  
REVIEW INFORMATION, CONDUCT A FEASIBILITY  
STUDY, AND DEVELOP RECOMMENDATIONS  
CONCERNING SUBMARINE CABLES.**

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

2 **Section 1.** A new Article 4 is *added* to Chapter 12, Division 1, Title 12,  
3 Guam Code Annotated, to read:

4 style="text-align:center">“ARTICLE 4

5 style="text-align:center">THE TASK FORCE ON SUBMARINE CABLES ACT OF 2019

6 **§ 12401. Title.**

7 This Article shall be known and may be cited as “The Task Force on  
8 Submarine Cables Act of 2019.”

9 **§ 12402. Task Force Composition.**

10 The Task Force shall be comprised of the following:

11 (a) the Administrator of the Guam Economic Development  
12 Authority or his/her designee;

1           (b) the Administrator of the Public Utilities Commission or his/her  
2 designee;

3           (c) the Chief Technology Officer, Office of Technology, or his/her  
4 designee;

5           (d) the Director of the Department of Revenue and Taxation or  
6 his/her designee; and,

7           (e) the Speaker of *I Liheslaturan Guåhan* or his/her designee who  
8 shall sit as an ex-officio non-voting member.

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11 statutes and regulations governing the operation of submarine cables in Guam; any  
12 request(s) for technical assistance from the U.S. government; any proposed  
13 interagency and/or public-private collaboration; and any other actions necessary to  
14 promote fair and reasonable incentives and opportunities for owners and operators  
15 of submarine cables to invest in Guam.”

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19 invalidity *shall not* affect other provisions or applications of this Act that can be  
20 given effect without the invalid provision or application, and to this end the  
21 provisions of this Act are severable.

## COMMITTEE MARKUP

### J MINA'TRENTAI SINGKO NA LIHESLATURAN GUÁHAN 2019 (FIRST) Regular Session

Deleted:

#### Bill No. 56-35 (COR)

As Substituted, and amended by the Committee on Environment,  
Revenue and Taxation, and Procurement.

#### Introduced by:

Telo T. Taitague  
William M. Castro

Deleted: -

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Deleted: § 12130 TO

Deleted: 1,

Deleted: REQUIRING THE COMPLETION OF AN  
INDEPENDENT ECONOMIC IMPACT STATEMENT  
RELATIVECREATING A TASK FORCE

Deleted: FIBER-OPTIC UNDERSEA CABLE  
LANDING STATIONSREVIEW INFORMATION,

**AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 12,  
DIVISION 1, TITLE 12, GUAM CODE ANNOTATED,  
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shall identify the resources necessary to fund the Independent  
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collaboration with the Department of Revenue and Taxation, Guam  
Economic Development Authority, and the Office of Technology,  
shall determine the study parameters.”

The Independent Economic Impact Statement shall be completed by  
an identified group that includes an Economist with a Master’s  
Degree or Ph.D. in Economics from an institution of higher learning  
accredited by an accreditation agency recognized by the U.S.  
Secretary of Education, or similar accredited body that is recognized  
internationally, no later than January 1, 2020, and shall be  
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Maga’hága Guáhan* on or before February 1, 2020.”

## COMMITTEE MARKUP

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## COMMITTEE MARKUP

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21 provisions of this Act are severable.



Senator Amanda L. Shelton,  
Vice Chairperson

Speaker Tina Muña Barnes,  
Member

Vice Speaker Telena Cruz Nelson,  
Member

Senator Kelly Marsh (Taitano), Ph.D.,  
Member

Senator Sabina Flores Perez  
Member

Senator Clynton E. Ridgell  
Member



**COMMITTEE ON RULES**  
**SENATOR RÉGINE BISCOE LEE, CHAIR**  
*I MINA 'TRENIAI SINGKO NA LIHESLATURAN GUÅHAN*  
35<sup>TH</sup> GUAM LEGISLATURE

Senator Joe S. San Agustin,  
Member

Senator Jose T. Terlaje,  
Member

Senator Therese M. Terlaje,  
Member

Senator James C. Moylan,  
Member

Senator Mary Camacho Torres,  
Member and  
Chair, Subcommittee on Protocol

April 2, 2019

# MEMO

**To:** **Rennae Meno**  
Clerk of the Legislature

**From:** **Senator Régine Biscoe Lee**  
Chairperson, Committee on Rules

**Re:** **Fiscal Note Waivers**

---

*Buenas yan Háfa adai.*

Attached, please find the fiscal note waivers for the following bills:

**Bill No. 56-35 (COR)**

**Bill No. 64-35 (COR)**

Please forward the same to Management Information Services (MIS) for posting on our website.

