

*I Mina'trentai Sais Na Liheslaturan Guåhan*  
**BILL STATUS**

| BILL NO.   | SPONSOR                                    | TITLE   | DATE INTRODUCED      | DATE REFERRED      | CMTE REFERRED   | PUBLIC HEARING DATE  | DATE COMMITTEE REPORT FILED | FISCAL NOTES                    | NOTES |
|--|--|---|----------------------|--------------------|---|----------------------|-----------------------------|---------------------------------|-------|
| 298-36 (LS)<br>As amended by the Committee on General Government Operations, Appropriations, and Housing; and further amended in the Committee of the Whole. | Telena Cruz Nelson<br>Jose "Pedro" Terlaje | AN ACT TO AMEND SECTION 4(a) OF PUBLIC LAW 34-70, AS AMENDED BY SECTION 2 OF PUBLIC LAW 35-44, RELATIVE TO THE FINANCING OR REFINANCING IMPROVEMENTS AND CAPITAL IMPROVEMENTS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT (PORT), AND OTHER RELATED FACILITIES AND OPERATIONS OF THE PORT, THROUGH REVENUE BOND PROCEEDS.                            | 4/25/22<br>4:12 p.m. | 4/26/22            | Committee on General Government Operations, Appropriations, and Housing | 6/30/22<br>9:00 a.m. | 9/21/22<br>9:33 a.m.        | Request: 4/26/22<br><br>4/29/22 |       |
|  | <b>SESSION DATE</b>                        | <b>TITLE</b>  | <b>DATE PASSED</b>   | <b>TRANSMITTED</b> | <b>DUE DATE</b>   | <b>NOTES</b>         |                             |                                 |       |
|  | 12/2/22                                    | AN ACT TO AMEND SECTION 4(a) AND ADD A NEW SECTION 4(f) OF PUBLIC LAW 34-70, AS AMENDED BY SECTION 2 OF PUBLIC LAW 35-44, RELATIVE TO THE FINANCING OR REFINANCING IMPROVEMENTS AND CAPITAL IMPROVEMENTS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT (PORT), AND OTHER RELATED FACILITIES AND OPERATIONS OF THE PORT, THROUGH REVENUE BOND PROCEEDS. | 12/16/22             | 12/16/22           | 12/28/22  |                      |                             |                                 |       |



COPY

*I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN*  
Thirty-Sixth Guam Legislature

December 16, 2022

The Honorable Lourdes A. Leon Guerrero  
*I Maga'hågan Guåhan*  
*Ufisinan I Maga'håga*  
*Hagåtña, Guam 96910*

Dear *Maga'håga* Leon Guerrero:

Transmitted herewith are **Bill Nos. 291-36 (LS), 298-36 (LS), 299-36 (LS), 306-36 (COR), 312-36 (COR), 313-36 (COR), 314-36 (COR), 327-36 (COR), 332-36 (LS), 334-36 (COR), 346-36 (LS), 348-36 (LS), 351-36 (COR), 354-36 (COR), 355-36 (COR), 356-36 (COR), 357-36 (COR), 358-36 (COR), 360-36 (COR);** and **Substitute Bill No. 361-36 (COR)** which were passed by *I Mina'trentai Sais Na Liheslaturan Guåhan* on December 16, 2022.

Sincerely,

AMANDA L. SHELTON  
Legislative Secretary

Enclosure (20)

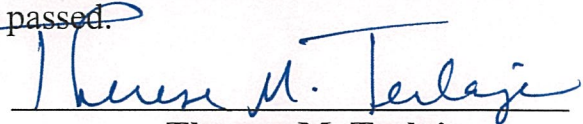
FOS CC Chang 562  
12/16/22 10:06 p.m.



