

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
217-35 (COR)	James C. Moylan	AN ACT TO ADD § 58104(r) TO CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A QUALIFYING CERTIFICATE FOR THE ENTICEMENT AND POTENTIAL ESTABLISHMENT OF A COMMERCIAL DRONE INDUSTRY ON GUAM.	10/9/19 9:29 a.m.	11/20/19	Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response	2/11/20 9:00 a.m.	10/20/20 4:37 p.m.	11/18/19	



Clynton E. Ridgell

Senator – 35th Guam Legislature

*Committee on Economic Development, Agriculture, Maritime Transportation,
Power and Energy Utilities, and Emergency Response*

October 9, 2020

Honorable Tina Rose Muña Barnes

Speaker

I Mina'rentai Singko na Liheslaturan Guåhan

163 Chalan Santo Papa

Hagåtña, Guam 96910

Via: Honorable Régine Biscoe Lee 

Chairperson, Committee on Rules

Re: Committee Report on Bill No. 217-35 (COR)

Håfa adai Speaker Barnes:

Transmitted herewith is the Committee Report on **Bill No. 217-35 (COR)** As introduced by James C. Moylan – An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam.

Committee votes are as follows:

 2 TO DO PASS

 0 TO NOT PASS

 2 TO REPORT OUT ONLY

 0 TO ABSTAIN

 0 TO PLACE IN INACTIVE FILE

Si Yu'os ma'åse',

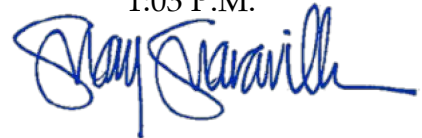


Clynton E. Ridgell

**COMMITTEE ON RULES
RECEIVED:**

October 9, 2020

1:03 P.M.





Clynton E. Ridgell

Senator – 35th Guam Legislature

*Committee on Economic Development, Agriculture, Maritime Transportation,
Power and Energy Utilities, and Emergency Response*

COMMITTEE REPORT

Bill No. 217-35 (COR)

Introduced by James C. Moylan

“An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam.”



Clynton E. Ridgell


Senator – 35th Guam Legislature

*Committee on Economic Development, Agriculture, Maritime Transportation,
Power and Energy Utilities, and Emergency Response*

October 8, 2020

MEMORANDUM

To: **All Members**
Committee on Economic Development, Agriculture, Maritime Transportation,
Power and Energy Utilities, and Emergency Response

From: **Senator Clynton E. Ridgell** 
Committee Chairperson

Subject: **Committee Report on Bill No. 217-35 (COR)**

Transmitted herewith for your consideration is the Committee Report on **Bill No. 217-35 (COR)** – “An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam,” introduced by James C. Moylan.

This report includes the following:

- Copy of COR Referral of Bill No. 217-35 (COR)
- Notices of Public Hearing & Other Correspondence
- Copy of the Public Hearing Agenda
- Public Hearing Sign-in Sheet
- Submitted Testimony
- Committee Report Digest
- Copy of Bill No. 217-35 (COR)
- Copy of Fiscal Note
- 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 contact my office.

Si Yu'os ma'åse'

Senator Régine Biscoe Lee,
Chair

Senator Amanda L. Shelton,
Vice Chair

Speaker Tina Rose Muña Barnes,
Member

Vice Speaker Telena Cruz Nelson,
Member

Senator Kelly Marsh (Taitano), PhD,
Member

Senator Sabina Flores Perez,
Member



COMMITTEE ON RULES

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
35TH GUAM LEGISLATURE

November 20, 2019

Senator Clynton E. Ridgell,
Member

Senator Joe S. San Agustin,
Member

Senator Jose "Pedro" Terlaje,
Member

Senator Therese M. Terlaje,
Member

Senator James C. Moylan,
Member

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

MEMO

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

Attorney Ana Won Pat-Borja
Legislative Legal Counsel

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

Re: **Referral of Bill No. 217-35 (COR)**

Buenas yan Håfa adai.

As per my authority as Chair of the Committee on Rules and subject to §6.01(d), Rules VI of our Standing Rules, I am forwarding the referral of Bill No. 217-35 (COR).

Please ensure that the subject bill is referred to the **Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response**, chaired by Senator Clynton E. Ridgell.

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
Chair, Committee on Rules





Selina Onedera-Salas <sonedera-salas@guamlegislature.org>

FIRST NOTICE of Public Hearing: Tuesday, Feb. 11, 2020 - 9:00 am

1 message

Erin M. Grajek <egrajek@guamlegislature.org>
Bcc: phnotice@guamlegislature.org

Tue, Feb 4, 2020 at 12:06 PM

FOR IMMEDIATE RELEASE

February 4, 2020

MEMORANDUM

To: All Senators, Stakeholders, Media
From: Senator Clynton E. Ridgell

Re: FIRST NOTICE of Public Hearing: Tuesday – February 11, 2020

The Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response will conduct a Public Hearing on Tuesday – February 11, 2020 and will take place in the Public Hearing Room at the Guam Congress Building in Hagåtña, Guam.

The Committee will hear and accept testimony on the following agenda items:

- 9:00 am – Bill No. 217-35 (COR) An Act to Add § 58104@ to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam.
- 10:00 am – Bill No. 218-35 (COR) An Act to Amend § 58104(f) and to Add § 58104.1, both of Chapter 58, title 12, guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Processing Trade, and a Distribution, Transformation or Fulfillment Center Industry on Guam.

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The Public Hearing will broadcast LIVE on local television (GTA Channel 21, Docomo Channel 117/60.4) and stream online via i Liheslaturan Guåhan's live feed. Written testimonies may be hand-delivered to the Office of Senator Clynton E. Ridgell at [238 Archbishop Flores Street, Suite 906](#) – DNA Building, Hagåtña, Guam 96910; sent via email at sen.cridgell@teleguam.net; or sent via fax at (671) 475-4768.

All government activities, programs, and services are accessible for people with disabilities in compliance with Title II of the Americans with Disabilities Act (ADA). Should you or interested parties require assistance or special accommodations to fully participate in this public hearing, please contact Angela Santos at (671) 475-4983 or via email at sen.cridgell@teleguam.net.

--
Si Yu'os ma'åse',

Erin M. Grajek - Office Manager
The Office of Senator Clynton E. Ridgell
[238 Archbishop Flores St.](#)
[Suite 906](#)
[Hagåtña, GU 96910](#)
671-475-4983

Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response



2020-02-04 FIRST NOTICE of Public Hearing - Feb 11, 2020.pdf

195K



Clynton E. Ridgell

Senator – 35th Guam Legislature

Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response

FOR IMMEDIATE RELEASE

February 4, 2020

MEMORANDUM

To: All Senators, Stakeholders, Media

From: Senator Clynton E. Ridgell

Re: FIRST NOTICE of Public Hearing: Tuesday – February 11, 2020

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The Committee will hear and accept testimony on the following agenda items:

- **9:00 am** – [Bill No. 217-35 \(COR\)](#) An Act to Add § 58104® to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam.
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Si Yu'os ma'åse'

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Si Yu'os ma'åse'



Selina Onedera-Salas <sonedera-salas@guamlegislature.org>

SECOND NOTICE of Public Hearing: Tuesday, Feb. 11, 2020 - 9:00 am

1 message

Erin M. Grajek <egrajek@guamlegislature.org>
Bcc: phnotice@guamlegislature.org

Sun, Feb 9, 2020 at 7:57 AM

FOR IMMEDIATE RELEASE

February 9, 2020

MEMORANDUM

To: All Senators, Stakeholders, Media
From: Senator Clynton E. Ridgell

Re: SECOND NOTICE of Public Hearing: Tuesday – February 11, 2020

The Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response will conduct a Public Hearing on Tuesday – February 11, 2020 and will take place in the Public Hearing Room at the Guam Congress Building in Hagåtña, Guam.

The Committee will hear and accept testimony on the following agenda items:

- 9:00 am – Bill No. 217-35 (COR) An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam.
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--
Si Yu'os ma'åse',

Erin M. Grajek - Office Manager
The Office of Senator Clynton E. Ridgell
[238 Archbishop Flores St.](#)
[Suite 906](#)
[Hagåtña, GU 96910](#)
671-475-4983

Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response

 **2020-02-09 SECOND NOTICE of Public Hearing - Feb 11, 2020.pdf**
205K



Clynton E. Ridgell

Senator – 35th Guam Legislature

Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response

FOR IMMEDIATE RELEASE

February 9, 2020

MEMORANDUM

To: All Senators, Stakeholders, Media

From: Senator Clynton E. Ridgell

Re: SECOND NOTICE of Public Hearing: Tuesday – February 11, 2020

The Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response will conduct a Public Hearing on **Tuesday – February 11, 2020** and will take place in the Public Hearing Room at the Guam Congress Building in Hagåtña, Guam.

The Committee will hear and accept testimony on the following agenda items:

- **9:00 am** – [Bill No. 217-35 \(COR\)](#) An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam.
- **10:00 am** – [Bill No. 218-35 \(COR\)](#) An Act to Amend § 58104(f) and to Add § 58104.1, Both of Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Processing Trade, and a Distribution, Transformation or Fulfillment Center Industry on Guam.

