



Office of the Governor of Guam

P.O. Box 2950 Hagåtña, Guam 96932
TEL: (671) 472-8931 • FAX: (671) 477-4826 • EMAIL: governor@mail.gov.gu

Felix Perez Camacho
Governor

Kaleo Scott Moylan
Lieutenant Governor

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

23 DEC 2005

Dear Mr. Speaker:

Transmitted herewith is Bill No. 1(3-S), "AN ACT TO REPEAL PUBLIC LAW 28-35, TO AUTHORIZE THE USE OF THE PROCEEDS OF THE SALE OF GUAM TELEPHONE AUTHORITY (GTA) AND TO APPROPRIATE THE PROCEEDS OF THE SALE OF RURAL TELEPHONE BANK (RTB) STOCK IN ORDER TO FACILITATE PAYMENT OF A COST OF LIVING ALLOWANCE (COLA) TO GOVERNMENT OF GUAM RETIREES" which I signed into law on December 22, 2005, as Public Law 28-94.

Sinseru yan Magåhet,

[Handwritten signature of Felix P. Camacho]

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

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE
ACKNOWLEDGEMENT RECEIPT
Rcv'd by: N. Kolu
Print Name & Initial
Time: 3:12 Date: 12-29-05

Attachment: copy attached of signed bill

cc: The Honorable Eddie Baza Calvo
Senator and Legislative Secretary

Office of the Speaker

MARK FORBES

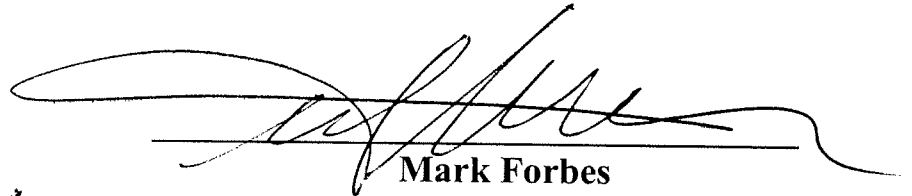
Date: 12/23/05
Time: 1:00 pm
Rec'd by: [Signature]
Print Name: [Signature]

28-05-0512

I MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN
2005 (THIRD) Special Session

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

This is to certify that Bill No. 1 (3-S), "AN ACT TO REPEAL PUBLIC LAW 28-35, TO AUTHORIZE THE USE OF THE PROCEEDS OF THE SALE OF GUAM TELEPHONE AUTHORITY (GTA) AND TO APPROPRIATE THE PROCEEDS OF THE SALE OF RURAL TELEPHONE BANK (RTB) STOCK IN ORDER TO FACILITATE PAYMENT OF A COST OF LIVING ALLOWANCE (COLA) TO GOVERNMENT OF GUAM RETIREES" was on the 22nd day of December, 2005, duly and regularly passed.



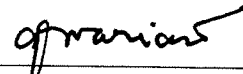
Mark Forbes
Speaker

Attested:



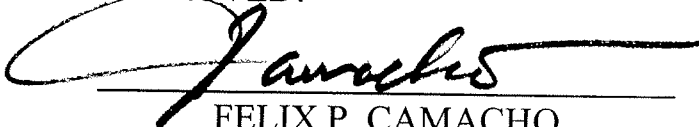
Edward J.B. Calvo
Senator and Secretary of the Legislature

This Act was received by *I Maga'lahen Guåhan* this 22nd day of December, 2005, at 1:05 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



FELIX P. CAMACHO
I Maga'lahen Guåhan

Date: 22 DEC 05

Public Law No. 28-94

MINA'BENTE OCHO NA LIHESLATURAN GUAHAN
2005 (THIRD) Special Session

Bill No. 1 (3-S)
As amended in the
Committee of the Whole.

Introduced by:

Committee on Calendar

*By request of I Maga'lahen
Guåhan in accordance with
the Organic Act of Guam, as
amended.*

**AN ACT TO REPEAL PUBLIC LAW 28-35, TO
AUTHORIZE THE USE OF THE PROCEEDS OF THE
SALE OF GUAM TELEPHONE AUTHORITY (GTA)
AND TO APPROPRIATE THE PROCEEDS OF THE
SALE OF RURAL TELEPHONE BANK (RTB) STOCK
IN ORDER TO FACILITATE PAYMENT OF A COST
OF LIVING ALLOWANCE (COLA) TO
GOVERNMENT OF GUAM RETIREES.**

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

2 **Section 1.** Public Law 28-35 is hereby *repealed*.

