



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

OCT 06 1997

OFFICE OF THE LEGISLATIVE SECRETARY

ACKNOWLEDGMENT RECEIPT

Received By DSF

Time 11:45am

Date 10-7-97

**Refer to
Legislative Secretary**

The Honorable Antonio R. Unpingco
Speaker
Twenty-Fourth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Agana, Guam 96910

Dear Speaker Unpingco:


Enclosed please find a copy of Substitute Bill No. 291 (COR), "AN ACT TO ADD A NEW §5001(f) TO PART A, ARTICLE 1, DIVISION 1, CHAPTER 5 OF TITLE 5 GUAM CODE ANNOTATED, RELATIVE TO MANDATING THAT ALL PURCHASES MADE FOR GOVERNMENT TRAVEL AUTHORIZATION MUST BE ROTATED FAIRLY AND COMPETITIVELY AMONG ALL LICENSED TRAVEL AGENCIES OPERATING IN GUAM.", which I have signed into law today as **Public Law No. 24-85**.

This legislation adds a procurement policy to the Guam Procurement Laws, stating that rotating of travel business take place for government travel to all licensed travel agencies operating in good standing in Guam.

It is very desirable that this policy be explicitly stated. It will discourage any drifting into patterns that may occur when various travel arrangements are made throughout the government. All businesses on Guam should have an equal chance to prosper from the economic use of the taxpayer's dollars.

There are provisions in the policy that the agencies used by the government be in good standing and currently licensed. This will ensure that government business is conducted with duly licensed agencies that will be qualified to deliver the necessary services. There are also provisions to adopt rules and regulations for travel agency business. This will clarify any questions on how the rotating is to be carried out.

Very truly yours,


Carl T. C. Gutierrez
Governor of Guam

Attachment

cc: The Honorable Joanne M. S. Brown
Legislative Secretary

00467

Office of the Speaker
ANTONIO R. UMPINGCO
Date: 10/7/97

Time: 0930am

Rec'd by: [Signature]

Print Name: Charterl Mone

TWENTY-FOURTH GUAM LEGISLATURE
1997 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 291 (COR), "AN ACT TO ADD A NEW §5001(f) TO PART A, ARTICLE 1, DIVISION 1, CHAPTER 5 OF TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO MANDATING THAT ALL PURCHASES MADE FOR GOVERNMENT TRAVEL AUTHORIZATION MUST BE ROTATED FAIRLY AND COMPETITIVELY AMONG ALL LICENSED TRAVEL AGENCIES OPERATING IN GUAM," was on the 15th day of September, 1997, duly and regularly passed.



ANTHONY C. BLAZ
Acting Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

.....
This Act was received by the Governor this 24th day of September, 1997, at
5:00 o'clock P.M.



Assistant Staff Officer
Governor's Office

APPROVED:



CARL T. C. GUTIERREZ
Governor of Guam

Date: 10-6-97

Public Law No. 24-85

TWENTY-FOURTH GUAM LEGISLATURE
1997 (FIRST) Regular Session

Bill No. 291 (COR)

As substituted by the Author and
as amended on the Floor.

Introduced by:

A. C. Blaz
Felix P. Camacho
A. C. Lamorena, V
T. C. Ada
F. B. Aguon, Jr.
E. Barrett-Anderson
J. M.S. Brown
Francisco P. Camacho
M. C. Charfauros
E. J. Cruz
W. B.S.M. Flores
Mark Forbes
L. F. Kasperbauer
C. A. Leon Guerrero
L. Leon Guerrero
V. C. Pangelinan
J. C. Salas
A. L.G. Santos
F. E. Santos
A. R. Unpingco
J. Won Pat-Borja

**AN ACT TO ADD A NEW §5001(f) TO PART A,
ARTICLE 1, CHAPTER 5, DIVISION 1 OF TITLE 5
OF THE GUAM CODE ANNOTATED, RELATIVE
TO MANDATING THAT ALL PURCHASES MADE
FOR GOVERNMENT TRAVEL AUTHORIZATION
MUST BE ROTATED FAIRLY AND
COMPETITIVELY AMONG ALL LICENSED
TRAVEL AGENCIES OPERATING IN GUAM.**

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

2 **Section 1. Legislative Findings and Intent.** The Guam Legislature
3 finds that the government of Guam spends nearly Four Million Dollars
4 (\$4,000,000) in air travel annually. Commissions paid by the airline
5 companies on air travel purchases of Four Million Dollars (\$4,000,000) to local
6 travel agencies can easily amount to nearly Four Hundred Thousand Dollars
7 (\$400,000.00). While the government of Guam must employ cost cutting
8 measures throughout the government of Guam, including the legislative,
9 judiciary and executive branches, and all autonomous and semi-autonomous
10 agencies, it must, at the same time and equally as important, insure that those
11 local travel agency businesses, on good standing, with valid business licenses,
12 is guaranteed the opportunity to a fair and competitive share of the travel
13 business from the government of Guam.