Si Yu'os ma'åse'

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Erin M. Grajek <egrajek@guamlegislature.org>

CORRECTED Notice of Public Hearing – Bill Nos. 217-35 (COR), 218-35 (COR)

1 message

Erin M. Grajek <egrajek@guamlegislature.org>

Tue, Feb 4, 2020 at 11:55 AM

To: mel.mendiola@investguam.com

Cc: Austin Grant <austin.grant@investguam.com>, Selina Onedera-Salas <sonedera-salas@guamlegislature.org>, Senator Clynt Ridgell <clyntridgell@guamlegislature.org>

Håfa adai Ms. Mendiola:

This is to inform you that Senator Clynton E. Ridgell and the Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response will conduct a Public Hearing on **Tuesday – February 11, 2020 at 9:00am**. The hearing will take place at the Public Hearing Room of the Congress Building in Hagåtña, Guam.

I have attached the official copy of the Bill for your review and comments. We ask that written testimony be received at least two days in advance.

Written testimony will be accepted up to ten days after the date of the hearing and can be sent to our office at sen.cridgell@teleguam.net.

Please let me know if you have any questions or concerns.

--

Si Yu'os ma'åse',

Erin M. Grajek - Office Manager

The Office of Senator Clynton E. Ridgell
238 Archbishop Flores St.
Suite 906
Hagåtña, GU 96910
671-475-4983

Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response

3 attachments

2020-02-04 Melanie Mendiola (GEDA) - Notice of Public Hearing (Bill Nos. 217-35 (COR), 218-35 (COR)).pdf
191K



Bill No. 218-35 (COR).pdf
786K



Bill No. 217-35 (COR).pdf
839K



Clynton E. Ridgell

Senator – 35th Guam Legislature

Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response

February 4, 2020

Transmitted via electronic mail

mel.mendiola@investguam.com

Melanie Mendiola, Administrator
Guam Economic Development Authority
590 South Marine Corps Drive
ITC Building, Suite 511
Tamuning, Guam 96913

Re: Notice of Public Hearing on Bill No. 217-35 (COR) and Bill No. 218-35 (COR): February 11, 2020

Håfa adai Ms. Mendiola:

The Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response invites you to submit testimony on the following Bills:

Bill No. 217-35 (COR) An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam.

Bill No. 218-35 (COR) And Act to Amend § 58104(f) and to Add § 58104.1, Both of Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Processing Trade, and a Distribution, Transformation or Fulfillment Industry on Guam.

The Public Hearing is scheduled for **Tuesday – February 11, 2020 at 9:00 am** and will take place at the Public Hearing Room of *i Liheslaturan Guåhan*.

Statements may be submitted via hand delivery to the Office of Senator Clynton E. Ridgell at 238 Archbishop Flores Street, Suite 906 – DNA Building, Hagåtña, Guam; via email at sen.cridgell@teleguam.net; or via fax at (671) 475-4768. Please submit written statements at least two days prior to the date of the hearing.

If you have any questions or concerns, please call our office at 475-4983 or send email to sen.cridgell@teleguam.net.

Si Yu'os ma'åse',



Clynton E. Ridgell



Erin M. Grajek <egrajek@guamlegislature.org>

Notice of Public Hearing – Bill No. 217-35 (COR)

1 message

Erin M. Grajek <egrajek@guamlegislature.org>
To: tim.cornelison@faa.gov

Tue, Feb 4, 2020 at 11:49 AM

Håfa adai Mr. Cornelison:

This is to inform you that Senator Clynton E. Ridgell and the Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response will conduct a Public Hearing on **Tuesday – February 11, 2020 at 9:00am**. The hearing will take place at the Public Hearing Room of the Congress Building in Hagåtña, Guam.

I have attached the official copy of the Bill for your review and comments. We ask that written testimony be received at least two days in advance.

Written testimony will be accepted up to ten days after the date of the hearing and can be sent to our office at sen.cridgell@teleguam.net.

Please let me know if you have any questions or concerns.

--
Si Yu'os ma'åse',

Erin M. Grajek - Office Manager
The Office of Senator Clynton E. Ridgell
238 Archbishop Flores St.
Suite 906
Hagåtña, GU 96910
671-475-4983

Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response

2 attachments**2020-02-04 Tim Cornelison (FAA) - Notice of Public Hearing (Bill No. 217-35 (COR)).pdf**
191K**Bill No. 217-35 (COR).pdf**
839K



Clynton E. Ridgell

Senator – 35th Guam Legislature

Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response

February 4, 2020

Transmitted via electronic mail

tim.cornelison@faa.gov

Tim Cornelison
Resident Manager, Guam
Department of Transportation
Federal Aviation Administration
1775 Admiral Sherman Blvd.
Barrigada, Guam 96913

Re: Notice of Public Hearing on Bill No. 217-35 (COR): February 11, 2020

Håfa adai Mr. Cornelison:

The Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response invites you to submit testimony on [Bill No. 217-35 \(COR\)](#) **An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam.**

The Public Hearing is scheduled for **Tuesday – February 11, 2020 at 9:00 am** and will take place at the Public Hearing Room of *i Liheslaturan Guåhan*.

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Si Yu'os ma'åse',

Clynton E. Ridgell



Clynton E. Ridgell

Senator – 35th Guam Legislature

Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response

Public Hearing Agenda
Tuesday – February 11, 2020
Public Hearing Room
Guam Congress Building – Hagåtña, Guam

The Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response will hear and accept testimony on the following agenda items:

- **9:00 am** – Bill No. 217-35 (COR) – An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam, introduced by James C. Moylan.
- **10:00 am** – Bill No. 218-35 (COR) – An Act to Amend § 58104(f) and to Add § 58104.1, both of Chapter 58, title 12, guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Processing Trade, and a Distribution, Transformation or Fulfillment Center Industry on Guam, introduced by James C. Moylan.

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Clynton E. Ridgell

Senator – 35th Guam Legislature

Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and
Emergency Response

PUBLIC HEARING SIGN-IN SHEET

Tuesday, February 11, 2020 · 9:00 am

Bill No. 217-35 (COR) An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam.

NAME	AGENCY/ ORGANIZATION	PHONE NUMBER	EMAIL ADDRESS	TESTIMONY	POSITION
Artemio "Rocky" Hernandez	GEDA	6474332	a.hernandez@investguam.com	<input checked="" type="checkbox"/> Written <input checked="" type="checkbox"/> Oral	<input type="checkbox"/> Support <input type="checkbox"/> Oppose
Art Dawley	Aviation Group	864-8291	adawley@acipacific.com	<input type="checkbox"/> Written <input checked="" type="checkbox"/> Oral	<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose
				<input type="checkbox"/> Written <input type="checkbox"/> Oral	<input type="checkbox"/> Support <input type="checkbox"/> Oppose
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				<input type="checkbox"/> Written <input type="checkbox"/> Oral	<input type="checkbox"/> Support <input type="checkbox"/> Oppose

Page 1 of 1

238 Archbishop Flores St · Suite 906 – DNA Building · Hagåtña GU 96910

Phone: (671) 475-4983 · Fax: (671) 475-4768

sen.cridgell@teleguam.net

February 10, 2020

Honorable Clynton E. Ridgell

Chairperson, Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response

I Mina'trentai Singko Na Liheslaturan Guåhan

238 Archbishop Flores St.

DNA Building, Suite 906

Hagåtña, Guam 96910

Subject: Testimony on Bill No. 217-35 (COR) – An Act Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam

Håfa Adai, Chairperson and Senator Clynt Ridgell and members of the Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response (Committee). My name is Artemio "Ricky" Hernandez, and thank you for the opportunity to provide testimony on Bill No. 217-35 – An Act Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam (Bill 217).

Bill 217 seeks to add the "commercial drone industry" under a new § 58104(r) to the list of eligible industries for the Qualifying Certificate (QC) Program administered by the Guam Economic Development Authority (GEDA) and includes specific requirements to the commercial drone industry to be eligible to apply for a QC such as conforming with all local and federal laws and regulations associated with the use of commercial drones and incorporates a broad definition of the commercial drone industry to encompass the research, development, training, education, manufacturing, wholesale, retail, or the utilization of commercial drones conducted on Guam either nationally or internationally.

The GEDA is in favor of fiscal policy that aims to **create economic activity of value** to Guam – which is one of the requirements necessary for the approval of a QC application.

Although the GEDA believes that nothing in the current QC statute precludes any interested company in applying for a QC for most of the commercial drone industry activities identified in Bill 217 in either the services or manufacturing categories under § 58104, Chapter 58, Title 12 of the Guam Code Annotated, the GEDA understands that there may be economic benefits associated with the growth of this industry on Guam and is supportive of the intent of the Bill.

The GEDA suggests the Committee's consideration of ensuring the following items are addressed in Bill 217:

1. Bill 217 lists research, development, training, education, manufacturing, wholesale, retail, or **utilization** of commercial drones as activities encompassed under the definition of commercial drone industry. This broad definition included under the word "utilization" could possibly include businesses and activities that use the commercial drones as part of their services such as

surveillance and inspection, wedding photography or videography, land surveying, utilities inspection, pest control, etc. The GEDA recommends that the utilization of commercial drones as an eligible activity be reconsidered to provide for more clarity as to eligibility.

2. Proposed § 58104(r)(2) states that such commercial drone industry activities also include activities conducted not only on Guam, but nationally or internationally. The GEDA believes that the activities of the commercial drone industry businesses outside of Guam should not be included as an eligible activity for the purposes of the QC program and may present further issues for compliance.