3 **Section 2.** Subsection 13(a) of Section 2 of Public Law 26-70 is
4 hereby *amended* to read as follows:

5 **“13. Disposition of Funds Received.**

6 (a) The funds received from the successful offeror as
7 compensation for the purchase of GTA, net of privatization
8 transaction expenses to consultants and advisors retained by
9 GTA in connection with the privatization and any liabilities
10 of GTA retained by GTA pursuant to the Privatization
11 Agreement(s), which shall be paid as directed by GTA, shall

1 be credited to the Guam Telephone Authority Privatization
2 Proceeds Fund, as defined in Subsection (b) of this Section;
3 *except* that, to the extent GTA is unable to secure sufficient
4 funds from the Cost Reimbursement Fund referred to in
5 Section 6(a) of the Task Force Action Plan to compensate *I*
6 *Liheslaturan Guåhan's* fairness advisor retained as
7 contemplated in § 5 of Public Law Number 24-36, as
8 amended by § 3 of Public Law Number 25-126, the balance
9 owed to *I Liheslaturan Guåhan's* fairness advisor shall be
10 deemed transaction expenses owed by GTA. To the extent
11 the Cost Reimbursement Fund exceeds the amount payable
12 to *I Liheslaturan Guåhan's* fairness advisor *prior* to closing,
13 such excess amounts shall be credited to GTA for payment
14 of GTA privatization transaction expenses.”

15 **Section 3.** Subsection 13(c) is hereby *added* to Section 2 of Public
16 Law 26-70 to read as follows:

17 **“13. Disposition of Funds Received.**

18 (c) The Rural Telephone Bank (RTB) stock held by the
19 Government of Guam is an asset of the old GTA that was
20 retained by the Government of Guam pursuant to the terms of
21 the Asset Purchase Agreement entered into with TeleGuam
22 Holdings, L.L.C. In accordance with legislation passed by
23 Congress and signed by the President in November 2005 and
24 the unanimous resolution of RTB’s board, the Rural Telephone
25 Bank is being liquidated and dissolved and all outstanding stock
26 of the RTB will be redeemed at par value. Seven Million Seven
27 Hundred Thousand Dollars (\$7,700,000.00) of the cash

1 received as a result of the redemption of Rural Telephone Bank
2 stock *shall* first be used to pay the unfunded liability of GTA's
3 Defined Benefit Plan as indicated in Government of Guam
4 Retirement Fund's letter to GTA Interim Transition
5 Coordinating Committee, dated May 11, 2005, and shall be
6 remitted immediately and directly to the Government of Guam
7 Retirement Fund. Notwithstanding any other section of law, *I*
8 *Maga'lahi* (the Governor) shall reinvest in short term
9 instruments the balance of all proceeds from redemption of the
10 RTB stocks within ten (10) days of receipt. The GTA Interim
11 Transition Committee is hereby divested of any authority over
12 said redemption proceeds, and shall execute all documents
13 necessary to expedite the actions mandated by this Act.
14 Expenditure of any amount of the redemption proceeds, or of
15 the interest or earnings on the investments made pursuant to
16 this Section, shall be only by legislative appropriation
17 subsequent to this Act."

18 **Section 4.** Four Million Two Hundred Thousand Dollars
19 (\$4,200,000.00) is hereby appropriated from the GTA Privatization
20 Proceeds Fund to the Government of Guam Retirement Fund towards
21 the unfunded liability of the GTA Defined Benefit Plan as indicated in
22 the Retirement Fund's letter to GTA Interim Transition Coordinating
23 Committee, dated May 11, 2005.

24 **Section 5.** *I Maga'lahaen Guåhan* is authorized to give a "Cost
25 of Living Allowance" (COLA) of One Thousand One Hundred
26 Dollars (\$1,100) per annuitant of the Government of Guam
27 Retirement Fund who is receiving an annuity as of December 15,

1 2005, payable from the Guam Telephone Authority Privatization
2 Proceeds Fund.

3 **Section 6.** The sum of Seven Million Seven Hundred
4 Thousand Dollars (\$7,700,000.00) is appropriated from the Guam
5 Telephone Authority Privatization Proceeds Fund to the Department
6 of Administration for the Cost of Living Allowance authorized herein.
7 *If* this entire appropriation is *not* used for the COLA, the balance *shall*
8 *revert* to the GTA Privatization Proceeds Fund.