14 **Section 2.** Section 5001(f) of Part A, Article 1, Chapter 5, Division 1 of
15 Title 5 of the Guam Code Annotated is hereby added to read as follows:

16 “(f) Notwithstanding any other provisions of law, procurement of
17 air travel vouchers by the government of Guam, including the
18 legislative, judiciary and executive branches, and all autonomous and
19 semi-autonomous agencies, including the A. B. Won Pat Guam
20 International Airport Authority, the Guam Telephone Authority, the
21 Guam Power Authority, the Guam Housing & Urban Renewal
22 Authority, the Guam Housing Corporation, the Guam Economic
23 Development Authority, the Guam Memorial Hospital Authority, the
24 University of Guam, the Port Authority of Guam, the Guam Rental
25 Corporation, the Guam Community College, the Guam Water Works

1 Authority, the Government of Guam Retirement Fund, the Guam Mass
2 Transit Authority, the Guam Visitor's Bureau, the Public Defenders
3 Service Corporation, the Guam Educational Telecommunication
4 Corporation, the Guam Election Commission, the Civil Service
5 Commission, the Department of Education, the Guam Environmental
6 Protection Agency and the Guam Vocational Rehabilitation, from local
7 travel agencies with valid business license and on good standing with
8 the Department of Revenue and Taxation shall be rotated fairly and
9 competitively to insure that no single travel agency or a small group of
10 travel agencies monopolize the sale of air travel vouchers to the
11 government of Guam. The Director of the Department of
12 Administration, who shall be responsible in administering this Act as it
13 applies to the executive branch, with representatives from the executive,
14 judiciary and legislative branches shall be responsible, within ninety
15 (90) days from the enactment of this Act, for the development of the
16 necessary rules and regulations to insure that the intent of this Act is
17 followed and implemented by all branches and agencies of the
18 government of Guam and pursuant to the Administrative Adjudication
19 Law. Each branch of the government of Guam, executive, legislative
20 and judiciary, shall be responsible in implementing and adhering to the
21 rules and regulations developed herein in their own respective
22 branches. Failure to procure air travel voucher following the rules and
23 regulations developed herein shall invalidate and render the approved
24 travel authorization null and void and any expenditure shall be
25 completely and totally the responsibility of the traveler and any

1 expenditure the government of Guam incurred shall be reimbursed by
2 the respective traveler. The traveler shall not be reimbursed in any
3 manner whatsoever for any of these expenditures. Anyone authorizing
4 such reimbursement shall be guilty of fraud and shall be prosecuted to
5 the fullest extent of the law."



T W E N T Y • F O U R T H
GUAM LEGISLATURE

Senator Felix P. Camacho

Chairman, Committee on Power, Foreign Affairs and General Government Services

155 Hesler Street
Agana, Guam 96910

✓
Tel. (671)
472-3505 / 6

Fax. (671)
472-9747

September 15, 1997

The Honorable
Antonio R. Unpingco
Speaker, 24th Guam Legislature
Agana, Guam

via: Committee on Rules

Dear Mr. Speaker:

The Committee on Power, Foreign Affairs & General Government Services, to which was referred **Bill No. 291** "An act to amend §5001, Part A, Article 1, Division 1, Chapter 5, Title 5 Guam Code Annotated, by adding a new §5001(f) relative to mandating that all purchases made for government travel authorization must be rotated fairly and competitively among all licensed travel agencies operating in Guam" as substituted by the author with the recommendation **TO DO PASS**.