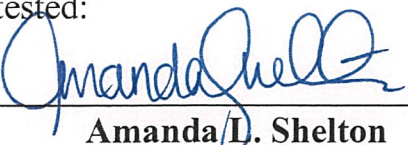
*I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN*  
2022 (SECOND) Regular Session

**CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN***

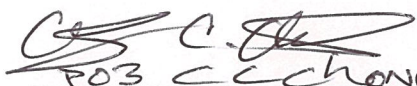
This is to certify that **Bill No. 298-36 (LS)**, “AN ACT TO *AMEND* SECTION 4(a) AND *ADD* A NEW SECTION 4(f) OF PUBLIC LAW 34-70, AS AMENDED BY SECTION 2 OF PUBLIC LAW 35-44, RELATIVE TO THE FINANCING OR REFINANCING IMPROVEMENTS AND CAPITAL IMPROVEMENTS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT (PORT), AND OTHER RELATED FACILITIES AND OPERATIONS OF THE PORT, THROUGH REVENUE BOND PROCEEDS,” was on the 16<sup>th</sup> day of December 2022, duly and regularly passed.

  
Therese M. Terlaje  
Speaker

Attested:

  
Amanda L. Shelton  
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 16<sup>TH</sup> day of Dec.,  
2022, at 10:06 o'clock P.M.

  
FO3 CC Chong 562  
Assistant Staff Officer  
*Maga'håga's Office*

APPROVED:

\_\_\_\_\_  
Lourdes A. Leon Guerrero  
*I Maga'hågan Guåhan*

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_

***I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN***  
**2022 (SECOND) Regular Session**

**Bill No. 298-36 (LS)**

As amended by the Committee on General Government Operations,  
Appropriations, and Housing; and further amended in  
the Committee of the Whole.

Introduced by:

Telena Cruz Nelson  
Jose "Pedo" Terlaje  
V. Anthony Ada  
Frank Blas Jr.  
Joanne Brown  
Christopher M. Dueñas  
James C. Moylan  
Tina Rose Muña Barnes  
Sabina Flores Perez  
Clynton E. Ridgell  
Joe S. San Agustin  
Amanda L. Shelton  
Telo T. Taitague  
Therese M. Terlaje  
Mary Camacho Torres

**AN ACT TO *AMEND* SECTION 4(a) AND *ADD* A NEW SECTION 4(f) OF PUBLIC LAW 34-70, AS AMENDED BY SECTION 2 OF PUBLIC LAW 35-44, RELATIVE TO THE FINANCING OR REFINANCING IMPROVEMENTS AND CAPITAL IMPROVEMENTS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT (PORT), AND OTHER RELATED FACILITIES AND OPERATIONS OF THE PORT, THROUGH REVENUE BOND PROCEEDS.**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that the Jose D. Leon Guerrero Commercial Port's modernization program is

1 designed to meet the island's growth, including the expansion of the U.S. military  
2 and the growing tourism market, with the key project initiatives as justified to the  
3 bond market investors, as follows:

4 (a) expansion of wharf space to accommodate larger vessels and  
5 increase vessel handling capacity;

6 (b) upgrade terminal operating system to allow for automated  
7 invoicing cargo and container tracking, financial management, and  
8 maintenance management;

9 (c) expansion of the existing facilities to support fishing and cruise  
10 line industries; and

11 (d) replacement of gantry cranes at the end of its useful life to  
12 maintain uninterrupted cargo movement.

13 As part of the modernization program, the Port through Public Law 34-70  
14 obtained Seventy-one Million Four Hundred Forty-five Thousand Dollars  
15 (\$71,445,000) in revenue bonds to finance certain capital improvements and to  
16 refinance all or a portion of outstanding loans of the Port Authority.

17 *I Liheslaturan Guåhan* finds that on July 20, 2018, Pro Marine Technology  
18 submitted its findings in an Underwater Assessment and Inspection Services of F-1,  
19 F-3, F-4, F-5, and F-6; and based on their assessment, found that the waterfront  
20 facilities were in dire need of repair and provided recommendations for such repair.

