



Office of the Governor of Guam

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Felix Perez Camacho
Governor

Kaleo Scott Moylan
Lieutenant Governor

22 JUL 2005

The Honorable Mark Forbes
Speaker
Mina' Bente Ocho Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

Senator Edward J.B. Calvo SECRETARY OF THE LEGISLATURE ACKNOWLEDGEMENT RECEIPT	
Rcv'd by: <u>N. K. S.</u>	Print Name & Initial
Time: <u>11:05</u>	Date: <u>7-25-05</u>

Dear Mr. Speaker:

Transmitted herewith is Bill No. 100 (EC), "AN ACT TO REASSIGN RULEMAKING AUTHORITY AND CONTRACTING AUTHORITY AND TO REQUIRE AN ECONOMIC IMPACT STATEMENT FOR ADVANCE DISPOSAL FEES BY AMENDING TITLE 10 GCA SECTIONS 51505 AND 51507" which I signed into law on June 30, 2005, as **Public Law 28-58**.

Sinseru yan Magåhet,

FELIX P. CAMACHO
I Maga'låhen Guåhan
Governor of Guam

Attachment: copy attached of signed bill

cc: The Honorable Eddie Baza Calvo
Senator and Legislative Secretary

Office of the Speaker

MARK FORBES

Date: 7/25/05

Time: 8:00 AM.

Rec'd by: Con

Print Name: Mr. Quiche

28-05-0313

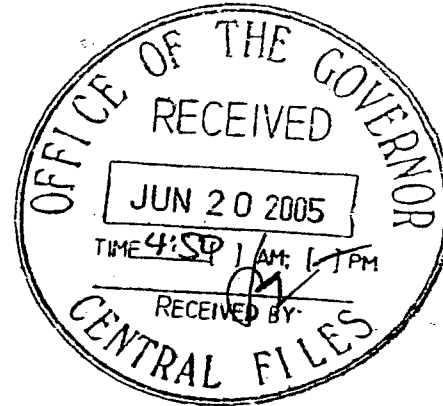
0314



MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE
155 Hessler Place, Hagåtña, Guam 96910

June 20, 2005

The Honorable Felix P. Camacho
I Maga'lahaen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910



Dear *Maga'lahi* Camacho:

Transmitted herewith are Bill Nos. 97(EC) & 103(LS); and Substitute Bill Nos. 41(EC), 46(EC), 59(EC), 61(EC), 69(EC), 77(EC), 87(LS), 100(EC), 112(EC), 119(EC), 122(EC), 128(EC) and 137(EC) which were passed by *I Mina'Bente Ocho Na Liheslaturan Guåhan* on June 17, 2005.

Sincerely,

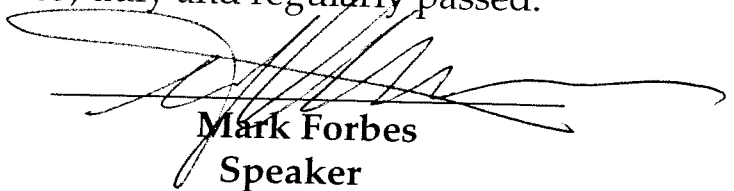
EDWARD J.B. CALVO
Senator and Secretary of the Legislature

Enclosures (15)

I MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN
2005 (FIRST) Regular Session

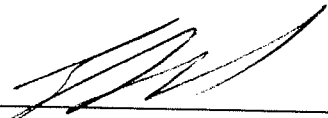
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Substitute Bill No. 100 (EC), "AN ACT TO REASSIGN RULEMAKING AUTHORITY AND CONTRACTING AUTHORITY AND TO REQUIRE AN ECONOMIC IMPACT STATEMENT FOR ADVANCE DISPOSAL FEES BY AMENDING TITLE 10 GCA SECTIONS 51505 AND 51507," was on the 17th day of June, 2005, duly and regularly passed.



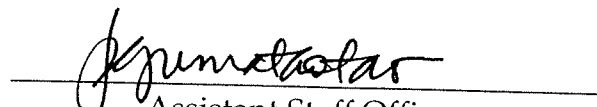
Mark Forbes
Speaker

Attested:



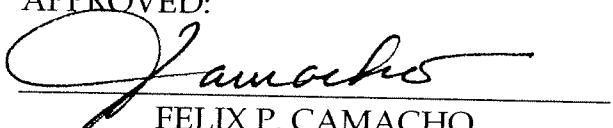
Edward J.B. Calvo
Senator and Secretary of the Legislature

This Act was received by *I Maga'lahaen Guåhan* this 20 day of June, 2005,
at 4:50 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:



FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: 6/30/05

Public Law No. 28-58

I MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN
2005 (FIRST) Regular Session

Bill No. 100 (EC)

As substituted by the Committee
on Finance, Taxation & Commerce,
and amended on the Floor.

Introduced by:

J. M.S. Brown
F. B. Aguon, Jr.
Edward J.B. Calvo
B. J.F. Cruz
Mike Cruz
Mark Forbes
L. F. Kasperbauer
R. Klitzkie
L. A. Leon Guerrero
J. A. Lujan
A. B. Palacios
R. J. Respicio
Ray Tenorio
A. R. Unpingco
J. T. Won Pat

**AN ACT TO REASSIGN RULEMAKING AUTHORITY AND
CONTRACTING AUTHORITY AND TO REQUIRE AN
ECONOMIC IMPACT STATEMENT FOR ADVANCE
DISPOSAL FEES BY AMENDING TITLE 10 GCA SECTIONS
51505 AND 51507.**

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

2 **Section 1. Title 10 GCA, Section 51505 is hereby *amended* to read:**

3 **“§51505. Collection of Recycling Fees. The Guam Customs and**
4 **Quarantine Agency shall collect the Recycling Fees mandated by this**
5 **Article on:**

1 (a) recyclable materials imported for resale, which come in at
2 the Jose D. Leon Guerrero Commercial Port of Guam, or any other
3 seaport in Guam, to be collected *prior* to release, *except* as otherwise
4 provided by this Act;

5 (b) recyclable materials imported for resale, which come in as
6 freight or unaccompanied baggage at the Antonio B. Won Pat
7 International Airport, Guam, or any other airport in Guam, to be
8 collected *prior* to release, *except* as otherwise provided by this Act; and

9 (c) recyclable materials imported for resale, which come in as
10 freight or accompanied baggage at the A.B. Won Pat International
11 Airport, Guam, or any other airport in Guam, to be collected *prior* to
12 release, *except* as otherwise provided by this Act.