Votes of committee members are as follows:

<u>8</u>	To Pass
<u> </u>	Not To Pass
<u> </u>	To The Inactive File
<u> </u>	Abstained
<u> </u>	Off-Island
<u>6</u>	Not Available

Sincerely,

Felix P. Camacho






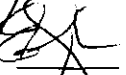


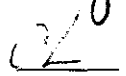
Attachments

**COMMITTEE ON POWER, FOREIGN AFFAIRS
& GENERAL GOVERNMENT SERVICES
TWENTY-FOURTH GUAM LEGISLATURE
155 Hesler Street, Agana, Guam 96910**

Chairman: Senator Felix P. Camacho Vice Chairman: Senator Lawrence F. Kasperbauer Ex-Officio Member: Speaker Antonio R. Unpingco
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VOTING SHEET ON:

Bill No. 291 "An act to amend §5001, Part A, Article 1, Division 1, Chapter 5, Title 5 Guam Code Annotated, by adding a new §5001(f) relative to mandating that all purchases made for government travel authorization must be rotated fairly and competitively among all licensed travel agencies operating in Guam"

<u>COMMITTEE MEMBERS</u>	<u>INITIAL</u>	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>ABSTAIN</u>	<u>TO PLACE IN INACTIVE FILE</u>
Sen. Felix P. Camacho		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Lawrence F. Kasperbauer		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Thomas C. Ada		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Elizabeth Barrett-Anderson		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Francisco P. Camacho		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Mark C. Charfauros		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Edwardo J. Cruz, MD		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. William B. S.M. Flores		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Carlotta A. Leon Guerrero		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Alberto A.C. Lamorena V		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Vicente C. Pangelinan		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Angel L.G. Santos		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Francis E. Santos		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Judith Won Pat-Borja		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMITTEE ON POWER, FOREIGN AFFAIRS
& GENERAL GOVERNMENT SERVICES
TWENTY-FOURTH GUAM LEGISLATURE
155 Hesler Street, Agana, Guam 96910

COMMITTEE REPORT

ON

BILL NO. 291

“An Act to Amend Section 5001, Part A of Article 1 of Division 1 of Chapter 5 of 5
GCA by Adding a New Section 5001(f) Relative to Mandating that All Purchases
Made for Government Travel Authorization Must be Rotated Fairly and
Competitively Among All Licensed Travel Agencies Operating in Guam.”

COMMITTEE MEMBERS

Chairman: Felix P. Camacho

Vice Chairman: Senator Lawrence F. Kasperbauer

Ex-Officio Member: Antonio R. Unpingco

Thomas C. Ada
Francisco P. Camacho
Edwardo J. Cruz, MD
Alberto A.C. Lamorena V
Vicente C. Pangelinan
Francis E. Santos

Elizabeth Barrett-Anderson
Mark C. Charfauros
William B. S.M. Flores
Carlotta A. Leon Guerrero
Angel L.G. Santos
Judith Won Pat-Borja

COMMITTEE REPORT
POWER, FOREIGN AFFAIRS & GENERAL GOVERNMENT SERVICES

BILL NO. 291

“An Act to Amend Section 5001, Part A of Article 1 of Division 1 of Chapter 5 of 5 GCA by Adding a New Section 5001(f) Relative to Mandating that All Purchases Made for Government Travel Authorization Must be Rotated Fairly and Competitively Among All Licensed Travel Agencies Operating in Guam.”

PUBLIC HEARING

Senator Felix P. Camacho, Chairman of the Committee on Power, Foreign Affairs & General Government Services (CPFA&GGS) called to order at 9:00 a.m. Wednesday, August 27, 1997, a public hearing to gather testimony on Bill No. 291, “An Act to Amend Section 5001, Part A of Article 1 of Division 1 of Chapter 5 of 5 GCA by Adding a New Section 5001(f) Relative to Mandating that All Purchases Made for Government Travel Authorization Must be Rotated Fairly and Competitively Among All Licensed Travel Agencies Operating in Guam.”

MEMBERS PRESENT

Senator Felix Camacho	Chairman
Senator Lawrence Kasperbauer	Vice-Chairman
Senator Frank Aguon	Nonmember
Senator Anthony C. Blaz	Nonmember

PRESENT TO TESTIFY

Ms. Frances C. Schier	President, Guam Society of Travel Agents
Ms. Jung L. Chang	Horizon Travel Center
Ms. Frances P. Santos	Latte Stone Travel Service
Mr. Romy M. Felix	First Class Too Travel
Ms. Joyce C. Ramos	Travel Light
Ms. Becky Luarca	Travel Line
Ms. Rose Morrissey	Horizon Travel

BACKGROUND

The government of Guam annually spends approximately \$4,000,000.00 in airline travel, with commissions paid to travel agencies totaling close to \$400,000.00 each year. In order to ensure that no single travel agency, or group of travel agencies, monopolize the sale of air travel vouchers to the government, the measure seeks to ensure that the procurement of air travel vouchers by the government of Guam be equitably and competitively rotated among those local travel agencies that have valid

business licenses, and who are in good standing with the Department of Revenue and Taxation. The Director of the Department of Administration shall be tasked with administering this act as it applies to the executive branch, with representatives from the executive, judiciary and legislative branches responsible for the development of the necessary rules and regulations to insure that the act is followed and implemented by all branches and agencies of the government of Guam, and in accordance with the Administrative Adjudication Law.