The GEDA is excited at the prospect of new industries on Guam and with the Committee's consideration of the aforementioned items, is available for continuing dialogue toward the goal of diversifying Guam's economy and introducing new investments to our island.

Once again, thank you for the opportunity to provide testimony on Bill 217-35 (COR). Should you have any questions, please contact me at 647-4332 or via email at a.hernandez@investguam.com.

Si Yu'us Ma'åse,



Artemio "Ricky" Hernandez, Ph.D.
Deputy Administrator





Clynton E. Ridgell

Senator – 35th Guam Legislature

*Committee on Economic Development, Agriculture, Maritime Transportation,
Power and Energy Utilities, and Emergency Response*

COMMITTEE REPORT DIGEST

I. OVERVIEW

Bill No. 217-35 (COR) was introduced on **October 9, 2019** by **James C. Moylan** and was subsequently referred by the Committee on Rules to the Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response on **November 20, 2019**.

The Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response convened a public hearing on Bill No. 217-35 (COR) on **Tuesday, February 11, 2020** at **9:00 am** in *I Liheslaturan Guåhan*'s Public Hearing Room.

Public Notice Requirements

Public Hearing notices were disseminated via email to all senators and all main media broadcasting outlets on **Tuesday, February 4, 2020** (5-Day Notice) and again on **Sunday, February 9, 2020** (48-Hour Notice).

Senators Present

Senator Clynton E. Ridgell, Chairperson
Senator James C. Moylan, Member & Primary Sponsor
Senator Kelly Marsh (Taitano), Ph.D.
Senator William M. Castro
Senator Telo T. Taitague

II. SUMMARY OF TESTIMONY & DISCUSSION

The public hearing was Called to Order at **9:02 am**.

Senator Clynton E. Ridgell, Chairman – Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response: Good morning. This public hearing, conducted by the Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response is now called to order at 9:02 a.m.

Notice of the hearing was disseminated to all local media outlets via electronic mail on February 4th of 2020, with the second notice provided on February 9th of 2020. Notice of the hearing was also made known on the Guam Legislature's website.

Today's agenda is on Bill Numbers 217-35 (COR) and 218-35 (COR), both introduced by Senator James C. Moylan. The first item on the agenda is Bill 217-35 (COR), introduced by Senator James C. Moylan; it's an act to add Section 58104(r) to Chapter 58, Title 12,

Guam Code Annotated, relative to creating a qualifying certificate for the enticement and potential establishment of a commercial drone industry on Guam.

I'd like to recognize my colleagues who have joined us today, Senator Wil Castro, Senator Telo Taitague, and of course, the primary sponsor of the bill, Senator James C. Moylan, and I'd like to afford Senator Moylan the opportunity for an opening statement on his measure.

Senator James C. Moylan, Primary sponsor of Bill Number 217-35 (COR): Thank you Mr. Chairman for the agenda today, and thank you to my colleagues for attending and specifically thank you for the audience and looking forward to your comments on how we can improve this bill and your what you have to provide to help us.

Now, my opening statements are very similar to each of the bills we'll be hearing 217 and 218, but to start with 217, is an act to add subsection 58104(r) to Chapter 58, Title 12, Guam Code Annotated, relative to creating a qualifying certificate for the enticement and potential establishment of commercial drone industry on Guam.

Now, Bill 218—because they're kind of similar, I would like to make some general statements on both measures, and I'll do the same again for 218 as well to not confuse when testimony comes, but the bottom line is the genesis of introducing these pieces of legislation is to spur economic activity by attracting new industries and creating jobs on the island. Now, we've entertained the possibility of GEDA—thank you for being here as well—may be able to adopt new industries and their matrix of qualifying candidates for the QCs so we may not actually need this legislation, but we're awaiting actual final response to an inquiry we previously have made. But nonetheless, even if the Board can adopt new industries, one of our goals that if we're able to cement the language in creating these new industries outlined and specifically this Bill 217, that can be added to the Guam Code Annotated as many other industries currently are included that it, alone, will allow Guam to market to investors. And investors do look at the language outlined in Chapter 58 of the respective title. So now, investors who are in the processing trade which will be in the 218 Bill or the drone industry.

Specifically, with the bill we're talking about today for example, we'll be able to see these options that are available with GEDA, and hopefully, that prompts them to seriously consider the investment. Upon introduction of these measures, our office sent out copies of bills to various entities on island and, as expected, there were some positive responses and there's potential of what they may bring so it's our belief that the greatest marketing entities on island are the business community who either may be interested in investing in it themselves or parties that might want to do such industries, too. For these specific industries, one of our goals coming into this term was to create jobs and we figured that it's critical to look at Guam and how it can attract industries because of our geographic location and we had this active build-up going on the island. There's currently advantages if you consider the Asia market and after numerous discussions, that's how the creation of this Bill 217 and the next bill to discuss, 218, were generated. The purpose of this public hearing is to ask ourselves, “Can these measures be improved?” Well, absolutely they can. And are

there industries missing that can be included? They certainly can and most definitely but, however, if our island can create incentives to attract large facility centers, for example, in our next bill, all these bills will create jobs, spur the economic activity and increase our tax base and we're just taking the proper steps to do so. I'm looking forward to the presentations and your help in moving these bills forward. Thank you, Mr. Chairman.

Chairman Ridgell: Thank you, Senator Moylan. And at this time, I'd like to also recognize Senator Kelly Marsh Taitano. Thank you for joining us this morning. And invite up anyone who would like to testify on Bill 217-35 and this, of course, is the bill that would create a qualifying certificate for the potential establishment of a commercial drone industry on Guam. Good morning, Mr. Hernandez. Please begin by introducing yourself before you begin your testimony. Thank you.

Dr. Artemio "Ricky" Hernandez, Deputy Administrator – Guam Economic Development Authority: [Written testimony presented orally]

Chairman Ridgell: Thank you, Mr. Hernandez. Any questions for my colleagues for Mr. Hernandez? Senator Taitague.

Senator Telo T. Taitague: Thank you, Mr. Chair, and good morning. Good morning, Ricky. Pleasure to see you. Knowing that our government is working hard to bring in -- grow our economy and you, being here with this bill -- and I appreciate your testimony. In fact, could I get a copy? Could I have one of the staff take your copy and make a copy for us, please? So, I might have to come back, Mr. Chair, just for another one, on some of the things that you mentioned. And one of the things is can you explain, first, because it's two bills that talk about QCs? Can you explain what are some of the requirements in order to have a QC on Guam as far as employing certain people. How much investment to make. Can you just give just a few standard, the top three important things in order to establish a QC on Guam?

Dr. Hernandez: Yeah, sure. The requirements that GEDA looks at especially, as it states in the law, is that number one, it creates some jobs, creates employment. There are other - - four or five other requirements, such as it has to create jobs and then also --

Senator Taitague: How many? How many jobs does it create?

Dr. Hernandez: The law doesn't state how many jobs it needs to create. It just says the creation of employment.

Senator Taitague: So, it could be one to ten as long as there's one. It creates one job for somebody out there.

Dr. Hernandez: Yeah, the law is not specific on the number.

Senator Taitague: So, it could be one, right? Thank you.

Dr. Hernandez: But it has to do that, first, and then it has to do one of the following: I think it has to generate an economic or create an economic activity of value, it has to lower or create affordable homes, it has to -

Senator Taitague: I'm sorry what was that last one?

Dr. Hernandez: Create affordable homes. So the law is very specific as it says that it has to create employment plus it has to do one of four or five other things and those things are replace imports, reduce consumer prices, create affordable housing, create economic activity of value to the territory, or establish Guam as a financial insurance center. So that's what the law specifically states as some requirements for QC applicants. As they apply, they have to kind of ensure they achieve -

Senator Taitague: Those particular ones, those are one of the top things. So, do you think this industry here has the qualifications, it meets the qualifications in order to receive a tax credit?

Mr. Hernandez: I guess to answer the question of industry I wouldn't say, necessarily, one way or the other, it would just be on an application basis. So, once we see an application come in then we can determine if they meet those objectives. It would be premature to determine if an industry like the entire industry -- would be they would go through the process like any other company as they apply.

Senator Taitague: And that's through the board at GEDA who determines that?

Mr. Hernandez: Yeah, the GEDA Board ultimately determines a recommendation that is then sent to the governor, eventually. After it goes through a certain approval process, and she has 60 days to determine what she wants to do with that or execute it or not.

Senator Taitague: Has there anybody, any company that -- has a drone company that is interested in the QC come forth to GEDA right now and submitted their application for QC.

Mr. Hernandez: No, I'm not aware of any specific company.

Senator Taitague: Thank you, so much. Thank you, Mr. Chair.

Chairman Ridgell: Thank you, Senator Taitague. Any other senators have any questions? Senator Castro? Okay, at this time I'd like to call up Mr. Art Dawley who's signed up to testify as a part of Aviation Concepts. Good morning, Mr. Dawley. Please turn on your microphone and introduce yourself, the company you represent for the record before you begin your testimony. Thank you.