21 Moreover, *I Liheslaturan Guåhan* finds that to ensure the uninterrupted flow  
22 in the deployment of fuel products which could be obtained in F-1 Fuel Pier or Golf  
23 Fuel Pier, a connectivity line would need to be installed at F-1 to allow discharged  
24 or loaded fuel to be routed to and from other petroleum fuel companies' storage  
25 tanks.

26 To enhance the Port's invoicing to ensure one hundred percent (100%) cost  
27 recovery per the established tariffs, the Terminal Operating and Financial

1 Management systems must be integrated, along with an upgrade of the Ports' current  
2 information technology system for accurate financial data on the expenses rendered  
3 to vessels and related services versus revenues.

4 The 2007 Master Plan included a recommendation for the current Port  
5 Administration Building to be extended with an annex and a bridge connecting the  
6 building to the existing building for compliance with the Americans with Disabilities  
7 Act (ADA), but such project was changed in the 2013 Master Plan Update which  
8 endorsed that a large new building be constructed, and the current administration  
9 building be demolished.

10 In 2019, the Port presented to Governor Lourdes A. Leon Guerrero and  
11 members of the 35<sup>th</sup> Guam Legislature that if the Port pursues the 2007 Master Plan  
12 recommendation to construct an annex with a bridge connecting to the existing  
13 administration building, a portion of the funding originally earmarked for the  
14 construction of the new administration building could otherwise be used to address  
15 the deficiencies of the Port's revenue-generating waterfront facilities, a connectivity  
16 fuel line between Golf Pier and F-1 Pier, and improvements needed for the Port's  
17 information technology systems.

18 The 35th Guam Legislature unanimously agreed that an amendment to  
19 Section 4(a) of Public Law 34-70 would allow for the reprogramming of such bond  
20 proceeds needed to address the deficiencies of the Port's revenue-generating  
21 facilities, the connectivity fuel line between Golf Pier and F-1, and improvements  
22 needed for the Port's information systems, and all remaining balances, if any, shall  
23 be allocated to provide for supplemental funding for the procurement of a new gantry  
24 crane.

25 On October 16, 2019, Governor Leon Guerrero signed Bill No. 149-35(COR)  
26 into law as Public Law 35-44, which authorized the reprogramming of the Port

1 Authority revenue bond proceeds and amended the capital improvement projects in  
2 Section 4(a) of Public Law 34-70.

3 The Port issued a procurement on the architectural and engineering (A&E)  
4 designs for the Port revenue bond projects; and in the A&E designs the construction  
5 cost associated with the repairs exceeded those outlined in Section 4(a) of Public  
6 Law 34-70, as amended by Section 2 of Public Law 35-44. The engineering cost  
7 estimates outlined in the revenue bond mandates obtained back in 2014 are now  
8 severely underfunded. Because the mandates specifically identified the revenue  
9 bond project costs to be funded by the revenue bond, it did not allow the Port to  
10 reallocate revenue bond proceeds to address the anticipated shortfalls of the  
11 construction costs for which has specific costs associated in the mandates.

12 To address these shortfalls, Port management actively submitted requests for  
13 federal grants to fund some of the revenue bond projects, and they were awarded  
14 Two Million Four Hundred Thousand Dollars (\$2,400,000) from the U.S. Economic  
15 Development Administration for the fuel connectivity line, freeing up a portion of  
16 the revenue bond proceeds for that project. The Board of Directors also authorized  
17 the General Manager to use other funding sources for the payment of the cost of  
18 construction or improvement or any part thereof or any available money or funds of  
19 the Port Authority made available by a federal grant to be expended. The Port held  
20 procurement solicitation openings for several of the revenue bond projects resulting  
21 in either no offers being submitted, or procurement construction bid submittal costs  
22 exceeded between ten percent (10%) to one hundred fifty-six percent (156%) of the  
23 legislative funding cap of the respective project.