13 The Guam Environmental Protection Agency is authorized to
14 promulgate rules and regulations in accordance with the Administrative
15 Adjudication Law to enforce the intent of this Law. In enacting the rules
16 and regulations required by this Section, GEPA shall comply with Title 5
17 GCA, Section 9301 regarding an economic impact statement. The
18 Bureau of Statistics and Plans shall perform said economic impact
19 statement at the request of GEPA so that GEPA may submit said
20 statement together with the regulations to *I Liheslaturan Guåhan*."

21 **Section 2. Title 10 GCA, Section 51507 is hereby *amended* to read:**

22 **"§51507. Authorization for DPW to Contract with Recycling**
23 **Companies.**

24 (a) The Department of Public Works is authorized, in
25 accordance with the applicable procurement laws, to enter into contracts

1 with recycling companies for the collection, recycling, and disposal of
2 automobiles, buses, heavy equipment, trucks, batteries, tires, white
3 goods, and other recyclable materials.

4 (b) Successful offerors for contracts authorized under this
5 Section shall perform all work under this Article in compliance with all
6 applicable laws, including those of this Chapter, and Rules and
7 Regulations of GEPA and the Department of Public Works as may be
8 established. At a minimum, the Department of Public Works shall
9 ensure that all offerors include, as part of their written offers, a plan to
10 remove collected recyclable materials, including abandoned vehicles,
11 from Guam's waste stream."

6

I MINA' BENTE OCHO NA LIHESLATURAN GUAHAN

2005 (FIRST) Regular Session

Date: 6/17/05

VOTING SHEET

SBill No. 100(EC)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M.S.	✓				
CALVO, Edward J.B.	✓				
CRUZ, Benjamin J.F,	✓				
CRUZ, Michael (Dr.)	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
KLITZKIE, Robert	✓				
LEON GUERRERO, Lourdes A.					✓
LUJAN, Jesse A.	✓				
PALACIOS, Adolpho B.	✓				
RESPICIO, Rory J.	✓				
TENORIO, Ray	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL

14 0 0 0 1

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence

Φ.L. 28-58



MINA BENTE OCHO NA LIHESLATURAN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

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155 Hessler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801
Facsimile: (671) 475-8805

May 26, 2005

The Honorable Mark Forbes
Speaker
Mina Bente Ocho na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

Håfa adai, Mr. Speaker:

The Committee on Finance, Taxation, and Commerce, to which **Bill No. 100 (EC): "An Act To Reassign Rulemaking Authority, And Contracting Authority And To Require An Economic Impact Assessment For Advance Disposal Fees By Amending Title 10, G.C.A. Sections 51505 And 51507"**, was referred, wishes to report its findings and recommendations **TO PASS** Bill No. 100 (EC), as substituted by the Committee.

The voting record for Bill No. 100 (EC) is as follows:

TO PASS	<u>5</u>
NOT TO PASS	<u>0</u>
TO REPORT OUT	<u>1</u>
ABSTAIN	<u>0</u>
TO PLACE IN INACTIVE FILE	<u>0</u>

Copies of the Committee Report and other pertinent documents are attached. Thank you for your attention in this matter. *Si Yu'os Ma'åse!*

Senator Edward J.B. Calvo



MINA' BEN E OCHO NA LIHESLATURAN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

E-Mail address: senatorcalvo@hotsheet.com
155 Hessler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801
Facsimile: (671) 475-8805

May 26, 2005

MEMORANDUM

To: Committee Members

From: Chairman, Committee on Finance, Taxation, and Commerce

Subject: Committee report on Bill 100 (EC), as substituted by the Committee

This memorandum is accompanied by the following:

1. Committee voting sheet
2. Public Hearing sign-in sheet
3. Notice of Public Hearing
4. Testimonies submitted



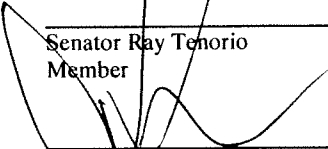
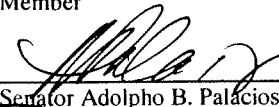
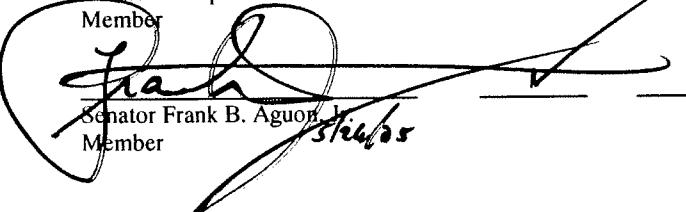
Please take the appropriate action on the attached voting sheet. Your attention and cooperation in this matter is greatly appreciated. Should there be any questions regarding this matter, please feel free to contact my office at 475-8801.

A handwritten signature in black ink, appearing to be "E. Calvo".