Art Dawley, President - Aviation Concepts: Good morning, Senator. My name is Art Dawley. I'm the president of Aviation Concepts. We're an aviation services provider based upon Guam International Airport and I've been a longtime resident since 2003. And

basically, business aviation support and support of DOD contractors, aviation contractors. Thanks for the opportunity to submit comments of support for the proposed legislation on Bill 217 relative to creating the QCs that would attract commercial drone entities to Guam.

I'm going to speak a little bit off the cuff here. I've got prepared notes but as I listened to the testimonies and I'll get a little bit more feedback about the programs that are the QC program. I'm not sure how aware the board is or GEDA is of the commercial market out there on a global level. I'm very familiar. I've been involved for the last six-seven years. It's one of the reasons that I'm a partner in Aviation Concepts. I've been working out of Singapore, but I chose to move here because of what I viewed as a huge opportunity for Guam, particularly in the unmanned industry. Fair to say also I want to address some other components that I believe might be added to the bill, but I'll leave that for a little bit later.

Here, Guam is very unique in the unmanned world. When you hear me use the word 'drone', I'll often use the word 'unmanned' meaning 'unmanned or autonomous vehicles'. Its location to some of the biggest markets, particularly Asian markets, for us providers and contractors is huge. I've been working in Singapore for the last three years. I've worked over in the Middle East. I've worked in South America on projects that were related to this and basically representing Fortune 100-type companies in the U.S. that are evolving into these markets. They're all involved in it.

Now, you should also be aware that Guam, there are seven U.S. Test sites for commercial drone providers for R&D activities and those as they develop the new technologies. Guam is very, very unique in the fact that it sits on a huge expanse of uncontrolled airspace that would, for potential investors, be very, very attractive. It's uncontrolled airspace that can be applied for with the federal aviation administration for these type of activities. This type of air spaces are very, very difficult to find anywhere else in the world. And particularly in North America. So, I can tell you, because I go to many, many trade shows. I'm involved in industry activities, I'm on certain boards that Guam is on the radar of almost everybody. Of course, without incentive like you see on other economic incentives, it's a long way to come. It's a long way to move companies. But I can tell you that they're all -- I've made people aware through some of my relationships but they're also aware that, because of its location, for facilities it's significant.

One of the big concerns is what type of talent pools exist? What type of training programs exist on the educational side, bringing up young people in the unmanned world? What type of economic incentives can we get there for their free trade zones or their qualifying certificates? Those type of programs. So, in any case, I just -- it's a little bit off my notes, here, but I wanted to make you aware that Guam is a very, very significant target on a lot of these companies' radars. Although I emphasized in the introduction portion of the Bill 217, I would add that additional language exists that references specifics in the aviation and aerospace industry in particular training of a local talent pool. Our hope is that the language can be expanded to specifically include aviation training classes and I'm talking about for fixed-wing business aircraft, airline type activities, drone. Training classes for both drone and fixed-wing aircraft, drone testing facilities, full motion simulator training both for business aircraft and airlines.

I can tell you that is also on the radar of some companies that are very, very well known on a global level. Aviation maintenance technicians and many others aviation-type of support-type careers, we're currently in partnership with Guam Community College and developing an aviation curriculum. Right now, we're in the finalizing formal agreement with GCC for aircraft or airline dispatch career curriculum. Also drone design, test, and build capabilities and among other things, other support-type classes. Our ability to train the next generation of aviation aerospace professionals will be contingent upon attracting these companies. These companies will not come unless these type of training programs are here, and a local talent pool can be developed. Not only will we be attractive to them but the hope is that career paths will be defined, built and that Guam starts to develop its own pool of talent that can be resourced to both the fixed-wing airline and drone communities and we have great confidence in that, we've been well involved in activities upfront.

Why is the issuance of a QC important? I think without incentive in the form of a QC, it's just not going to happen. It's a long way to move people. Families have to move here. In many cases they have young kids. Uprooting those type of things are -- it's a long way, it's a small island. There aren't typically a lot of the resources that some of the people that live in larger communities, urban and rural communities, that are used to. When they get here, they're going to realize it's quite the paradise and they're also going to realize that it's quite the resource for these type of businesses and they're also going to realize that the future opportunity is absolutely huge. So, I'm one of the biggest flag bearers for that one. I'm able to travel to these trade shows. The issuance of a QC attracts aviation of aerospace companies to Guam which, in turn, are going to provide -- our hope -- is additional resources in the form of critical air transport services. I'm not sure how much longer your families are going to be accepting paying \$2,000 economy tickets back to the mainland or Hawaii. I'm going to guess that without attracting more competition and additional resources here, we all could be paying \$3,000 in a few years for those type of tickets. You've got one provider out here. They've got the market and they know it. So, building these type of programs will provide the talent pools and the career paths for companies that realize there are additional resources to support them. Hope as additional competitors will come to Guam, when additional companies sign up to do their business here, emerging technologies such as drones and unmanned and autonomous aircraft want to talk about autonomous aircraft. We're talking like unmanned taxis which you're starting to see being flown. And in certain areas of the world I can think of Dubai, Singapore, a couple areas but they call them urban air mobility vehicles. It's not in the too distant future that that is going to be. Perhaps not in Guam too soon but in many of our city areas, many of your largest companies like Uber, the large original equipment manufacturers and the airlines are already building them. They're already operating them and they're bringing their training pools of talent in the local areas and there're young kids coming up to college programs. So our hope is that by issuing QC or the ability to QC that we can interest those companies in getting here and it's all contingent upon training local young adults and kids coming through UOG, GCC, some of these areas and we have that ability.

Again, Guam is strategically -- you have no idea how strategically attractive it is -- and primarily, particularly for those involved in urban air mobility and some of the more complex type of drone operations. I'm not really talking about real estate, taking pictures, local pictures of real estate and all. I'm talking about very complex-type operations beyond visual line of sight type operations. They require protected air spaces that in some cases are maybe hundreds of miles -- square miles -- in size, the only place and, particularly over an oceanic environment, the only testing sites in the United States that exist for that are off the coast of Texas and California and they are completely closed. We have about 3-year waiting times to get into. Right now, Guam can be open, and I could easily attract some of these companies that don't have that time to wait. That is done to the FAA. The oversight of this area out here comes to the Honolulu flight services district office and we work very, very closely with them. I'm very, very familiar with that process. My suggestion is, particularly, as you consider issuing QC and trying to attract some of these companies, that we bring GEDA into the conversation so they actually understand the type of opportunity here and some of the unique characteristics that Guam has that would play into this.

I think, also, by attracting these type of companies, Guam has a real opportunity here to promote the island and the talent pool that it develops -- the students develop as some of the top tech kids in the world. I mean this is where it's happening. You talk about urban air mobility, you talk about air taxis, autonomous vehicles. This is where it can happen and so if it's all concentrated here, this will be a beacon of technology. You have the resources -- GTA and Docomo. We're bringing in -- we got fiber optic laid all over the island. We've got 5G coming in, which is going to be critical for a lot of these things. Guam, theoretically, can be the biggest or the smallest biggest tech center possibly on a global level if these type of companies get here. I could go on and on and tell you, get into more specifics and detail about some of the programs. It's probably not important at this point. I think what is important is to know that the organizations that have those type of operations, capabilities and technologies coming up are very, very aware of Guam. The first company, here. It's a long way to come. What's the support out there like? What's the talent pool like and is there any type of economic incentive to get out there? That would help us. You have to remember that the unmanned world is still much the wild west. A lot of well-resourced companies are going in and out of business. It's an industry that will ultimately flourish but a lot of people will feel the pain and I don't think there's a lot of these companies that might be on the edge of deciding whether to relocate to an area like Guam when investment comes in. I think investors are going to take a look at that.

My hope in leaving here today, also, is one of the recommendations I'd like to make -- I'm not quite sure how it's done -- I submit it to the board is that we also expand the language and scope of Bill 217 to include aviation service providers that specialize particularly in the following areas: Aviation training for drones and fixed-wing aircraft, FAA certified type courses. They are here. The ability's here. I don't know if you're aware or anyone's aware, here. There is actually one of the very, very few FAA written and practical testing facilities in the United States is located right over in HC5 on the south side of the airport. So, we have the ability to test and certify local kids. The idea is to put them through these types of courses. Yeah, this goes for adults too, older folks like me. We have the ability to provide those certified courses on island and do testing and certification right here. They

have the ability to walk away from these courses with accreditation that will be recognized on a global level. None of it can really happen unless we get the business out here.

So, I guess those are my parting words. I'm hoping, again, that the language in 217 can be expanded to include aviation training both for scheduled and non-scheduled charter providers, scheduled airlines, regional airlines. You're aware Cape Air left a while ago. They are actually one of our -- we provided support for them for some time. But regional carriers have interesting things coming out here. Full motion simulation for both the airlines and business aircraft are also in the mix and the training of maintenance and avionics technician providers is a huge career opportunity for these kids. If we get the business out here, we're going to be able to -- will develop the programs that will attract those businesses and I think the QC will be probably the incentive that's needed to get discussion going and get these people recruited out here. That's really all I have to say. I hope I didn't get too far off the point but that's it.

Chairman Ridgell: Thank you, Mr. Dawley. Just a quick question. When you talk about all these companies, these large companies involved in drone technology and aviation that are really starting to eye Guam, what exactly is it they're interested in? It sounds to me that you're talking about testing of their technology in this region. Is that what they're primarily interested in?