24 A review of other revenue bond mandates for other autonomous agencies was  
25 made and it is noted that the Port's revenue bond legislation is the only legislation  
26 which specifically states the proceeds are to "finance certain Authority capital  
27 improvements, including, but not limited to..." and each project has an associated

1 funding cap versus other autonomous agencies' revenue bond legislations which  
2 simply stated the project(s) and total amount authorized to borrow. Although the  
3 Board of Directors authorized management to use other funding sources, it appears  
4 the revenue bond legislations may disallow the Port from exceeding the cost  
5 associated with the projects as outlined in Section 4(a) of Public Law 34-70, as  
6 amended by Section 2 of Public Law 35-44.

7 *I Liheslaturan Guåhan* finds that an amendment to Section 4(a) of Public Law  
8 34-70, as amended by Section 2 of Public Law 35-44, to remove the legislative  
9 funding caps strictly tied to the 2018 Revenue Bond funds is necessary in order for  
10 the Port to accomplish its commitment of ensuring the modernization program is  
11 neither further delayed nor jeopardized.

12 It is, therefore, the intent of *I Liheslaturan Guåhan* to amend Section 4(a) of  
13 Public Law 34-70, as amended by Section 2 of Public Law 35-44, and remove the  
14 legislative funding caps associated with the capital improvement projects to be  
15 funded by the revenue bonds and authorize the reprogramming of the Port Authority  
16 of Guam revenue bond proceeds to fund the shortfalls.

17 **Section 2.** Section 4(a) of Public Law 34-70, as amended by Section 2 of  
18 Public Law 35-44, is hereby further *amended* to read:

19 “(a) to finance certain Authority capital improvements, including, but  
20 not limited to:

21 (1) local match for the Transportation Investment Generating  
22 Economic Recovery (TIGER) grant program funding for rehabilitation  
23 of “H” Wharf and access road;

24 (2) construction of an annex building with the construction of  
25 a bridge attached to the current Administration Building and upgrade  
26 of infrastructure. Any remaining balance resulting from this reset to the  
27 Port Modernization Plan shall be prioritized by the Port’s Board of

1 Directors in order to shore up the Port’s current related revenue-  
2 generating facilities and financial management systems, specifically for  
3 repair of F-1 Fuel Pier; repairs of F-3, F-4, F-5, and F-6 of the  
4 waterfront facilities; installation of a connectivity fuel line connecting  
5 Golf Pier and F-1 Fuel Pier; and an upgrade to the Port’s information  
6 technology system and integration of the Terminal Operating System  
7 and Financial Management System;

- 8 (3) replacement and relocation of waterline(s);
- 9 (4) repair and expansion of the Equipment Maintenance &  
10 Repair Building (EQMR);
- 11 (5) repair of Warehouse 1;
- 12 (6) repair of Golf Pier; and
- 13 (7) all remaining balances, if any, shall be allocated to provide  
14 for supplemental funding for the procurement of a new gantry crane.”

15 **Section 3.** A new Subsection (f) is *added* to Section 4 of Public Law 34-70  
16 to read:

17 “(f) Reporting Requirements for Status of Bond Funded Projects.  
18 Notwithstanding any other provision of law, rule, or regulation, the Authority,  
19 shall, no later than the fifth (5<sup>th</sup>) day following the end of each month  
20 beginning on January 31, 2023, submit a report to the Speaker of *I*  
21 *Liheslaturan Guåhan* detailing information regarding the status of bond  
22 funded projects. The report shall include, but not be limited to, information  
23 relating to reprogrammed projects, obligated, de-obligated, encumbered,  
24 unencumbered and or expended revenue bonds or proceeds of the Port  
25 Authority of Guam.”

26 **Section 4. Effective Date.** This Act shall be effective upon enactment.

27 **Section 5. Severability.** If any provision of this Act or its application to any

1 person or circumstance is found to be invalid or contrary to law, such invalidity shall  
2 not affect other provisions or applications of this Act that can be given effect without  
3 the invalid provision or application, and to this end the provisions of this Act are  
4 severable.