clerks@guamlegislature.org

From: Speaker's Office <speaker@guamlegislature.org>
Sent: Friday, December 11, 2020 6:28 PM
To: Clerks Office
Cc: Rennae Meno
Subject: Messages and Communications
Attachments: GoG-Public Law No. 35-122.pdf; GoG-Veto Bill No. 133-35 (COR).pdf; GoG-Public Law No. 35-120.pdf; GoG-Public Law No. 35-121.pdf; GoG-Public Law No. 35-118 and Public Law No. 35-119.pdf; GoG-Veto Bill No. 207-35 (COR).pdf

12/11/20	5:25 PM	12/11/20	Substitute Bill No. 217-35 (COR), signed into law as Public Law No. 35-118; Substitute Bill No. 218-35 (COR), signed into law as Public Law 35-119.	Office of the Governor of Guam	35GL-20-2501
12/11/20	5:25 PM	12/11/20	Substitute Bill No. 253-35 (COR), signed into law as Public Law No. 35-120.	Office of the Governor of Guam	35GL-20-2502
12/11/20	5:25 PM	12/11/20	Substitute Bill No. 285-35 (COR), signed into law as Public Law No. 35-121.	Office of the Governor of Guam	35GL-20-2503
12/11/20	5:25 PM	12/11/20	Substitute Bill No. 206-35 (COR), signed into law as Public Law No. 35-122.	Office of the Governor of Guam	35GL-20-2504
12/11/20	5:25 PM	12/11/20	Bill No. 133-35 (COR), Vetoed.	Office of the Governor of Guam	35GL-20-2505
12/11/20	5:25 PM	12/11/20	Bill No. 207-35 (COR), Vetoed.	Office of the Governor of Guam	35GL-20-2506

Sinseru yan Minagåhet,

Office of the Speaker • Tina Rose Muña Barnes
Committee on Public Accountability, Human Resources & the Guam Buildup

35th Guam Legislature
I Mina'trentai Singko na Liheslaturan Guåhan

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910
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contained in this transmission is strictly PROHIBITED. If you have received this transmission in error, please immediately notify us by replying to speaker@guamlegislature.org and delete the message immediately. Thank you very much.

Gumai pribilehu yan konfedensia este siha na mensåhi. Solo espesiåtmente para hågu ma entensioña pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespåtcha. Yanggen lachi rinisibu-mu nu este na mensåhi , put fabot ago' guatu gi I numa'huyong gi as speaker@guamlegislature.org yan despues destrosa todu siha I kopian mensåhi. Si Yu'os ma'åse'.

UFISINAN I MAGA'HÅGA
OFFICE OF THE GOVERNOR

LOURDES A. LEON GUERRERO
MAGA'HÅGA • GOVERNOR

JOSHUA F. TENORIO
SIGUNDO MAGA'LÅHI • LIEUTENANT GOVERNOR

35-20-2501

Speaker Tina Rose Muña Barnes

DEC 11 2020
Time 5:25 PM
Received By:

December 11, 2020

HONORABLE TINA ROSE MUÑA BARNES
Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
35th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Re: **Substitute Bill No. 217-35 (COR) – An Act to *Add* a New § 58104(r) to Article 1 of Chapter 58, Title 12, Guam Code Annotated, Relative to Authorizing a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam**

Substitute Bill No. 218-35 (COR) – An Act to *Amend* § 58104(f) of Article 1, Chapter 58, Title 12, Guam Code Annotated, Relative to Creating a Qualifying Certificate for the Enticement and Potential Establishment of a Processing Trade Company, and a Distribution, Transformation, or Fulfillment Center Industry on Guam

Dear Madame Speaker:

Before taking office, our Administration identified the opportunities that could be presented by developing a distribution and fulfillment center industry and encouraging the establishment of processing trade companies in Guam. Our location seems prime for satisfying orders for delivery in Asia and throughout the Pacific. The inclusion of this industry in Substitute Bill No. 217-35, as well as the commercial drone industry in Substitute Bill No. 218-35, as eligible endeavors for the Qualifying Certificate program administered by the Guam Economic Development Authority are welcome statutory changes to the provisions of Qualifying Certificate program.