Mr. Dawley: There's two things that they're interested in. Because Guam sits under US jurisdiction -- i.e. federal aviation jurisdiction -- the FAA now is requiring, this just started occurring with package delivery services, they are now requiring certification under what they call Federal Aviation Regulations Part 135 as an air carrier. So up until the middle of last year, people were able to operate under variances from the FAA without any type of certification. The problem was that getting regulation, they defined drones now as aircraft. So, aircraft flying in the national airspace system need to be regulated.

Now, people do not particularly, in the drone industry, have not typically worked in a regulated environment. So, what the advantage here is that because we're in FAA jurisdiction we have the resources here. We have the expertise to help people gather that type of certification. They can do it in the US. I can tell you that the FAA is completely understaffed. They lack subject matter expertise in many offices. Guam happens to have some of the top unmanned people in its staff, through the Honolulu and Fargo, North Dakota district offices.

The other issue is that for R&D activities, they need oceanic airspace in protected airspace -- federal aviation protected airspace -- that is regulated under what they call a certificate of authorization. It's somewhat of a complex procedure. We're very, very familiar with it. We've done several of them and the idea is to attract those type of companies.

Chairman Ridgell: Thank you, Mr. Dawley. Senator Castro?

Senator William M. Castro: Thank you, Mr. Chair. First of all, I want to thank the prime author for the measure. I think it's an excellent way to stimulate the economy. Mr. Chair, I

have a maybe a two-pronged approach, one addressed to GEDA and then maybe to yourself, Mr. Dawley, and follow-up to some of the statements you mean.

So, the QC program I see is a tremendous benefit. Any kind of tax incentive to stimulate the economy, bring in new industry. For me, personally, as one lawmaker of 15, is a massive incentive. Correct me if I'm wrong. Just three off the top of my head are apparent, right? We have the insurance industry beneficiaries of that industry for the QC program, is that correct?

Dr. Hernandez: Yeah, that's correct.

Senator Castro: Great. And then also we see, of course, tourism, some tourism establishments also benefiting from the qualifying certificate.

Dr. Hernandez: Yes.

Senator Castro: And then, of course, GRMC is also a beneficiary of a qualifying certificate.

Dr. Hernandez: Yes.

Senator Castro: Great. And I think in all instances then, Ricky, we see that each of these industries -- almost fully matured industries, at least for tourism and insurance, have not only created employment, they sustained employment and then we could see the economic benefit to the territory. So those would be three good examples, in my opinion, of how this industry that benefits, to some extent, from a tax incentive has been able to give back significantly to the economy.

The reason why I bring this up to GEDA is because I think, while finite in its scope, naming a specific industry may be small in comparison to maybe two of the giants that I mentioned. I think it still meets your threshold in terms of creating employment and creating economic activity and value, there's one way. I guess it depends who you speak to in terms of replacing imports. Not only do I look at it from a materials perspective but in terms of replacing imported labor. I think Mr. Dawley was right when he mentioned more than once that this has the potential to create internal capacity or on-island capacity for the industry, whether you're assembling or you're going to operate these drones or unmanned aerial vehicles or fixed-wing vehicles, right? And so, I still have to come up to speed with this industry, but I think I think these are all incentives. I do see a direct tie-in to Guam and the economy, not just commercially but educationally.

Mr. Dawley, I have a couple follow-up questions. You mentioned training at least four times -- GCC, twice, and UOG, at least once -- and could you restate, for the record for me, what was happening with GCC in terms of a certificate program?

Mr. Dawley: Yeah, currently, right now we're working with Mario Cotta at GCC on developing an aviation curriculum for GCC. It's starting out right now with three separate courses which we've already been meeting over the past year. It's, like I said, we're in the

process of formalizing our final agreement and our hope is to have these programs in place by next fall. These are one airline dispatch certificate and these are FAA authorized courses which, when complete, not only will they get college credits for them in the aviation program, they will also walk away with an FAA license, that will be a license for life. That will be a license for them to work everywhere on a global level of United Airlines in an operational control center. Those types of things. These are career paths. The other two courses that we have. Right now, we're starting off tiptoeing as we get the rest of our programs in place and, again, it's kind of contingent upon the type of resources we can attract out here. But the other two courses are a design, build and fly course for drones. The intent is to provide a turnkey type program for college students that takes them through the design and, dependent upon the type of interests or activities that excite them, whether it be from search-and-rescue disaster relief types of things, geo-mapping. It just goes all over the place. They're able to reveal customized platforms that get them into the business. This course, also, is designed for when complete to leave them with a FAA remote pilot license and the ability to conduct commercial activities. This is the idea, to build careers. The other course that we have is a very, very general drone course about the basics of drone constructs, a little bit less, but it's designed for GCC as the beginnings of a much more comprehensive aviation training program. Our hope is, right now, we'll be adding the activities that I referenced before: Aviation maintenance technicians, avionics, electronics --

Senator Castro: Thank you. Since you mentioned United, I had a conversation with a Miss Laurie about a 'woman in aviation program'. I just learned about it in last three days and so I would encourage my colleagues, maybe, to think about that. She's seeding a very similar program but at the high school level for women who express interests either in the operations side or other parts of regime.

Mr. Dawley: Well, I'm very familiar with 'Women in Aviation' and familiar with the leadership there, too, and there's been a lot of discussions over the past couple years.

Senator Castro: Thank you. You also mention at the closing part of your statements about the evolution of this industry towards becoming a regulated industry where there are certain compliance requirements, whether it's for federal law or local regulations and I appreciate that. I also want to state for the record, especially for GEDA, that I do see tremendous uptick in terms of R&D opportunities for testing of materials. You spoke at great length and I'm going to have to go back and listen to this again. I don't understand the particulars but it's obvious to me in terms of research and development in these types of environments, marine and terrestrial.

With that said, Mr. Chairman, I went on the record more than at least half a dozen times in the last two terms that I really would like to see the evolution of our relationship with the Department of Defense to be more along the lines of high tech development and I did posit, at one time, a training facility that would create a center of excellence for one or more branches of our defense department, specifically in the area of drone technology, whether from an operator standpoint or a technician standpoint, etc. So, I applaud, again, the author of this piece and you, Mr. Dawley, for coming forward to share some of that insight.

Coming at it from the private sector as an expert, I think it brings tremendous credibility to what it is myself and other colleagues are trying to do, less about bombardment and armament and arms training and more about the high-tech opportunities that this part of the world is very capable of producing. You're correct, I do see the upside, not necessarily for Guam and its limited population in terms of the evolution of the industry and dropping of goods. It's all over the world. We hear about it so I'm not familiar with that a great length, but I do want to capitalize on what you did allude to as well surveillance.

I'm sure that my colleagues here can recall from the Coast Guard trip that we took at big Navy about three-four weeks ago and they made it public that they are the beneficiary of a drone in partnership, whether it's with the navy or a research firm or a private sector firm. Are you familiar with the Coast Guard and/or Navy's recent acquisition of a long-distance drone?

Mr. Dawley: Yeah, we actually host one of the companies. It's called a Sea Dragon Project. We actually host one of those companies in our facility.

Senator Castro: So I'm familiar with Sea Dragon and Sea Dragon actually is a hybrid program that has not just UAVs but also actual aircraft that patrols all of Micronesia for a conscripted price and, again, Mr. Chairman and the prime author, Senator Moylan, this actually has an economic upside because if we can develop the internal capacity as well as the equipment, there's actually a dollar value associated with this and that is so important. I'm sure Senator Kelly, when she gets her turn at the mic, is going to be able to underscore the need to surveil our territorial waters for illegal fishing, human and/or narcotics trafficking and I'll close with this: I know that, as a matter of fact, Ricky, if you're in a position to speak about it, please do that.

The development of Guam as a center of excellence for the aviation industry, in general, I don't think there was ever any talk about UAVS, at the time, to the best of my knowledge, happened at one time under the Gutierrez administration, and so there was a massive master plan that was put together. Can you speak a little bit to that in terms of, remember when they had the BRAC closures? I'm not sure if you're familiar but there was a master plan that was made public and they were supposed to house these facilities. I mean these types of operations and the reason why I would like, if you're in a position to speak to that, it stated for the record, is because it speaks, again, to a vision that was laying on the table 20 years/30 years ago but now in its latest iteration with this recent development of drones and UAVs, it might bring us full-circle with what we should have been doing a long time ago.

Dr. Hernandez: Yeah, I'm not familiar with if there's any study or plans back then during the BRAC late '90s but if I could, I do agree with you and I echo your sentiments that bringing everyone here to the table just to discuss this new industry is important and I just wanted to take the opportunity to just mention that the QC program is, in general, welcoming of these types of industries and depending on the application that we that submitted, commercial drone industry businesses could already apply under the services category if they provide a vitally needed service or generate economic activity and then as

well as create jobs and then one of the other five which is create economic value to Guam or to the territory. So, we welcome any of the businesses that are already interested to come in and work with GEDA to apply for a QC. It's not -- you're not prevented from doing so but what I think what the bill does is that it specifies a specific type of activity and the goal, really of, or at least the intent of the testimony provided is that the word that 'utilization' when we look at it, we look at it from a compliance perspective and how do we ensure that they're complying with certain requirements.