TESTIMONY AND DISCUSSION

Ms. Frances C. Schier, Guam Society of Travel Agents ("GSTA") President, along with former GSTA President **Frances Santos**, submitted written testimony, as well as presented oral testimony in support of Bill No. 291. Both recognized the importance of ensuring that local travel agencies, having valid business licenses, and that are in good standing with the Department of Revenue and Taxation, be guaranteed the opportunity to a fair and competitive share of airline travel business from the government of Guam by having procurement of air travel vouchers rotated. **Ms. Schier** and **Ms. Santos** emphasized the importance of the change in language from the original version which called for the "bidding out" of travel services to the rotation of such services in the current version of the measure. **Ms. Santos** stated that such language would be deemed inappropriate under the standards imposed by the International Airlines Travel Agent Network ("IATAN"), which certifies and approves local travel agencies for business operations. To "bid out" travel services would be inappropriate due to the fact that airfares are standard, regardless of the travel agency, and that it is illegal under IATAN standards to discount any airfare, therefore negating a "bidding out" process. Both **Ms. Schier** and **Ms. Santos** emphasized that many local travel agencies are small businesses and that these businesses survive on commissions. They went on to stress the need for government of Guam agencies to settle accounts in a timely manner. **Ms. Frances Santos** recommended that Travel Authorizations be issued at the same time tickets are issued. (Written testimony attached.)

All other individuals present to testify, presented oral testimony in support of the measure, as well as expressed similar testimony and concerns on billing procedures.

Senator Felix P. Camacho, Chairman, inquired on the extent of the problems facing the travel agencies regarding prompt payment by government of Guam agencies. **Frances Santos** responded by stating that the problem of prompt payment has been a reoccurring problem, most especially with payments that must be remitted from the Department of Administration and the Department of Education.

Senator Anthony C. Blaz, Chairman of the Committee on Finance and Taxation, stated that the government has the responsibility to fairly and competitively rotate

the procurement of air travel vouchers. He thanked the chairman for expeditiously hearing the measure.

Senator Frank Aguon, Jr. stated that he is in support of Bill No. 291, and emphasized that all agencies must exercise fiscal responsibility in ensuring payment is remitted in a timely manner.

The Bureau of Budget and Management Research, in its fiscal note, finds that Bill No. 291 would require a considerable investment of resources from the Department of Administration to implement the act, which would have to be absorbed in the department's operational budget.

FINDINGS

The Committee finds that Bill No. 291 be reported out with technical changes in which any and all reference made therein to "Section 5001(e)" be changed to read Section "Section 5001(f)".

RECOMMENDATION

The Committee on Power, Foreign Affairs & General Government Services hereby reports out Bill No. 291, as substituted by the author, with the recommendation **TO DO PASS**.

GUAM SOCIETY OF TRAVEL AGENTS

C/O 134 Mall Street, Suite 303

Tamuning, GU 96911

President, Frances Schier - Travel Pacificana I

VicePresident, Rose Morrissey - Horizon Travel

Treasurer, Christine Cruz - Guahan Travel

Secretary, Rebecca Luarca - Travel Line

26 August 1997

Senator Felix P. Camacho, Chairman
24th Guam Legislature
Committee on Power, Foreign Affairs
& General Government Services
155 Hesler Street
Agana, GU 96910

Dear Senator Camacho:


The Officers and Board Members of the Guam Society of Travel Agents are testifying in favor of Senator Anthony Blaz's amendment on Bill Number 291.

We fully support the amendment to mandate that all purchases made for government travel authorization be rotated fairly and competitively among all licensed travel agencies operating on Guam.