I MINA' BENTE OCHO NA LIHESLATURAN GUAHAN

2005 (FIRST) Regular Session
third special

Date: 12/22/05
Thursday

VOTING SHEET

Bill No. 1 (3-S)
Resolution No. _____
Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M.S.	✓				
CALVO, Eddie J.B.	✓				
CRUZ, Benjamin J.F,					EA ✓
CRUZ, Mike (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 12 2 0 0 1

CERTIFIED TRUE AND CORRECT:

Patricia C. Santos
Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence

P.L. 28-94



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Felix Perez Camacho
Governor

Kaleo Scott Moylan
Lieutenant Governor

DATE: December 19, 2005

Office of the Speaker

MARK FORBES

Date: 12-20-05

Time: 9:40

Rec'd by: [Signature]

Print Name: [Signature]

MEMORANDUM

TO: Speaker
28th Guam Legislature
FROM: Executive Secretary
GTA Interim Transition Coordinating Committee
SUBJECT: Request for GTA Proceeds Information

Below please find the subject information. I am available for further elaboration or clarification if needed.

GTA TRANSITION ACCOUNT SUMMARY

Table with 2 columns: Description and Amount. Rows include Purchase Price, RUS Loan Payment, Premium Fee, Employee Benefits, Litigation, Environmental, GMH, Attorneys Fees, Retained Liabilities, Pending Litigation, Purchase Price Adjustment, TOTAL AVAILABLE, Promissory Note, TOTAL AVAILABLE CASH, Mental Health Appropriation, Retirement Unfunded Liability, Supplemental/Medical/Dental, TOTAL DISCRETIONARY CASH.



I MINIBENTE OCHO NA LIHESLATURAN GUÅHAN
I Ufisinan Etmås Ge'helo' Gi Liheslaturan Guåhan

MARK FORBES

Ge'hilo' Gi Kumiten Kinalamten Kåsu SihaYan Kabåles
Ge'hilo' Gi Kumiten Ekseketibu

December 16, 2005

MEMORANDUM

TO: All Senators
FROM: Mark Forbes, Speaker
Subject: **Special Session**

I hereby call *I Liheslaturan Guåhan* into special session on Monday, December 19, 2005, at 2:00 p.m. in the Legislative Session Hall.

Dångkolo na si Yu'os ma'åse' for your cooperation and attention to this matter.

Put Respetu,

MARK FORBES
Speaker

Enclosure

cc: Legislative Counsel
Father Eric Forbes, OFM, CAP, Chaplain
Sergeant-at-Arms
Clerk of the Legislature
Audio and Video Section
MIS
Executive Director
All Media



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Felix Perez Camacho
Governor

Kaleo Scott Moylan
Lieutenant Governor

Date: 12/16/05
Time: 3:30
Rec'd by: [Signature]
Print Name: [Signature]

16 DEC 2005

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

Yesterday, I transmitted proposed legislation that would authorize the use of a portion of the proceeds of the sale of the Guam Telephone Authority to pay the Cost of Living Allowance for our government retirees. Today, it has been introduced as Bill No. 241.

After further discussion between our offices, it was ascertained that it would be in the best interest to call a special session to expeditiously pass this measure into law.

The payment of the Cost of Living Allowance (COLA) to Government of Guam retirees is important to sustaining the livelihoods of those who unselfishly served our people. COLA payments in recent years have been difficult as the cash position of this government has seen fluctuations due to natural disaster or events beyond our control. Although current budget law identifies lapsed funds to pay out COLA payments, this does not equate to real cash.

The proposed legislation that I ask you and your colleagues to consider addresses the current situation facing COLA payments. The proposed legislation would utilize a portion of the proceeds from the Guam Telephone Authority sale to pay the COLA to our retirees.

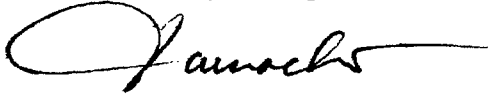
I have been notified by the Executive Secretary of the Interim Transition Coordinating Committee that the Committee expects TeleGuam to transfer at least \$17 million into our Government's local bank account in the coming weeks. Although some of these funds are committed pursuant to Public Laws 28-64 and 28-65, I have been assured that there will be sufficient funds available to pay the COLA as obligated in the Budget Act for Fiscal Year 2006.

I ask for your consideration of my proposed legislation which I believe will benefit all government of Guam employees and those public servants that have come before them. It is the right thing to do as policy makers to give our retirees what they have been promised by their Government and I encourage you and your colleagues to support this measure as it identifies a funding source.

Honorable Mark Forbes,
Speaker
I Mina' Bente Ocho Na Liheslaturan Guahan
Page 2

For the foregoing reasons, I call for a special session of I Mina' Bente Ocho Na Liheslaturan Guahan to convene Monday, December 19, 2005 at 2 p.m. as it is in the public's interest to expeditiously pass Bill No. 241.