But as the QC program is written, it's pretty broad. We work with the individual companies and work out the requirements that they have in terms of what they are willing to accept and if they do, based on the QC requirements, then they go through that process to get it to the board level. So we're welcoming of all types of industries if they provide a vitally needed service and generate some economic activity where we welcome that and from the workforce development perspective, in terms of providing training programs or services, I think in terms of using the QC program for those types of services, I believe that there is another program that Guam law authorizes, which is a Guam-registered apprenticeship program. If a business is interested in getting a subsidy in terms of tax credits against their BPT that they might be paying, they can approach the Guam Department of Labor who administers that tax credit program, since we're talking about tax incentives. Part of the training for these registered apprentices is that they were able to pay for 50% of their or not pay for but receive tax credits for 50% of the not only salaries of these apprenticeships or these apprentices but also the training costs. And these are considered eligible costs. From creating and generating a new industry, getting the investment into Guam from off island or on island and then also generating or growing the workforce, there are programs set in law already, such as the QC program, in this case, and then the Guam registered apprenticeship program. With that program, you approach Guam Department of Labor, you get registered as a sponsor organization, if they don't have those types of apprenticeship programs already created, they work with the companies to create those programs and they have a pretty robust system over there at Department of Labor. So in terms of -- I bring these two up because these programs exist currently and I think that identifying them in policy and in creating the fiscal policy to identify these types of industries whether it's this or other types that might be contemplated, I think is something that's important and I think what Bill 217 does and, as we said it in testimony, is that it actually specifies and creates even more specific requirements, whereas in the current QC law of commercial drone industry business came in and applied under the services, you know there wouldn't be all the requirements that are in Bill 217. But so you know, we welcome any additional requirements that we would have to follow in the law as guidance but everyone's more than welcome to come in and speak with us. So, I appreciate that.

Mr. Dawley: Just a quick comment. I think you would have applications for drone companies if there was some guidance in the QC program for aviation and aerospace. It doesn't exist and so I think there's a hesitancy because of the time and cost involved in putting that together. Just a quick comment. Put it in the QC guidance and I guarantee you're going to see some applications. I know for a fact you will.

Chairman Ridgell: Thank you, Mr. Dawley. Mr. Castro?

Senator Castro: Thank you, Mr. Chairman. I do want to restate, for the record, my support of Senator Moylan's Bill 217, along with the suggested amendments, which would utilize a tax incentive to seed and mature a new industry in Guam of the prospect of creating additional jobs, perhaps even an upside to manufacturing education, research, development. Thank you, Mr. Chairman.

Chairman Ridgell: Thank you, Senator Castro. Senator Kelly Marsh Taitano.

Senator Kelly Marsh (Taitano): Si Yu'os ma'ase, Mr. Chair. First, I also want to state that, of course, I support the development of any new industry and it's good to hear what the QC programs are to be able to have that understanding and see the potential for them being able to qualify. And then for Mr. Dawley, your expert testimony has been very helpful in allowing us to understand quite a few issues in themselves so we've covered it a little bit but just for clarification, Mr. Hernandez, you were saying in the testimony from GEDA that nothing precludes an interested company from applying for a QC. Just to be able to understand if there was a drone company -- and I understand some of their hesitancy at the same time -- but they would be able to apply for a QC at this time, already.

Dr. Hernandez: Yes, if they fall under one of the categories or eligible activities, and the assumption here is that they would probably fall under the eligible activity of service, and then they provide or create employment and then they fall under one of the other requirements such as creating an economic activity of value to Guam

Senator Marsh (Taitano): Maolek. And it was also good to hear how you were saying that there's positive here in the bill where it creates those additional requirements, provide some guidance that isn't necessarily there and, as Mr. Dawley was saying, that things like this are, perhaps, going to be an additional attractant to those companies. So having specific reference to it in law, it sounds like it may, indeed, be able to assist for Mr. Dawley is that in, and I believe through your help, and si Yu'os ma'ase for having the vision and setting up the programs that we are seeing now at UOG and GCC. I'm sure that took quite a bit of work. So, thank you very much from the community for doing that sort of work, in having that kind of vision because you've probably looked into this quite a bit. You can help us understand some of these issues. Is it an impediment, at this point, to not yet have a defined protected airspace? I think there are some areas, to my understanding, that have definite boundaries of protection around the airport around the military bases but is that something that we need to be working on, is making sure that the entire island and our surrounding EEZ has an understanding of these protected air spaces and what's available or not?

Mr. Dawley: Yeah, absolutely, the air spaces that I was referring to are basically air spaces that are approved by the Federal Aviation Administration for mostly R&D type activities. I specifically refer to a huge block of airspace off the east side of the island, towards the west side and the southern and northern sides, those are protected air spaces for the military and Guam International Airport arrivals and departures. There are boundaries around each one of those areas that are protected. You are actually, believe it or not, allowed to operate in them by getting ad-hoc type approvals to the FAA. It's actually a fairly easy process to

get them reviewed and, in many cases, approved as long as it's not within flight boundaries and those type of things. Those are typically for kind of non-complex type operations, operations that we refer to as 'in visual line of sight'. So, the type of activities that I'm talking about are much more complex and require much bigger airspace authorizations.

The answer to your question is, 'Yes, we should convene some type of a group to understand what type of air spaces can be leveraged for these types of things. Any organization can come in and apply for a particular certificate of authorization but it has to have a justifiable means, has to have the resources, it has to have the people in place, the subject matter experts and the operators that know what they're doing. The FAA doesn't obviously award those type of approvals without deep investigation but, yeah, it's the real opportunities off the east side of the island and I'm talking about. So maybe hundreds of square-miles of air spaces that can be used for those type of activities.

Senator Marsh (Taitano): Another thing that I think would be helpful for us to understand is, we all realize that throughout the archipelago we're going through a heavy amount of militarization and we're part of a very large -- an extremely large Marianas islands testing and training area. So with all of that being said, do you see any of that as being an impediment or having some conflict that needs to, perhaps, be worked out with this type of air space usage and growth for the industry over time?

Mr. Dawley: No, I think that's going to be a huge advantage to Guam. The majority of your DOD contracts come from civilian operators. In order to be in a position to build a lot of those projects, you have to have the resources in place to do that. There are companies, now, that come over from the mainland. Right now, that's where all the business is coming from. I think the idea is to get them to relocate here or to build companies here that can do those type of things. I'm guessing Guam isn't going to become any less busy particularly on the military front and I'm guessing that much of the allocations from the government for civilian contracts for DOD-type activity are only going to increase exponentially and you're going to see a lot of -- right now we host a lot of helicopter activities from two of the biggest providers in the world that are flying missions back and forth between a lot of the Pacific fleet and whatnot basically in provisioning ships and all that. A lot of those activities are now being replaced by or will be replaced by unmanned activity. Those will be civilian providers. There's no reason that those civilian providers shouldn't be based here and shouldn't be manned by the local workforce.

Senator Marsh (Taitano): Right. Just to make sure that I've followed what you were saying -- so earlier you had stated that having the protected airspace, like being within an area such as here, perhaps, that additional protection is favorable to an industry like this and so just wanting to clarify -- like all of Tinian, I believe, they're now trying to or working at claiming all of that airspace. So, you're saying that you don't think between civilian companies and the military presence here, you don't think that there will be conflicts of airspace or growing restrictions?

Mr. Dawley: There's going to be a lot of conflicts in air spaces that -- when you talk about conflicts, I can't speak for Tinian and I'm not sure, specifically to what block of airspace

you're referring to. We're very familiar with the blocks of airspace that are protected by the military, now. Those are obviously dedicated blocks. To answer your question, civilian contractors that are working for the DOD will have full access to those if they're pertinent to the jobs that they're bidding on or that they're contracted for. For R&D type activities and the type of things that we're talking about under the 217, there is an immense amount of airspace separate from these air spaces: the military airspaces, the Guam International arrival and departure routes, those type of things a huge amount of airspace.

Senator Marsh (Taitano): And that's important to hear because with without your testimony, at least for myself, I don't know how to assess that larger set of airspace and I know that they do have very restricted airspace for the bases so it's important to hear it looks like there is enough airspace aside from that.

Mr. Dawley: Just for everyone, just general knowledge about those air spaces, if you go into faa.gov/unmanned, there's a host of links there and they also pertain to the air spaces out here that are closed, open all those type of things. They're all public resources. Sifting through them is quite a challenge unless you're in the business. It's overwhelming but the information is out there.

Senator Marsh (Taitano): And hence the importance of your expert testimony. So, thank you for that. Getting to the training, it was good to hear about the training, the classes that you said that are being set up at UOG and GCC so that answers a lot of thought.

Mr. Dawley: Not UOG. It's actually GCC, right now.

Senator Marsh (Taitano): Oh, GCC, right now but there's going to be growth at UOG was my understanding, is that correct or there's potential?

Mr. Dawley: There's potential, yeah. Right now, we're working directly with GCC.

Senator Marsh (Taitano): Okay, is there any other training that can occur outside of GCC? Are there any certification programs that would occur outside of it? Or is it better that it just works within GCC.