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RICARDO J. BORDALLO GOVERNOR'S COMPLEX • HAGÅTÑA, GUAM 96910
P.O. BOX 2950 • HAGÅTÑA, GUAM 96932
671 472 8931 • 671 477 4826

I want to thank Senator Moylan for this bipartisan effort to advance this Administration's goals to diversify our economy. As we have learned during this public health emergency, while tourism cannot be replaced as a significant driver of our economy, it is imperative that we expand our industry base to be less dependent on any single enterprise. Substitute Bill Nos. 217-35 and 218-35, which are now known as ***Public Law Nos. 35-118 and 35-119***, will assist in this effort.

Senseramente,

LOURDES A. LEON GUERRERO
I Maga'hågan Guåhan
Governor of Guam

Enclosure: Substitute Bill No. 217-35 (COR) *nka P.L. 35-118*
Substitute Bill No. 218-35 (COR) *nka P.L. 35-119*

cc via email: *Sigundo Maga'låhen Guåhan*
Compiler of Laws

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2020 (SECOND) Regular Session

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

This is to certify that **Substitute Bill No. 217-35 (COR) "AN ACT TO *ADD* A NEW § 58104(r) TO ARTICLE 1 OF CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING A QUALIFYING CERTIFICATE FOR THE ENTICEMENT AND POTENTIAL ESTABLISHMENT OF A COMMERCIAL DRONE INDUSTRY ON GUAM,"** was on the 1st day of December 2020, duly and regularly passed.

Tina Rose Muña Barnes
Speaker

Attested:

Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 1st day of December, 2020, at 4:32 o'clock P.M.

Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 12/11/2020

Public Law No. 35-118

Jessica Cruz
RCVD AT CENTRAL FILES
DEC 1 '20 PM4:32
2020-12258

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

Bill No. 217-35 (COR)
As substituted on the Floor.

Introduced by: James C. Moylan
William M. Castro
Régine Biscoe Lee
Kelly Marsh (Taitano), PhD
Louise B. Muña
Tina Rose Muña Barnes
Telena Cruz Nelson
Sabina Flores Perez
Clynton E. Ridgell
Joe S. San Agustin
Amanda L. Shelton
Telo T. Taitague
Jose "Pedo" Terlaje
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO *ADD* A NEW § 58104(r) TO ARTICLE 1 OF CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING A QUALIFYING CERTIFICATE FOR THE ENTICEMENT AND POTENTIAL ESTABLISHMENT OF A COMMERCIAL DRONE INDUSTRY ON GUAM.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that with Guam's proximity to Asia and being under the jurisdiction of the laws of the United States, we have become an ideal destination for industries that focus on technology, aviation, and aeronautics. Enticing entities in these industries to consider investing on Guam would not only be beneficial in terms of stimulating our

economy, but it could allow for great prospects of job creation and global opportunities.

Earlier in the year, the Federal Aviation Administration (FAA) released its forecast for the next two (2) decades in terms of what is to be anticipated in the aviation world. What is noteworthy in their report is that the market for the commercial drone industry is growing faster than anticipated and could triple between now and 2023, while the market for non-commercial drones appears to be slowing down.

Commercial drones have expanded into an array of industries, many of which exist here on Guam. These industries include construction, agriculture, survey engineering, utilities, and telecommunications. With the U.S. Marines relocation and the military buildup, the opportunities to attract such entities to seek commercial activity on Guam has never been more ideal, as commercial drone entities have also been contracted to conduct infrastructure development and maintenance at costs that would result in a significant savings for all entities.

The drone industry is more than just about providing drones for aerial views and has evolved into training, aviation, logistics, transportation and research, and encompasses many other industries. Entities are setting up operations on a regional basis to enhance training and manufacturing, and thus with Guam's proximity to Asia, we may be in an ideal location to attract such entities who can participate in and help to advance Guam's economy.

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

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

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

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

"(r) commercial drone industry.

For the purposes of this Subsection:

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

(2) The commercial drone industry shall encompass the research, development, training, education, manufacturing, wholesale, retail, or the utilization in logistics of commercial drones conducted on Guam.