Senator Edward J.B. Calvo
Chairman

Committee Voting Sheet
Committee on Finance, Taxation, and Commerce
Office of Finance and Budget
Sinadot Edward J.B. Calvo, Ge'Hilo'

Bill No. 112 (EC): *An Act To Reassign Rulemaking Authority, And Contracting Authority And To Require An Economic Impact Assessment For Advance Disposal Fees By Amending Title 10, G.C.A. Sections 51505 And 51507, as substituted by the Committee.*

Committee Members	To Pass	Not to Pass	Report Out	Abstain	Inactive File
 Senator Edward J.B. Calvo Chairperson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Senator Lawrence F. Kasperbauer Vice Chairperson	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____ Speaker Mark Forbes Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____ Senator Antonio R. Unpingco Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____ Senator Ray Tenorio Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Senator Jesse A. Lujan Member	<input checked="" type="checkbox"/> 5/24/05	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Senator Adolpho B. Palacios Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Senator Frank B. Aguon Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



MINA' BEN OCHO NA LIHESLATURA GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

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Facsimile: (671) 475-8805

WAIVER OF FISCAL NOTE REQUIREMENT

In accordance with §9105 of Title 2 of the Guam Code Annotated, I hereby certify that prompt committee action on Bill No. 100 (EC) is necessary for the proper conduct of legislative business. Therefore, I am waiving the requirement for a fiscal note on Bill No. 100 (EC), as substituted by the Committee on Finance, Taxation, and Commerce.

A handwritten signature in black ink, appearing to read "E. Calvo".

Senator Edward J.B. Calvo
Chairman



MINA' BEN OCHO NA LIHESLATURA GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
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Committee Report on

Bill No. 100 (EC): An Act To Reassign Rulemaking Authority, And Contracting Authority And To Require An Economic Impact Assessment For Advance Disposal Fees By Amending Title 10, G.C.A. Sections 51505 And 51507, as substituted by the Committee on Finance, Taxation, and Commerce.

COMMITTEE ON FINANCE, TAXATION, & COMMERCE

OFFICE OF FINANCE and BUDGET

Bill No. 100 (EC) "AN ACT TO REASSIGN RULEMAKING AUTHORITY, AND CONTRACTING AUTHORITY AND TO REQUIRE AN ECONOMIC IMPACT ASSESSMENT FOR ADVANCE DISPOSAL FEES BY AMENDING TITLE 10, SECTION 51505 and 51507".

I. OVERVIEW

The Committee on Finance, Taxation & Commerce held a public hearing on Tuesday, April 19, 2005 at 2:00 p.m. in the Public Hearing Room of the Guam Legislature, Hagåtña, Guam.

Committee Chairman, Senator Edward J.B. Calvo commenced hearing at 2:15 p.m with welcoming remarks.

Senators Present:

Senator Edward J.B. Calvo, Chairman
Speaker Mark Forbes
Senator Larry F. Kasperbauer, Ph.D. Vice Chairman
Senator Adolpho B. Palacios, Sr.
Vice Speaker Joanne M. Brown
Senator Mike Cruz, M.D.
Senator Robert Klitzkie

II. TESTIMONY

The following is a summary of oral and written testimony provided during the hearing:

- **Mr. Fred Castro, Administrator, Guam Environmental Protection Agency**

Mr. Castro gave oral testimony in favor of Bill 100. He recommended that some sections be amended. The first, referenced an Economic Impact Statement, and Mr. Castro stated that there is not enough time to perform this requirement and meet the time-sensitive deadlines of the law. The other would have to do with Section 51507(c) which calls for replacing Guam Environmental Protection Agency (GEPA) with Department of Public Works to promulgate the necessary rules and regulations in accordance with the Administrative Adjudication process to properly implement this article. GEPA disagrees with the proposed changes to Section 51507. Mr. Castro stated that proposed rules and regulations are currently undergoing public review and is scheduled for a public hearing, in accordance with Section 51507(c) of Public Law 27-148.

Mr. Castro stated that GEPA should be the agency to promulgate and enforce the rules and regulations for the implementation of these laws, and DPW should be the agency implementing the solid waste management operations, to include the operations which GEPA will be responsible for regulating.

- **Mr. Mark Gagarin, Chief Engineer, Department of Public Works**

Mr. Gagarin gave oral and written testimony stating that while Section 51507(a) authorizes DPW to enter into a contract for the collection and disposal of recyclable materials, it does not give them the administrative authority for the recycling fees collected, and it implies that the funds remain with GEPA.. If DPW is responsible for operating and implementing the recycling program, then DPW should have the authority for the corresponding funds. He added that DPW should be allowed to use the funds for contracts entered into including funding for the program's administrative costs. The bill also proposes a three month proposal to submit an RFP to the legislature. The contractual services to be procured will be predicated on the rules and regulations which GEPA will promulgate and it will also be dependent on the amount of funds available. Mr. Gagarin asked that this be changed to allow DPW to submit a semi-annual or a quarterly report on the program's progress. The language of the RFP implies professional services and should be changed to a request for proposal or bid for a prequalification for prospective contractors. In 51507(c) requires to promulgation of rules and regulations, and DPW believes that this responsibility lies with GEPA, and should remain with GEPA.

- **Mr. Robert Maher, private citizen**

Mr. Maher presented a letter from the automobile, tire and battery associations presenting their unified opinion on Public Law 27-38. The organizations presented a proposal to add an annual assessment of \$25.00 to all vehicle registrations.

III. CONCLUSION:

Chairman Calvo stated that the committee would hold a roundtable meeting with all government and private entities which are impacted by this legislation to discuss any amendments to the legislation.

The hearing was adjourned at 2:45p.m.

IV. ROUNDTABLE FINDINGS AND CONCERNS:

(Please see attached minutes)

V. FINDINGS AND RECOMMENDATION:

The Committee recommends after conducting discussions with GEPA, DPW, GEDCA and the automobile dealers association to do pass Bill 100(EC) *as substituted* by the Committee on Finance, Taxation & Commerce.

ROUNDTABLE MEETING
ON
BILL 100(EC)

May 3, 2005
2:30P.M.