Mr. Dawley: That's our primary goal is to drive through GCC. Yeah, we are absolutely working outside of GCC. There's a number of -- everything from continuing education to the private institutions, companies that want to come over and train. We're partnered with one of the largest training providers in the United States, so they've got a huge clientele there. So, in addition to the GCC business which -- it's a substantial part of what we're going to do -- but there's a much bigger potential for training outside of that. We do have those pipelines, so our hope is to draw a lot of training students to the island for that, also.

Senator Marsh (Taitano): And it seems to fit in with some of our models throughout the Marianas, that we serve as testing or, not so much testing, but I mean training for pilots and so I can see how that fits in with some of what we're doing, already.

Mr. Dawley: Very critical to have.

Senator Marsh (Taitano): Yes. What numbers are you referring to when you're talking about us needing to have a talent pool? What numbers do you think we should be striving towards in attracting these industries?

Mr. Dawley: It certainly depends on the amount of industry that we attract here, and it depends on how complex the operations are and what type of support they're going to be needing. But in the hundreds.

Senator Marsh (Taitano): That's very helpful to understand that. So, hundreds sounds very good and then with GCC and the potential for UOG what is the length of these programs? Are we talking about your sort of AA or a four-year program?

Mr. Dawley: Well, the airline dispatched course that we're doing, it's actually a 200-hour course. Much of it's taught online. It's a semester course.

Senator Marsh (Taitano): Okay, so very attainable.

Mr. Dawley: The other is the design. Build the drone courses are much shorter. Those are several weeks -- three to four weeks -- but that's a basic course and then we're going to have add-on courses for customization of platforms, depending on that type of activities.

Senator Marsh (Taitano): Well, and it's very good to hear how attainable those are. When I heard UOG and GCC, I wasn't sure if it was two-year programs or four-year programs or the like. So that information is very useful to hear. Now, with that you know -- I do want to mention that I appreciate the visions of my colleagues, here, in a variety of ways and looking at different ways for Guam to be developing its economic potential. We've talked about diversifying for a very long time and it is important to be thinking about these issues and they're ones that are technologically-based so they don't necessarily impact some of the other industries -- like the environment -- which is so important for tourism or things like that. This industry, in many ways, is outside of that realm and it's a different realm. I do want to add on -- I'm sure there are many uses for having additional drone technology, here. So along with the illegal fishing, which is a concern throughout Micronesia, for sure but also as several of my colleagues and I, we went and visited the Coast Guard and they were talking about the ships that ply the waters of the entire Pacific with just tons and tons of drugs coming from various locations. So I wanted to add that on, as well, because we need all the assistance we can and getting a handle on some of that and hearing about those -- sorry, I'm going off-topic just for a second -- but hearing about the tons of cocaine and other types of drugs going throughout our islands and all of us islands trying to fight, it's a very, very disheartening and sobering thing to have to face. And we have to pull everything together that we can to fight it. And the Coast Guard, at least, did reassure us that they're really building up their defense. So, I think with the training, that covers most of my questions. In understanding that, do you think that there is any with what Mr. Hernandez was mentioning with apprentice programs, you think that that would be a strong part of a

program, then? That on-the-job training that are ready to go with certification and their education? But others can be apprenticed or further that through apprenticeships?

Mr. Dawley: Absolutely. We already have OJT programs with some of our sister companies going. The other thing, too, is our hope is that when students come out of these type of programs or whoever graduate from the programs with licenses, they'll also have the ability to build their own companies depending on what their interests are. Currently - - right now -- we have an on-the-job training program for graduates of the airline dispatch course where they'd work several weeks for one of the companies, we provide operational control for Philippine Airlines. So, they would get actual OJT on that so not only do they get their license and graduate certificates and licenses, they come out with a resume building experience. They can actually say we worked in operational control centers. As far as the drones go, our hope is first, we've got to attract those companies here so that we can get kids in a position to be interns and get OJT-type of -- that's the whole goal.

Senator Marsh (Taitano): Si Yu'os ma'åse' Mr. Chair for letting me ask several questions

Chairman Ridgell: Thank you Senator Kelly Marsh Taitano. Senator Moylan?

Senator James C. Moylan: Thank you, Mr. Chair, and my colleagues here, as well, and especially to the panel. Mr. Dawley, I understand you're in support of the bill and to make it stronger you're requesting that we also include the words of 'aviation' and 'aerospace' and you can see this really generates much more interest to it on top of the drone business, correct?

Mr. Dawley: That's correct, yeah. Particularly in the areas of trainings.

Senator Moylan: Okay. I believe one of the concerns is the Asian market -- is how important, is that lucrative, or will that be attractive for them to come here. I mentioned Philippine Airlines doing business with them and I believe that we also have another airline's Touch and Go practice on Guam, for quite some time. If we're able to attract the business is -- that we're discussing right now -- how would that benefit coming from the Asia side, please?

Mr. Dawley: Well, probably the most globally recognized study of aviation demand in the world comes from Boeing -- I think Boeing. You can go online. The Boeing 2019 studies forecasting demand for air services through the next decade have the Asian Pacific Rim by far and away, I think 30%/36% of all increased demand comes from this area, here by far and away. The ability to get an FAA certification, no matter where you are in a global level or where you live is the most highly desired certification, it's you're able to take those certifications back to home countries and get them co-validated for licenses and almost all of those countries. Maybe, with the exception of China. So, there is potential huge demand to attract those people to the island so global demand for these types of services is by far and away the most robust in this region. We sit, obviously, on the doorstep of Asia and the most attractive thing to the companies, whether they're in the business -- aviation, the airline unmanned drone or whatever -- is the fact that we're still under FAA jurisdiction so

we can actually reach out and touch those markets while still being in us jurisdiction, Federal Aviation jurisdiction. That is important because in order to conduct those activities, they have to be able to conduct oversight activities on a somewhat frequent basis. It's very important.

Senator Moylan: So, all within the FAA regulations, nothing foreign and just strictly following FAA regulations US standards. Okay. Thank you. There was also a concern or there is a possibility that this can be accomplished, now, but how this would actually help you is with this wording added to the QC. You sound like you're able to market this better. You can go out there and promote the product, as well, but by us adding this wording with the adjustments that you mentioned, aviation and aerospace into it with the drones. Right now, you and other folks on an island could be interested in selling this product, being another voice for GEDA to help GEDA promote businesses and the economy of Guam with this, specifically, saying in the law that, 'Yes this is all included.' So, it's a minor change that we can add but benefit, for you, would you consider that important?

Mr. Dawley: Oh, absolutely. Obviously, a big selling point is going to be the QC incentive. But for those companies that still are kind of on the fence, knowing that there's an educated and trained workforce out here is going to be even more critical, I think.

Senator Moylan: Thank you so much. Thank you to the panel. Thank you, Mr. Chairman.

Chairman Ridgell: Thank you, Senator Moylan, and thank you to the members of the panel this morning. That will conclude the public hearing on Bill 217-35 (COR).

The committee will continue to accept written statements on today's hearing within five business days from today which may be delivered to my office at 238 Archbishop Flores Street, Suite 906 at the DNA building in Hagåtña. Statements may also be submitted via email to sen.cridgell@teleguam.net, or you may send it via fax at 475-4768. This hearing is now adjourned at 10:36 a.m. Thank you.

The public hearing was adjourned at **10:36 am.**

III. FINDINGS & RECOMMENDATIONS

On February 11, 2020, the legislative Legal Bureau provided its review of Bill No. 217-35 (COR) as introduced, with recommendations for consideration to amend language providing definitions for *commercial drones*, *unmanned aerial vehicles*, or *unmanned aircraft systems*. The Committee consulted with the bill sponsor to review the recommendations for markup. The sponsor chose not to make any of the changes recommended by the Legal Bureau and has requested for the Committee to file the Committee Report for the bill as introduced.

The Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response hereby reports out Bill No. 217-35 (COR) —“An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to

Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam,” as introduced by James C. Moylan, with the recommendation **TO REPORT OUT ONLY**.

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

Bill No. 217-35 (COR)

Introduced by:

James C. Moylan 

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

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that with Guam's proximity to Asia, while we maintain the flag of the United States, we become an ideal destination for industries which focus on technology, aviation and aeronautics. Not only would enticing such entities to consider investing on Guam be beneficial in terms of stimulating our economy, but there would be a great prospect of job creation and global opportunities.

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

~~Commercial drones have expanded into an array of industries, many of which exist here on Guam. Industries such as construction, agriculture, survey~~

2019 OCT -9 AM 9:29 

1 engineering, utilities and telecommunications are such examples, and with marine
2 relocation and buildup, the opportunities to attract such entities to seek commerce
3 activity on island has never been more ideal. Commercial drone entities have also
4 been contracted to conduct infrastructure development and maintenance at costs
5 that would result in a significant savings for parties.

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

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

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

24 Further, by allowing such industries to apply for incentives may allow local
25 companies to either invest in such ventures, or seek our outside entities to do the
26 same. The greatest marketing tool to help manifest new industries on Guam would
27 be the commerce community on Guam.

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

3 “(r) commercial drone industry.

4 For the purposes of this Chapter:

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

10 (2) the commercial drone industry shall encompass the
11 research, development, training, education, manufacturing, wholesale,
12 retail or the utilization of commercial drones conducted on Guam,
13 nationally or internationally.

14 (3) to avail the qualifying certificate as defined in § 58104(r) of
15 this Chapter, the beneficiary shall be licensed to legally conduct
16 business on Guam, and any benefits awarded by the Guam Economic
17 Development Authority (GEDA) shall only be utilized on direct
18 business activity associated with the use of commercial drones.