For any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.





## BUREAU OF BUDGET & MANAGEMENT RESEARCH

OFFICE OF THE GOVERNOR  
Post Office Box 2950, Hagåtña Guam 96932

LOURDES A. LEON GUERRERO  
GOVERNOR

LESTER L. CARLSON JR.  
ACTING DIRECTOR

JOSHUA F. TENORIO  
LIEUTENANT GOVERNOR

APR 02 2019

Senator Régine Biscoe-Lee  
Legislative Secretary and Chairperson, Committee on Rules  
I Mina'Trentai Singko na Liheslaturan Guåhan  
35<sup>th</sup> Guam Legislature  
Guam Congress Building  
163 Chalan Santo Papa  
Hagåtña, Guam 96910

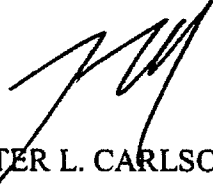
*Hafa adai!* Senator Biscoe-Lee:

The Bureau requests that Bill No. 56-35 (COR) be granted a waiver pursuant to Public Law 12-229 as amended for the following reason(s):

This proposed legislation seeks to authorize an independent economic impact statement on the potential taxation of fiber-optic undersea cable landing stations. The Public Utilities Commission (PUC) and the Guam Economic Development Authority (GEDA) have been identified as the responsible agencies to determine the required funding resources needed to fund such endeavor. The proposed legislation further mandates the PUC to issue the Request for Proposal (RFP) for the economic impact statement on or before June 1, 2019 with a completion date of January 1, 2020. In addition to the PUC and GEDA, this Bill further identified the Office of Technology and the Department of Revenue and Taxation (DRT) to develop the study parameters needed for the project.

This proposed legislation, as written, represents a non-funded mandate, since the funding sources have not been clearly appropriated, authorized, or identified. This funding deficiency would make it very difficult to initiate such RFP by the deadline noted, given the need to certify funding to ensure the completion of the project.

The Bill basically is setting the framework to authorize such a study with the potential funding to come from the PUC and GEDA. Therefore, the Bill would not fiscally impact the Executive Branch Appropriations for FY 2019 and such proposal appears to be administrative in nature.



LESTER L. CARLSON, JR.



**OFFICE OF SENATOR SABINA FLORES PEREZ**

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÁHAN*

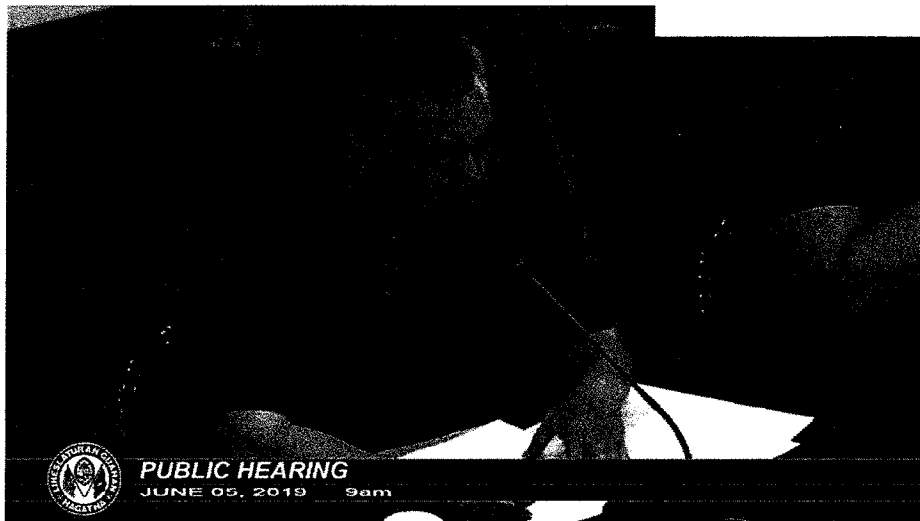
35<sup>TH</sup> GUAM LEGISLATURE

**COMMITTEE VOTE SHEET**

**Bill No. 56-35 (COR), As Substituted; and amended by the Committee on Environment, Revenue and Taxation, and Procurement – “AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 12, DIVISION 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A TASK FORCE TO REVIEW INFORMATION, CONDUCT A FEASIBILITY STUDY, AND DEVELOP RECOMMENDATIONS CONCERNING SUBMARINE CABLES.”**