The following members are listed as follows:

All World Travel	Americana Guam Travel	Cheers Travel
Crown Travel	Express Travel	Far East Travel
First Class Travel	First Class Travel Too	Gem Travel
Gem Travel II	Golden Dragon Travel	Guahan Travel
Horizon Travel	Latte Stone Travel	One Stop Travel
Prestige Travel	R & C Tours	Royal Travel Service
Sato Travel	Tip Top Travel	Travel Bag
Travel Light	Travel Line	Travel Pacificana I
Travel Pacificana II	Travel World	Travelers Unlimited
Vita Micronesia	Young's Travel	

Regards,


Frances Schier
President

GUAM SOCIETY OF TRAVEL AGENTS

134 Mall St. Suite 303
Tamuning, Guam 96911
646-6315 fax

August 7, 1997

Senator Tony C. Blaz
24th Guam Legislature
Agana, Guam 96910

Dear Senator Blaz:

This letter is in reference to your Bill proposing that the Government of Guam change their travel procedures to bid out travel services.

As President of the Guam Society of Travel Agents here on Guam we would like to arrange for a meeting with you to present our input on this matter.

Travel Agencies here on Guam are governed by the International Airlines Travel Agent Network. Agencies must be certified and approved by IATAN in order to operate a travel agency. Domestic travel within the Continental U.S. have been deregulated, however, International travel is *regulated by Federal Law*.

As such, travel agencies adhere to standards imposed by IATAN (International Airlines Travel Agent Network).

We are in full support of your proposal to circulate the travel business among the Travel Agencies however, the competitive bidding process would be inappropriate. All airfares are standard regardless of which travel agency you use. It is illegal under IATAN regulations to discount any airfare already established by a carrier. Of course, advance purchase fares are lower than regular economy fares. An agent may question a prospective traveller as to the conditions of their travel and whether the advance purchase restrictions would be suitable for their travel needs. The Government of Guam may take advantage of these advance purchase tickets if they are able to make immediate payments upon issuance of these tickets. Once these tickets are issued penalties apply when cancellations or changes in travel dates occur.

It would be an unfair business practice for the Government to expect travel agencies to carry the financial burden of penalties or to bankroll these expenses.

We would appreciate meeting with you to discuss this matter as it affects the members in our organization. Please contact Liz Duenas at 646-7991 for a meeting date.

Regards,

A handwritten signature in cursive script that reads "Frances P. Santos".

Frances P. Santos

President

cc: 24th Guam Legislature

FISCAL NOTE
BUREAU OF BUDGET AND MANAGEMENT RESEARCH

BBMR-F7

Bill Number: 291(COR)
Is the Amendatory: Yes

Date Received: 9/12/97
Date Reviewed: 9/12/97

Department/Agency Affected: Department of Administration

Department/Agency Head: Michael Reidy

Total FY Appropriation to Date: \$10,927,870

Bill Title (preamble): AN ACT TO AMEND SECTION 5001, PART A OF ARTICLE 1 OF DIVISION 1 OF CHAPTER 5 OF S GCA BY ADDING A NEW SECTION 5001(E) RELATIVE TO MANDATING THAT ALL PURCHASES MADE FOR GOVERNMENT TRAVEL AUTHORIZATION MUST BE ROTATED FAIRLY AND COMPETITIVELY AMONG ALL LICENSED TRAVEL AGENCIES. OPERATING IN GUAM.

Change in Law: Yes

Bill's Impact on Present Program Funding:

Increase _____ Decrease _____ Reallocation _____ No Change X

Bill is for:

Operations _____ Capital Improvement _____ Other X

FINANCIAL/PROGRAM IMPACT

ESTIMATED SINGLE-YEAR FUND REQUIREMENTS (Per Bill)			
PROGRAM CATEGORY	GENERAL FUND	OTHER	TOTAL
Government-Wide Support			11

ESTIMATED MULTI-YEAR FUND REQUIREMENTS (Per Bill)						
FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL						
OTHER						
TOTAL						11

FUNDS ADEQUATE TO COVER INTENT OF THE BILL? _____ IF NO, ADD'L AMOUNT REQUIRED \$ _____
AGENCY/PERSON/DATE CONTACTED: _____

ESTIMATED POTENTIAL MULTI-YEAR REVENUES						
FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND						
OTHER						
TOTAL						

ANALYST Paul Leon Guerrero DATE 9/15/97 DIRECTOR Joseph E. Rivera, Acting DATE SEP 15 1997

FOOTNOTES: 11 The bill would require all government entities to rotate travel vouchers among the various travel agencies by requiring the Director of Administration with other representatives from the Judiciary and Legislative branch to develop rules and regulations. This would require a considerable investment of resources from Department of Administration to implement the act, which would have to be absorbed in their operational budget.