(3) To avail of a Qualifying Certificate under this Chapter, the beneficiary shall be legally licensed to conduct business on Guam, and any benefits awarded by the Guam Economic Development Authority (GEDA) shall only be utilized on direct business activities associated with the use of commercial drones.

(4) The beneficiary shall conform with all local and federal laws and regulations associated with the use of commercial drones, and failure to conform may result in the revoking of any benefits awarded under this Chapter."

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

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

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2020 (SECOND) Regular Session

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

This is to certify that **Substitute Bill No. 218-35 (COR) "AN ACT TO *AMEND* § 58104(f) OF ARTICLE 1, CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A QUALIFYING CERTIFICATE FOR THE ENTICEMENT AND POTENTIAL ESTABLISHMENT OF A PROCESSING TRADE COMPANY, AND A DISTRIBUTION, TRANSFORMATION, OR FULFILLMENT CENTER INDUSTRY ON GUAM,"** was on the 1st day of December 2020, duly and regularly passed.

Tina Rose Muña Barnes
Speaker

Attested:

Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 1st day of December, 2020, at 4:32 o'clock P.M.

Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 12/1/2020

Public Law No. 35-119

RCVD AT CENTRAL FILES
DEC 1 '20 PM4:32

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

Bill No. 218-35 (COR)
As substituted and amended on the Floor.

Introduced by: James C. Moylan
William M. Castro
Régine Biscoe Lee
Kelly Marsh (Taitano), PhD
Louise B. Muña
Tina Rose Muña Barnes
Telena Cruz Nelson
Sabina Flores Perez
Clynton E. Ridgell
Joe S. San Agustin
Amanda L. Shelton
Telo T. Taitague
Jose "Pedo" Terlaje
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO *AMEND* § 58104(f) OF ARTICLE 1, CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A QUALIFYING CERTIFICATE FOR THE ENTICEMENT AND POTENTIAL ESTABLISHMENT OF A PROCESSING TRADE COMPANY, AND A DISTRIBUTION, TRANSFORMATION, OR FULFILLMENT CENTER INDUSTRY ON GUAM.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that with Guam's proximity to Asia, we become an ideal destination for industries such as a processing trade company, and a distribution, transformation, or fulfillment

center. Not only would enticing such entities to consider investing on Guam be beneficial in terms of stimulating our economy, but there would be a great opportunity of job creation.

However, the costs of labor or logistics may be a concern for potential investors; thus, the need to create viable incentives to attract such industries to offset such distresses is paramount. The Qualifying Certificate offered by the Guam Economic Development Authority (GEDA) is an ideal tool and can be catered towards the needs or benefits of an entity, while assuring that job creation and other community contributions are prioritized.

This legislation does not dictate the benefits to be offered to investors (as that is a function of GEDA), rather it includes new industries into the matrix of qualified trades for available incentives that can help establish additional economic activity on the island. Processing trade companies would essentially import materials with the intent of assembling or transforming them locally, and then export them to buyers off- island; and, the attraction of labeling the goods as "Made in Guam, USA" may be an enticing factor. As for distribution, transformation, or fulfillment centers, Guam's proximity to the Asian region benefits potential tariffs and timelines, thus allowing the goods to be imported, stored, processed, and shipped from Guam. These types of industries would essentially create many jobs for island residents.

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

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

"(f) manufacturing, or a processing trade company, or a distribution, transformation, or fulfillment center.

For the purposes of this Chapter:

(1) *processing trade company* means a company that imports all or part of the raw and auxiliary materials, parts and components, accessories, and packaging materials from abroad, and exports the finished product(s), or sells the products locally, after processing, transforming, or assembling such product(s) on Guam. At least fifty percent (50%) of the finished product shall be assembled on Guam to qualify for the incentives of this Chapter; and

(2) *distribution, transformation, or fulfillment center* means a warehouse or specialized building stocked with products to be redistributed to consumers locally or off-island and processed to order completion. The distribution, transformation, or fulfillment center may provide other services, such as product mixing, cross docking, and packaging.

Finished products must qualify for the Guam Product Seal pursuant to Public Law 18-42. Should there be any additional costs for GEDA in evaluating this requirement, the Qualifying Certificate holder shall bear such costs."

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

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