COMMITTEE MEMBERS	SIGNATURE AND DATE	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
<b>SENATOR SABINA FLORES PEREZ</b> Chairperson	<i>SFP</i> <i>9/18/19</i>	✓				
<b>VICE SPEAKER TELENA CRUZ NELSON</b> Vice Chairperson						
<b>SENATOR THERESE M. TERLAJE</b> Member						
<b>SPEAKER TINA ROSE MUÑA BARNES</b> Member	<i>[Signature]</i>	✓				
<b>SENATOR KELLY G. MARSH (TAITANO), Ph.D.</b> Member	<i>[Signature]</i>			✓ <i>9/18/19</i>		
<b>SENATOR TELO T. TAITAGUE</b> Member	<i>[Signature]</i> <i>9/18/19</i>	✓				
<b>SENATOR MARY CAMACHO TORRES</b> Member						

## Could Guam be an international telecom cable hub?



Posted: Jun 05, 2019 4:08 PM  
Updated: Jun 06, 2019 6:45 AM

By Nestor Licanto [CONNECT](#)

Guam's potential as a strategic location for landing international undersea telecommunications cables needs to be explored further. That's the purpose behind a bill by Sen. Telo Taitague that would create a Task force to conduct an economic impact study.

In a [public hearing today](#), GTA Vice President Dan Tydingco was among those encouraging the legislature to explore the industry.

"Data is just exploding all over the world, and I think we have an opportunity here if the legislature develops policy that focuses on trying to figure out how to get something in here, how to nurture and cultivate that particular industry, we certainly have a very good opportunity," he said.

"Right now, we have four landing stations on Guam - my colleagues didn't know that. Cable lines coming in are about eleven now with the potential of more, so this is definitely an area that we need to research and study," the senator added.

Taitague's research finds that Guam is second only to Singapore in the number of undersea cables landed. The Task Force will be looking at how to develop the economic and tax potential of the industry.

Public Hearing - Senator Sabina F. Perez - June 5, 2019 9am



# Bill 56 might discourage telecom investments on Guam

By **Gerry Partido** June 6, 2019



*Ricky Hernandez, GEDA deputy administrator testifying on Bill 56 (Still image from the Guam Legislature)*

**Guam – Representatives from the Guam Economic Development Authority and GTA Teleguam have expressed concern that Bill 56-35 might dissuade big telecom companies from investing on Guam.**

Bill 56 seeks an Independent Economic Impact Statement on the potential revenue that can be generated by taxing telecommunication companies that use Guam as a pass-through site for their fiber-optic undersea cable landing stations.

During the public hearing on the bill Wednesday morning, GEDA Deputy Administrator Ricky Hernandez, said there are a lot of economic benefits that can be realized by attracting data centers to set up shop on Guam.

However, he said the taxes implied in Bill 56-35 may serve as a disincentive for telecom companies to invest here.

Hernandez added that Guam already has a disadvantage in having a high cost of electricity.

He stressed that it may be better to offer tax incentives rather than increased taxation to convince telecom companies to invest here.

Dan Tydingco, executive vice president of GTA Teleguam, testified that the current demand for data is insatiable.

To facilitate more telecom investments on Guam, Tydingco said policy makers may need to "look through a different lens."

He said other countries in the region are already offering telecom incentives and Guam may need to do the same.

Tydingco added that there is enormous potential for Guam to be a "data bridge."

During the question and answer portion of the public hearing, Senator Taitague asked if GEDA has any internal resources to fund a study called for by Bill 56.

Hernandez answered that GEDA will look into federal grants that may be used to fund a study.

With the additional perspectives given during the public hearing for Bill 56, Taitague said she may make amendments to the bill and schedule another public hearing.

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