Present:

Senator Calvo, Introduction of roundtable participants
Vice Speaker Brown, Author of Bill and CNRUMA Chairwoman
Senator Bob Klitzkie
Senator Adolpho Palacios
Ricardo Blas, Guam Customs & Quarantine
Ralph Sgambelluri, Guam Customs & Quarantine
Gerald Aflague, Guam Customs & Quarantine
Helen Kennedy, Attorney Generals Office (GEPA)
Fred Castro, GEPA
Larry Perez, DPW
Anthony Sanchez, Bureau of Planning
Robert Hernandez, Atkins Kroll
Jeff Jones, Triple J
Joey Crisostomo, Cars Plus
Phillip Gerling, Nissan
Dan Camacho, Guam Automobile Dealers Association

Discussion:

Senator Calvo; concerns with his committee are the implementation of new fee schedule and the time tables that would be in effect. Another concern would be solving the issue of white goods being bought from the military and would the community have to pay for the disposal of these white goods.

Vice Speaker; we would like to address the critical concerns that we need to address. The concern from the automobile dealers with the upfront two hundred dollar fee from the time the vehicle is purchased to an annual fee that would be assessed to all vehicle registrations. This will be something that we can meet and try to work together and make this workable for the community. We will need to keep an open dialogue so that we can meet the time line which was put in the emergency bill to address the important issues at hand.

Fred Castro; GEPA has so far had 5 meetings with the various business sectors to collaboratively come submit to the committee a proposal that would be embodied with in a few weeks that is fully supported by both GEPA and the private businesses. With

regards to the vehicles we are currently looking at assessing new car buyers to be able to fund the recycling and collection of all vehicles to including the basic premise to the law which is all the junk vehicles out there. The problem that we are wrestling with is how we address the dispose of all the unserviceable appliances so that it's fair throughout the island. How do we also make it fair for our local vendors when implied in this if its not going to apply to the military AAFES and NEX may have an unfair advantage. We need to open up a dialogue with the Department of Defense components on Guam to see if there is a way we can strike a balance in the area of white goods.

Vice Speaker Brown; Bill 100 was introduced to clarify the duties in which was unclear as to who would do the Economic Impact Statements and the Rules and Regulations and who would execute the contracts with the businesses. Certain members of the community have expressed interest in the fees set forth for white goods such as should we charge the same fee for bigger refrigerators and smaller refrigerators. We should dialogue further to see if we can develop a sliding fee to address smaller white goods and larger white goods. We can also find out if we can or not charge a single fee for white goods like the automobile dealers approach to vehicles. We may need to simplify the process to assess a certain fee and will that be enough to address the white goods including the military. How do we go about the process so that it does not become a nightmare that would be costly and doesn't really facilitate what we want to do and importantly is it making it more complex for the consumers out there trying to purchase white goods or cars.

Robert Hernandez Atkins Kroll; Allowing the attaching of an annual disposal fee to the vehicle registration will allow for a consistent inflow of cash to the recycling fund. This fee will essentially raise an estimated amount of Two million dollars in the first year. There will be no need for a separate fee for tires and batteries which could be included with the proposed disposal fee attached to the registration. With the consideration of this annual disposal fee to the registration would be a steady flow of cash to address the collection and disposal of vehicles, tires and batteries.

Vice Speaker Brown; What would companies like Atkins Kroll who have programs that replace batteries and tires and ship them off-island, do when the disposal fees take in effect.

Mr. Hernandez; Well we would not stop this program is initiated by the manufacturer where we send containers out every month to the manufacturer for replacement.

Mr. Jeff Jones; The tire issue is a bit different compared to the battery companies. The tire companies do not have a manufacturer to collect all the used tires and replace them. The issues are different and the issue of inadequate means to dispose of tires we are just collecting the tires until a shredder is available.

Vice Speaker Brown; questioned where the tires were ending up. A few tire shops that charge for disposal of these tires but we do not know where they are going.

Mr. Fred Castro; stated there are is no viable market for the processed tires. With the current proposal from the automobile dealers there would be enough funding to deal with the tires. With the funds from the government will be able to go out and contract with private businesses the collection and disposal of the metals.

Mr. Larry Perez; There is going to be actual study needing to be done. With the pilot program for abandoned DPW has taken care of 1,200 vehicles costing about \$150,000.00 which comes out to about \$100 to \$125 dollars per vehicle for disposal. The price would drop dramatically if we were do a mass elimination of the vehicles on island.

Senator Calvo; questioned if the tasking DPW to promulgate the rules and regulations stated in the bill is a consensus with everyone in the room.

Mr. Fred Castro; In the original public law stated that GEDCA would promulgate the rules and regulations. The original public law stated GEPA to handle both the operational and the regulatory aspect of managing the recycling program which would be a conflict. It would best if DPW would assume the operational duties and GEPA to assume the regulatory duties.

Senator Calvo; The administrations stand point would be for DPW to administer the program.

Mr. Larry Perez; DPW will negotiate contracts for collection and disposal and assume only and administrating duty. We would rather not assume the function of collecting and disposal we would rather have it all outsourced completely to private companies.

Vice Speaker Brown; We would need to carefully walk through process and make sure that the private company have a general intake system so that residents do not have to wait for the next typhoon or drag the items out to the back road.

Senator Klitzkie; If we go the route of adding an additional fee to the vehicle registration there would be public outcry thinking this would be a scam. The original concept of this public law was for a recycling fee instead of the current bills intent.

Senator Palacios; Commends the automobile dealers with their proposed fee schedule. We should address the vehicles instead of the white goods so that we can get the program moving. We could also categorize the vehicles by their weight and asses an amount by each vehicles weight.

Mr. Fred Castro; with the comments from Senator Palacios we do need to look over the technical aspects of the program. I also believe that we should move forward with the automobile portion of the program and come back to better address the white goods.