Sinseru yan Magâhet,



FELIX P. CAMACHO
I Maga'lâhen Guâhan
Governor of Guam

Office of the Governor of Guam

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Felix Perez Camacho
Governor

Kaleo Scott Moylan
Lieutenant Governor

15 DEC 2005

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

Hafa Adai! Transmitted herewith is proposed legislation that would authorize the use of a portion of the proceeds of the sale of the Guam Telephone Authority to pay the Cost of Living Allowance for our government retirees.

The payment of the Cost of Living Allowance (COLA) to Government of Guam retirees is important to sustaining the livelihoods of those who unselfishly served our people. COLA payments in recent years have been difficult as the cash position of this government has seen fluctuations due to natural disaster or events beyond our control. Although current budget law identifies lapsed funds to pay out COLA payments, this does not equate to real cash.

As such, it is critical for us to work together to find an alternate funding source to address this concern. I have instructed members of my Administration to work with your office to identify the funds moving forward to help current and future retirees.

In the meantime, I have proposed legislation that I ask you and your colleagues to consider to deal with the current situation facing COLA payments. The proposed legislation would utilize a portion of the proceeds from the Guam Telephone Authority sale to pay the COLA to our retirees and I have been notified by the Executive Secretary of the Interim Transition Coordinating Committee that the Committee expects TeleGuam to transfer at least \$17 million into our Government's local bank account in the coming weeks. As you know, \$5 Million was already transferred into the account but was subsequently forwarded to the Guam Memorial Hospital via Public Law 28-64. With the upcoming transfer, that would bring it to a total of \$22 Million. However, \$2.5 will go to the Department of Mental Health and Substance Abuse as per your direction. This will leave approximately \$14.5 Million in the account which is more than enough to pay the COLA obligation.

493

Office of the Speaker

MARK FORBES

Date: 12/15/05

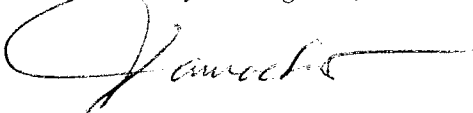
Time: 4:05 pm

Rec'd by: Janice

Print Name: _____

I ask for your consideration of my proposed legislation which I believe will benefit all government of Guam employees and those public servants that have come before them. It is the right thing to do as policy makers to give our retirees what they have been promised by their Government and I encourage you to call your colleagues into Special Session pursuant to Section 4.02.01 of *I Mina Bente Ocho Na Liheslaturan Guahan* Standing Rules to deal with this crucial matter.

Sinseru yan Magâhet,

A handwritten signature in black ink, appearing to read 'F. Camacho', with a long horizontal flourish extending to the right.

FELIX P. CAMACHO
I Maga'lâhen Guâhan
Governor of Guam

MINA BENTE OCHO NA LIHESLATURAN GUAHAN
2005 (FIRST) Regular Session

Bill No. _____

Introduced by:

*By request of I Maga'lahaen
Guåhan in accordance with
the Organic Act of Guam*

AN ACT TO AUTHORIZE THE USE OF THE PROCEEDS OF THE
SALE OF GTA FOR THE COST OF LIVING ALLOWANCE (COLA) BY
AMENDING SECTION 109 OF CHAPTER IV OF PUBLIC LAW 28-68,
THE GENERAL APPROPRIATIONS ACT OF FISCAL YEAR 2006

1 BE IT ENACTED BY THE PEOPLE OF GUAM:


2 Section 1. Section 109 of Chapter IV of Public Law 28-68 is hereby amended
3 to read as follows:

4 *I Maga'lahaen Guåhan* is authorized to give a "Cost of Living Allowance"
5 (COLA) of up to One Thousand One Hundred (\$1,100) per annuitant of the government
6 of Guam Retirement Fund and may further adjust supplemental annuity capitations, from
7 the Guam Telephone Authority Privatization Proceeds Fund ~~subject to the availability of~~
8 ~~funds and the sufficiency of prior years lapsed appropriations, as determined by~~ *I*
9 *Maga'lahaen Guåhan.*

MINA BENTE OCHO NA LIHESLATURAN GUAHAN
2005 (FIRST) Regular Session

Bill No. 241 (EC)

Introduced by:


Committee on Calendar
*By request of I Maga'láhen
Guåhan in accordance with
the Organic Act of Guam*

**AN ACT TO AUTHORIZE THE USE OF THE PROCEEDS OF THE
SALE OF GTA FOR THE COST OF LIVING ALLOWANCE (COLA) BY
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7 the Guam Telephone Authority Privatization Proceeds Fund ~~subject to the availability of~~
8 ~~funds and the sufficiency of prior years lapsed appropriations, as determined by I~~
9 *Maga'láhen Guåhan.*