19 (4) the beneficiary shall conform with all local and federal laws
20 and regulations associated with the use of commercial drones. Failure
21 to conform may result in the revoking of any benefits awarded under §
22 58104(r) of this Chapter.”

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

1 **Section 5. Effective Date.** The Act *shall* become effective upon enactment.

Senator Régine Biscoe Lee,
Chair

Senator Amanda L. Shelton,
Vice Chair

Speaker Tina Rose Muña Barnes,
Member

Vice Speaker Telen Cruz Nelson,
Member

Senator Kelly Marsh (Taitano), PhD,
Member

Senator Sabina Flores Perez,
Member



COMMITTEE ON RULES
I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
35TH GUAM LEGISLATURE

November 18, 2019

Senator Clynton E. Ridgell,
Member

Senator Joe S. San Agustin,
Member

Senator Jose "Pedro" Terlaje,
Member

Senator Therese M. Terlaje,
Member

Senator James C. Moylan,
Member

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

MEMO

To: Rennae Meno
Clerk of the Legislature

From: Senator Régine Biscoe Lee
Chair, Committee on Rules

Re: Fiscal Notes

Buenas yan Håfa adai.

Attached, please find the fiscal notes for the following bills:

Bill No. 217-35 (COR)
Bill No. 218-35 (COR)
Bill No. 224-35 (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
Fiscal Note of Bill No. 217-35 (COR)

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

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Economic Development Authority (GEDA)	Dept./Agency Head: Melanie Mendiola, Administrator
Department's General Fund (GF) appropriation(s) to date:	\$0
Department's Other Fund (Specify) appropriation(s) to date:	\$0
	\$0

Fund Source Information of Proposed Appropriation			
	General Fund:	Special Fund	Total:
FY 2019 Unreserved Fund Balance		\$0	\$0
FY 2020 Adopted Revenues	\$0	\$0	\$0
FY 2020 Appro. (P.L. 35-36)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2020 (if applicable)	FY 2021	FY 2022	FY 2023	FY 2024
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$0	\$0	\$0	\$0	\$0	\$0

1. Does the bill contain "revenue generating" provisions? / / Yes /X/ No
 If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A / / Yes / / No
 If no, what is the additional amount required? /X/ N/A
3. Does the Bill establish a new program/agency? /X/ Yes / / No
 If yes, will the program duplicate existing programs/agencies? /X/ N/A / / Yes / / No
 Is there a federal mandate to establish the program/agency? / / Yes /X/ No
4. Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X/ Yes / / No
 /X/ Requested agency comments not received by due date / / Other:

Analyst: Jose Salas Cruz, Jr., BMA II Date: 15 NOV 19 Director: Lester L. Carlson, Jr., Director Date: NOV 15 2019

1/ The Bill, if passed, would establish a commercial drone industry and provides the following: (1) Definition of what a commercial drone is; (2) states what the industry shall encompass; (3) how the entity shall qualify; and (4) administrative provisions and penalties for failure to conform to the requirements. Absent information from the Guam Economic Development Authority, the Bureau is unable to determine the overall impact on the Government of Guam, if an entity were to be granted a qualifying certificate. However, if an entity were to be granted a qualifying certificate, the Bureau notes that the use of tax credits may reduce the expected revenues due to the government. This is so as the filing of tax credits take priority over annual appropriations and may have an adverse effect on the government programs.



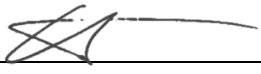
Clynton E. Ridgell

Senator – 35th Guam Legislature

*Committee on Economic Development, Agriculture, Maritime Transportation,
Power and Energy Utilities, and Emergency Response*

COMMITTEE VOTE SHEET

Bill No. 217-35 (COR) – “An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam,” as introduced by James C. Moylan.

SENATOR	SIGNATURE	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
Senator Clynton E. Ridgell Chairperson				✓		
Speaker Tina Rose Muña Barnes Vice Chairperson	e-Vote 10/08/2020			✓		
Senator Régine Biscoe Lee Member						
Senator Jose T. “Pedro” Terlaje Member	e-Vote 10/08/2020	✓				
Senator Therese M. Terlaje Member						
Senator James C. Moylan Member	e-Vote 10/08/2020	✓				
Senator Mary Camacho Torres Member						



Selina Onedera-Salas <sonedera-salas@guamlegislature.org>

Re: e-Vote: Committee Report on Bill No. 217-35 (COR)

1 message

Senator Pedro Terlaje <senatorpedo@senatorjpterlaje.com>

Thu, Oct 8, 2020 at 3:08 PM

To: Clynt Ridgell <clyntridgell@guamlegislature.org>

Cc: Selina Onedera-Salas <sonedera-salas@guamlegislature.org>, Senator James Moylan <senatormoylan@guamlegislature.org>, Senator Régine Biscoe Lee <senatorbiscoelee@guamlegislature.org>, Senator Senator Mary Camacho Torres <senatormary@guamlegislature.org>, "Senator Therese M. Terlaje" <senatorterlajeguam@gmail.com>, Speaker Tina Rose Muña Barnes <speaker@guamlegislature.org>

To do pass.

On Thu, Oct 8, 2020 at 2:19 PM Clynt Ridgell <clyntridgell@guamlegislature.org> wrote:

Håfa Adai, Committee Members:

Please see the attached file, or click on the link to access the [Committee Report for Bill No. 217-35 \(COR\)](#) - An Act to Add § 58104(r) to Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam, introduced by James C. Moylan.

 [Committee Report - Bill No. 217-35 \(COR\).pdf](#)

Please indicate your preferred action, based on the following options:

- To Do Pass;
- To Not Pass;
- To Report Out Only;
- To Abstain; or
- To Place in Inactive File.

Please submit your response **no later than 5:00 pm, Friday - October 9, 2020**. Your responses will be logged into the Committee Vote Sheet for Bill No. 217-35 (COR) as introduced by James C. Moylan, which will be filed with the Committee on Rules.

If you have any questions or concerns, please contact Selina Onedera-Salas via email at sonedera-salas@guamlegislature.org.

Si Yu'os ma'åse'

--

The Office of Senator Jose “Pedo” Terlaje

Committee on Public Safety, Border Safety,
Military and Veterans Affairs, Mayors’ Council,
Infrastructure, and Public Transit

35th Guam Legislature

I Mina'trentai Singko na Liheslaturan Guåhan

140 Aspinall Avenue Ste. 202 Hagatna, Guam 96910

Tel: (671) 989-5301/ 3218

Email: senatorpedo@senatorjpterlaje.com



Selina Onedera-Salas <sonedera-salas@guamlegislature.org>

Re: e-Vote: Committee Report on Bill No. 217-35 (COR)

1 message

James Moylan <senatormoylan@guamlegislature.org>
To: Clynt Ridgell <clyntridgell@guamlegislature.org>

Thu, Oct 8, 2020 at 3:26 PM

To do pass.

SYM.

--

JIM C. MOYLAN

Office of Senator James "Jim" C. Moylan
I Mina'trentai Singko na Liheslaturan Guåhan
35th Guam Legislature
DNA Bldg. Ste. 407 | [238 Archbishop FC Flores St.](#) | Hagatna, GU 96910
T: (671) 922/979 - MORE (6673)

On Thu, Oct 8, 2020 at 2:19 PM Clynt Ridgell <clyntridgell@guamlegislature.org> wrote:

Håfa Adai, Committee Members:

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Si Yu'os ma'åse'



Selina Onedera-Salas <sonedera-salas@guamlegislature.org>

Re: e-Vote: Committee Report on Bill No. 217-35 (COR)

1 message

Speaker's Office <speaker@guamlegislature.org>

Thu, Oct 8, 2020 at 4:54 PM

To: Clynt Ridgell <clyntridgell@guamlegislature.org>

Cc: Senator Régine Biscoe Lee <senatorbiscoelee@guamlegislature.org>, Senator James Moylan

<senatormoylan@guamlegislature.org>, Senator Jose Terlaje <senatorpedo@senatorjpterlaje.com>, "Senator Therese M. Terlaje"

<senatorterlajeguam@gmail.com>, Senator Senator Mary Camacho Torres <senatormary@guamlegislature.org>, Selina Onedera-

Salas <sonedera-salas@guamlegislature.org>

to report out only.



Sinseru yan Minagâhet,

Office of the Speaker • Tina Rose Muña Barnes

Committee on Public Accountability, Human Resources & the Guam Buildup

35th Guam Legislature

I Mina'trentai Singko na Liheslaturan Guáhan

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910

T: (671) 477-2520/1

speaker@guamlegislature.org

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Gumai pribilehu yan konfedensia este siha na mensâhi. Solo espesiátmente para hágu ma entsioña pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespátcha. Yanggen lachi rinisibu-mu nu este na mensâhi , put fabot ago' guatu gi I numa'huyong gi as speaker@guamlegislature.org yan despues destrosa todú siha I kopian mensâhi. Si Yu'os ma'âse'.

On Thu, Oct 8, 2020 at 2:19 PM Clynt Ridgell <clyntridgell@guamlegislature.org> wrote:

Håfa Adai, Committee Members:

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Si Yu'os ma'åse'