Mr. Joey Crisostomo, Cars Plus; With the revenues from the proposal would bring in approximately Two Million dollars that would go to pay for all of the collection and removal of all the abandoned vehicles. With the future monies collected would pay for

public education and routine pick ups village wide. In the following years to allocate funding for an education process all from the fees collected which could reduce the negative pressure from the general public.

Senator Lujan; Expressed his concerns on enforcing the rules and regulations to those who operate recycling companies and also the involvement of the military's role with the program.

Thomas Sheldon, Air Force Legal Services Agency; gave an overview of the exemptions military personnel have from the soldiers and sailors act. He also gave an overview on the recycling step Andersen Air Force Base is required by federal law and military regulations.

Claire Cruz, GEDCA; proposed for an in-house economic impact assessment study rather than have a contractor to do an impact study so that the implementation of this law is not held back.

Senator Calvo; stated that the economic statement for the automobile part of the program should suffice and also be less tedious than a full economic impact assessment for the whole program.

Vice Speaker Brown; Questioned the agencies as to if they have any arguments as to their roles in the program, such as DPW to coordinate contracting, GEPA to formulate the rules and regulations and GEDCA preparing an in-house economic impact assessment. Also questioned the attorney generals office as to how we can consolidate the fees for white goods and the automobile?

Meeting adjourned 5:10p.m.



MINA' BENE OCHO NA LIHESLATURA GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

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COMMITTEE ON FINANCE, TAXATION & COMMERCE

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E-Mail address: senatorcalvo@hotsheet.com
155 Hesler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801
Facsimile: (671) 475-8805

April 19, 2005

Public Hearing Agenda:

1. **Bill 19 (LS):** An Act To Add New Item (36), Subsection K, Section 26203, Article 2, Chapter 26, Division 2, Title 11, Guam Code Annotated, For The Purpose Of Exempting The Application Of The Gross Receipt Tax From The Sale Of Medicine, Medical Supply And Medical Equipment.
2. **Bill 22 (EC):** An Act To Add To A New Item (5) To Subsection 26202. Of Article 2, Chapter 26, Division 2, 11GCA And A New Subsection (I) To Section 28106. Of Chapter 28, Article 2, Chapter 28, 11GCA, For The Purpose Of Exempting The Sale Of Medicine, Pharmaceuticals, Medical Equipment And Medical Supply, As Well As The Provision Of Medical Services From The Application Of The Gross Receipts Tax And To Remove The Application Of The Use Tax From The Importation Of Medical Equipment.
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Individuals wishing to submit verbal/written testimonies, please sign your name on the sign-in sheet available at the Legislative Staff Table.

April 19, 2005

The Honorable Joanne S. Brown, Vice Speaker
Chairperson, Committee on Natural Resources
Utilities and Micronesia Affairs
28th Guam Legislature
155 Hessler Place
Hagåtña, Guam 96910

The Honorable Edward J. B. Calvo, Senator
Chairperson, Committee on Finance
Taxation & Commerce
28th Guam Legislature
155 Hessler Place
Hagåtña, Guam 96910

Dear Vice Speaker Brown and Senator Calvo,

This letter represents the unified opinion of the Guam Automobile Dealers Association (GADA) as well as the vehicle tire and battery retailers whose names appear at the end of this document.

While we are collectively in support of recycling efforts, cleaning up our island and protecting our environment, and we also support the basic concepts proposed in Public Law 27-38, we have come to the conclusion that that law calls for a fee collection process that is extremely cumbersome and may make its objectives more difficult to achieve. During our discussions we came up with a plan that we believe will benefit the consumers, the government and our island. We respectfully propose that Public Law 27-38 be amended in the following manner:

Instead of involving the Guam Customs and Quarantine Agency in the collection of recycling fees for vehicles, tires and batteries, we propose that the Government of Guam add an annual non refundable assessment of \$25 to the registration of each vehicle for this purpose. This collection method has a number of advantages:

a. All vehicles registered (including those brought in by both the civilian and military communities) would be captured, not just the new vehicles, so more owners will contribute to the recycling process;

b. A higher amount of fees would be collected annually (93,882 vehicles registered in FY 2004 would have paid \$2,347,050 into the Recycling revolving Fund as opposed to 8,476 new vehicle owners who would have remitted \$ 1,695,200 less refunds). The larger amount would cover vehicle tires and batteries (industry average is one tire per year and one battery every two years per vehicle. This comes to \$281,646 (less refunds) collected to dispose of tires and \$234,705 (less refunds) collected to dispose of batteries).

c. The revenue stream would be much steadier and more predictable - year-to-year vehicle registrations have not varied more than 4% (FY'01 vs. FY'02) over the past 10 years, while year-to-year new vehicle sales have varied as much as 48% (FY'02 vs. FY'03).

d. The small excess in collections (it would have been \$ 135,499 in FY '04) could be utilized for a variety of purposes including offering more incentives to recycle, funding a recycling education program, funding additional clean-up programs, etc.

e. The impact to new car buyers would be spread over several years, while existing car owners would face a reasonable increase to their licensing fees, and more importantly, they would also contribute toward the recycling process.

f. There would be lower costs involved in administering the program because the Department of Revenue and Taxation already has a process to collect the fees.

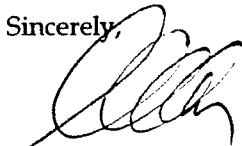
Senator Edward J. B. Calvo
ACKNOWLEDGEMENT
Rcv'd by: AKC
Print Name & In.

Time: 11:18
Date: 4-21-05

g. It would be a more streamlined process and would also be more practical and less expensive for government and businesses to implement.

Given the advantages of easier implementation, a more streamlined process, getting military vehicle owners to participate in cleaning up our island, reduced costs to the government and businesses, and more immediate and predictable cash flow versus Public Law 27-38, we feel that Guam will be cleaner should these amendments be made. We hope you agree and we will be happy to work with you on drafting the language to amend the Public Law.

Sincerely,



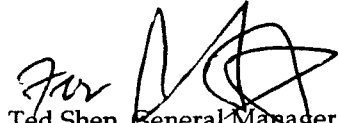
Dan Camacho, President
Guam Automobile Dealers Association



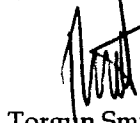
John Shen, General Manager
Prestige Automobiles



Vincent Cabrera, General Manager
Proline Automotive



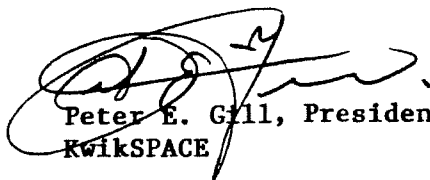
Ted Shen, General Manager
Good Year Tire Center



Torgun Smith, General Manager
Morrico Equipment LLC



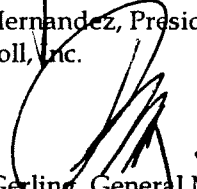
Paul F. Galvez, Vice President
Mark's Motors Co. Inc.



Peter E. Gill, President
KwikSPACE



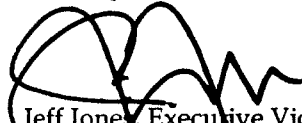
Robert J. Hernandez, President
Atkins Kroll, Inc.



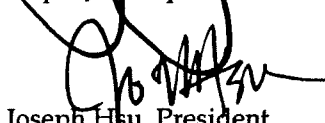
Philippe Gerling, General Manager
Nissan Motor Corp. Guam



Richard Bendel, Chief Finance Officer
Cars Plus



Jeff Jones, Executive Vice President
Triple J Enterprises



Joseph Hsu, President
United Tire

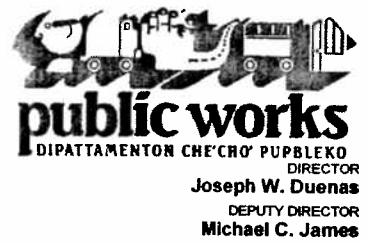


M.K. Rao, President
NAPA Auto Parts
Commercial Tire Center
Pacific Tyre
Mid Pac Far East



Leonard Kaae,
Black Construction

cc: Monte McDowell, Chamber of Commerce
All Senators, 28th Guam Legislature



22 APR 2005

Senator Edward J.B. Calvo, Chairman
Committee on Finance, Taxation & Commerce
Twenty Eight Guam Legislature
155 Hesler Street
Hagatna, Guam 96910

Reference: Bill 100 (EC) An act to Reassign Rulemaking Authority, and Contracting Authority for Advance Disposal Fees by Amending Title 10.

Dear Senator Calvo:

Thank you for the opportunity given us to orally testify on April 19 on the referenced Bill. We reiterate that we fully support the bill; however, our concerns on the bill are as follows:

- In Section 51507 (a), it transferred the contracting authority for the collection and disposal of automobiles, white goods, etc. from GEPA to DPW but it did not transfer the administrative authority for the recycling fees collected. It remains with the GEPA. If the DPW will have the operational responsibilities for implementing the recycling program, the DPW must also have the corresponding authority to use the funds for the proper implementation of the program.

GEPA is a regulatory body and has the responsibility in promulgating the rules and regulation of recycling program and it would be a conflict of interest if they also have the operational responsibility for its implementation. Controlling the expenditure of the funds for the program would be tantamount to controlling or dictating how the program will be implemented. Our position would be that if the GEPA has administrative authority over the funds then they might as well have the responsibility for contracting its implementation.

Also, the Bill mandates a specific timeline of 3 months for DPW to submit a propose Request for Proposal for the contracting of collection, recycling, and disposal of recyclable goods to the legislature upon enactment of the Bill. The contractual services to be procured will be predicated on the Rules and Regulations that has yet to be adjudicated by the GEPA. It will also be dependent on the amount and availability of advance fees collected. We ask that this requirement be changed to instead require the DPW to submit a semi-annual report to the legislature on the progress of the recycling program.


Sen. for Edward J.B. Calvo
ACKNOWLEDGEMENT RECEIPT
 Rcv'd by: Nikole
 Print Name & Initial
 Time: 10:25
 Date: 4-25-05

The language "Request for Proposal" should read "Request for Proposal or Bid", for the reason that proposals are generally used for professional services base on qualifications only and does not normally use pricing as determination for award. We envision using a two step sealed bidding procedure. The first step would be to pre-qualify contractors and the second step is the submittal price bids for the services. The process will insure prospective contractors are in the business of recycling and attain the economy of competitive sealed price bidding.

- In 51507 (c), it requires DPW to promulgate recycling Rules and Regulations. This authority should rest with the regulatory body, the GEPA, and should be deleted.

If you have any questions, please contact me or Marc A. Gagarin, P.E., Chief Engineer, at 646-3126

Sincerely



Lawrence P. Perez
Acting Director



MINA BENTE OCHO NA LIHESLATURAN GUAHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

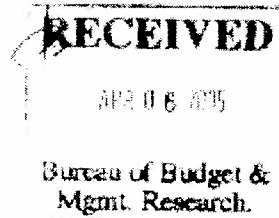
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155 Hesler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801
Facsimile: (671) 475-8805

April 04, 2005

MEMORANDUM



To: Mr. Carlos Bordallo, Acting Director
Bureau of Budget Management and Research

From: Chairman, Committee on Finance, Taxation, and Commerce

Subject: **REQUEST FOR FISCAL NOTES**

Pursuant to 2 GCA §9102, I respectfully request BBMR to prepare fiscal notes for the following measures:

- **Bill No. 95 (EC)**: An Act To Authorize The Director Of The Department Of Revenue And Taxation To Hire An Attorney To Represent The Department In Litigation Concerning The Affairs Of The Department And To Appropriate The Sum Of One Hundred Thousand Dollars For Such Purpose.
- **Bill No. 100 (EC)**: An Act To Reassign Rulemaking Authority, And Contracting Authority And To Require An Economic Impact Assessment For Advance Disposal Fees By Amending Title 10, G.C.A. Sections 51505 And 51507.
- **Bill No. 106 (LS)**: An Act To Appropriate The Sum Of Seven Hundred Forty-Five Thousand Dollars (\$745,000) From The General Fund To The Guam Fire Department For Personnel Expenses Such As Promotions, Specialty Pay And/Or Differential Pay, And Uniform Stipends.
- **Bill No. 109 (EC)**: An Act To Earmark The Proceeds Of The Sale Of GTA To Pay For Contributions Owed To The Government Of Guam Retirement Fund By The Department Of Education And Guam Memorial Hospital Authority.
- **Bill No. 112 (EC)**: An Act To Appropriate The Sum Of \$77,937 From The Department Of Agriculture's Plant Protection And Quarantine Revolving Fund To The Department Of Agriculture's Guam Plant Inspection And Permit Fund For The Purpose Of Carrying Out The Provisions Of Sections 22 And 23 Of Chapter V Of Public Law 27-29.

Attached are copies of the aforementioned bills for BBMR's analysis. The fiscal notes shall be provided to the Standing Committee within fourteen days from receipt of this request as required by 2 CCA §9105. Please call my office should you require additional information.

Si Yu'os Ma'áse'!



Senator Edward J.B. Calvo

Attachments



MINA BENTE OCHO NA LIHESLATURAN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

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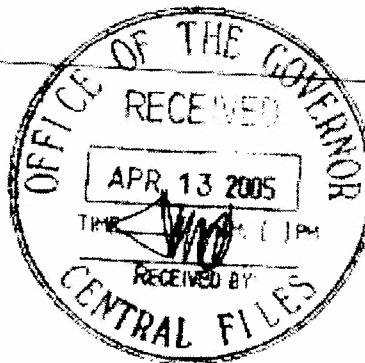
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Telephone: (671) 475-8801
Facsimile: (671) 475-8805

April 12, 2005

The Honorable Felix P. Camacho
I Maga'lahen Guåhan
Office of the Governor
P.O. Box 2950
Hagåtña, Guam 96932



Reference: Committee on Finance, Taxation, and Commerce Public Hearing

Håfa adai, Governor Camacho:

The Committee on Finance, Taxation, and Commerce has scheduled a public hearing on Tuesday, April 19, 2005, 2:00 p.m., at *I Liheslaturan Guåhan's* Public Hearing Room. The *Committee* will receive written and verbal testimonies from the Public regarding the following measures:

- **Bill 19 (LS):** An Act To Add New Item (36), Subsection K, Section 26203, Article 2, Chapter 26, Division 2, Title 11, Guam Code Annotated, For The Purpose Of Exempting The Application Of The Gross Receipt Tax From The Sale Of Medicine, Medical Supply And Medical Equipment.
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Copies of the aforementioned bills may be obtained at *I Liheslaturan Guåhan's* website, http://guamlegislature.com/28th_Guam_Legislature/Bills-Introduced-28th.htm The Committee encourages verbal testimony, however, written testimony is preferred and should be submitted to my office by 12 noon the day prior to the public hearing. I solicit any comments from any entity within the Executive Branch affected by these measures. Please make the appropriate arrangements with your cabinet. Should you be unable to attend, please contact my office at 475-8801 as soon as possible.

Si Yu'os Ma'åse'!


Senator Edward J.B. Calvo



MINA BENTE OCHO NA LIHESLATURAN GUÅHAN
 TWENTY-EIGHTH GUAM LEGISLATURE
Senator Edward J.B. Calvo
 SECRETARY OF THE LEGISLATURE

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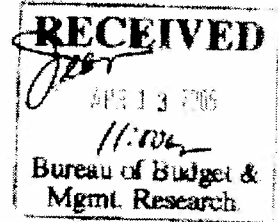
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 155 Hesler Street Hagåtña, Guam 96910

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 Facsimile: (671) 475-8805

April 12, 2005

Mr. Carlos Bordallo
 Director
 Bureau of Budget Management and Research
 P.O. Box 2950
 Hagåtña, Guam 96932



Reference: Committee on Finance, Taxation, and Commerce Public Hearing

Håfa adai, Mr. Bordallo:

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Si Yu'os Ma'åse'!



Senator Edward J.B. Calvo



MINA BENTE OCHO NA LIHESLATURAN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

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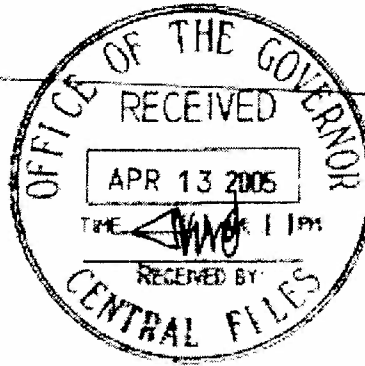
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April 12, 2005

Mr. Andy Jordanou
Chief Financial Advisor
c/o Office of the Governor of Guam
Ricardo J. Bordallo Governor's Complex
Hagåtña, Guam 96927



Reference: Committee on Finance, Taxation, and Commerce Public Hearing

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Si Yu'os Ma'åse'!



Senator Edward J.B. Calvo



MINA BENTE OCHO NA LIHESLATURAN GUAHAN
 TWENTY-EIGHTH GUAM LEGISLATURE
Senator Edward J.B. Calvo
 SECRETARY OF THE LEGISLATURE

Chairman
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 OFFICE OF FINANCE AND BUDGET

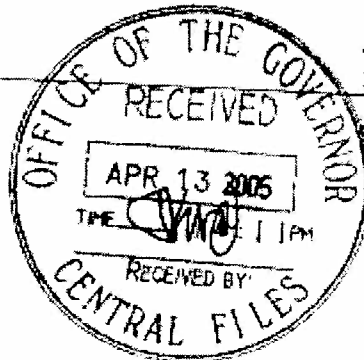
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April 12, 2005

Ms. Shannon Taitano
 Legal Counsel
 Office of the Governor of Guam
 Ricardo J. Bordallo Governor's Complex
 Hagåtña, Guam 96927



Reference: Committee on Finance, Taxation, and Commerce Public Hearing

Håfa adai, Ms. Taitano:

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- **Bill 67 (LS):** An Act Relative To Authorizing The Department Of Administration To Close Government Of Guam Financial Accounts Which It Considers No Longer Necessary And In Which Have Been Inactive Or Have Had No Transaction Activity For No Less Than One Year; Requiring That Any Fund Balances Identified In These Accounts Be Deposited Into The General Fund; And Further Requiring A Written Comprehensive Report On The Closure Of Such Accounts To *I Maga'låhen Gudhan*.
- **Bill 100 (EC):** An Act To Reassign Rulemaking Authority, And Contracting Authority And To Require An Economic Impact Assessment For Advance Disposal Fees By Amending Title 10, G.C.A. Sections 51505 And 51507.
- **Bill 112 (EC):** An Act To Appropriate The Sum Of \$77,937 From The Department Of Agriculture's Plant Protection And Quarantine Revolving Fund To The Department Of Agriculture's Guam Plant Inspection And Permit Fund For The Purpose Of Carrying Out The Provisions Of Sections 22 And 23 Of Chapter V Of Public Law 27-29.

Copies of the aforementioned bills may be obtained at *I Liheslaturan Gudhan's* website, http://guamlegislature.com/28th_Guam_Legislature/Bills-Introduced-28th.htm. The *Committee* encourages verbal testimony, however, written testimony is preferred and should be submitted to my office by 12 noon the day prior to the public hearing. Should you be unable to attend, please contact my office at 475-8801 as soon as possible.

Si Yu'os Ma'åse'



Senator Edward J.B. Calvo



MINA BENTE OCHO NA LIHESLATURAN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

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April 12, 2005

Ms. Lourdes Perez
Director
Department of Administration
P.O. Box 2950
Hagåtña, Guam 96932

Reference: Committee on Finance, Taxation, and Commerce Public Hearing

Håfa adai, Ms. Perez:

The Committee on Finance, Taxation, and Commerce has scheduled a public hearing on April 19, 2005, 2:00 p.m. at 1 Liheslaturan Guåhan's Public Hearing Room. The Committee will receive written and verbal testimonies from the Public regarding the following measures:


- **Bill 19 (LS):** An Act To Add New Item (36), Subsection K, Section 26203, Article 2, Chapter 26, Division 2, Title 11, Guam Code Annotated, For The Purpose Of Exempting The Application Of The Gross Receipt Tax From The Sale Of Medicine, Medical Supply And Medical Equipment.
- **Bill 22 (EC):** An Act To Add To A New Item (5) To Subsection 26202. Of Article 2, Chapter 26, Division 2, 11GCA And A New Subsection (I) To Section 28106. Of Chapter 28, Article 2, Chapter 28, 11GCA, For The Purpose Of Exempting The Sale Of Medicine, Pharmaceuticals, Medical Equipment And Medical Supply, As Well As The Provision Of Medical Services From The Application Of The Gross Receipts Tax And To Remove The Application Of The Use Tax From The Importation Of Medical Equipment.
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Si Yu'os Ma'åse'!


Senator Edward J.B. Calvo



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OFFICE OF FINANCE AND BUDGET

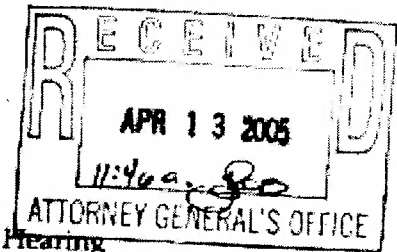
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Telephone: (671) 475-8801
Facsimile: (671) 475-8805

April 12, 2005

Attorney General Douglas B. Moylan
Attorney General of Guam
Hagåtña, Guam



Reference: Committee on Finance, Taxation, and Commerce Public Hearing

Håfa adai, Attorney General Moylan:

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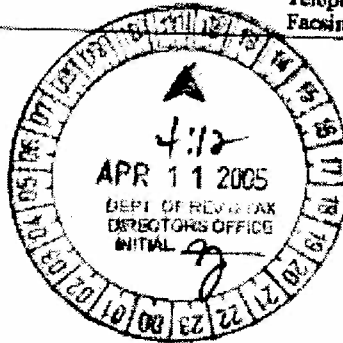
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Facsimile: (671) 475-8803

April 12, 2005

Mr. Artemio Illagan
Director
Department of Revenue and Taxation
13-1 Mariner Drive
Tiyan, Guam 96913



Reference: Committee on Finance, Taxation, and Commerce Public Hearing

Håfa adai, Mr. Illagan:

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Senator Edward J.B. Calvo



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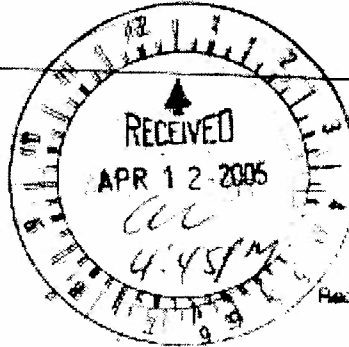
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April 12, 2005

Mrs. Doris Flores Brooks, CPA
Public Auditor
Office of the Public Auditor
PDN Building, Suite 401
238 Archbishop Flores Street
Hagåtña, Guam 96910



Received by Office of the
Public Auditor

Reference: Committee on Finance, Taxation, and Commerce Public Hearing

Håfa adai, Mrs. Brooks:

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