



Office of the Governor of Guam

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Office of the President Speaker
Vicente C. Pangelinan

JUL 01 2004

TIME: 4:50 () AM () PM
RECEIVED BY: 

Felix Perez Camacho
Governor

Kaleo Scott Moylan
Lieutenant Governor

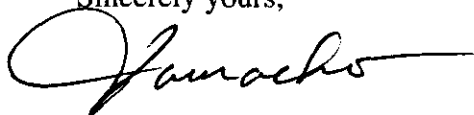
01 JUL 2004

The Honorable Vicente C. Pangelinan
Speaker
Mina' Bente Siete Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 299 (LS), "AN ACT TO AMEND §3113 AND ADD A NEW §3113.1 TO TITLE 16 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING STANDARDS FOR THE OPERATION OF DRIVERS EDUCATION SCHOOLS," which I signed into law on June 25, 2004 as **Public Law No. 27-100**.

Sincerely yours,



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

Attachment: copy attached of signed bill

cc: The Honorable Tina Rose Muna-Barnes
Senator and Legislative Secretary

I MINA'BENTE SIETE NA LIHESLATURAN GUÅHAN
2004 (SECOND) Regular Session

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

This is to certify that Substitute Bill No. 299 (LS), "AN ACT TO AMEND §3113 AND ADD A NEW §3113.1 TO TITLE 16 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING STANDARDS FOR THE OPERATION OF DRIVERS EDUCATION SCHOOLS," was on the 18th day of June, 2004, duly and regularly passed.

Attested:

vicente (ben) c. pangelinan
Speaker

Antoinette (Toni) D. Sanford
Senator and Acting Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 21st day of June, 2004,
at 4:30 o'clock P.M.

gloria s. mariano
Assistant Staff Officer
Maga'lahaen's Office

APPROVED:

Felix P. Camacho
FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: 6/25/04

Public Law No. 27-100

I MINA'BENTE SIETE NA LIHIESLATURAN GUÅHAN
2004 (SECOND) Regular Session

Bill No. 299 (LS)

As substituted and amended
on the Floor.

Introduced by:

R. J. Respicio
T. R. Muña Barnes
F. B. Aguon, Jr.
J. M.S. Brown
F. R. Cunliffe
C. Fernandez
Mark Forbes
L. F. Kasperbauer
R. Klitzkie
L. A. Leon Guerrero
J. A. Lujan
v. c. pangelinan
J. M. Quinata
Toni Sanford
Ray Tenorio

**AN ACT TO AMEND §3113 AND ADD A NEW §3113.1 TO
TITLE 16 OF THE GUAM CODE ANNOTATED, RELATIVE
TO PROVIDING STANDARDS FOR THE OPERATION OF
DRIVERS EDUCATION SCHOOLS.**

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

2 **Section 1.** Amendment of §3113 of Title 16 of the Guam Code
3 Annotated, to provide standards for drivers education schools. §3113 of Title
4 16 of the Guam Code Annotated, is *amended* to read as follows:

5 **“§3113. Public and Private drivers education services.** (a) The
6 Director of Revenue and Taxation shall develop Rules and Regulations

1 under the provisions of the Administrative Adjudication Law, relative
2 to licensing public and private drivers education services, which Rules
3 shall require forty (40) hours of training, with thirty-two (32) classroom
4 hours and eight (8) hours in-automobile or on-road, and that such
5 training be applicable to all minors and to those adults who are
6 applying for a "first time" driver's license. Such Rules shall also require
7 that a licensed service firm which issues Certificates of Completion must
8 possess the following: (1) a secondary teaching certificate issued by the
9 Department of Education with an endorsement in drivers education; or
10 a certificate to teach drivers education from a recognized educational
11 institution or training agency in Guam or from another territory or state
12 which has Drivers Education Training; or a safety education minor or
13 major from a United States accredited Institute of Higher Education
14 (IHE); and (2) a current first aid/CPR certification card issued by a
15 recognized training institution that provides emergency care training
16 which meets the current revisions in the Occupational Safety and Health
17 guidelines and risk reduction strategies posted by the Center for Disease
18 Control or other recognized medical entities.

19 (b) The following are standards that will be evaluated by the
20 Director of Revenue and Taxation before issuing any certificate for
21 operation of a driving school business:

22 (1) **Vehicles:** All driving school businesses must own, or
23 designate at least one (1) automobile to be used for driving school
24 instruction. That automobile must be equipped with dual controls,
25 preferably with both dual steering and dual brakes, but with a

1 minimum of dual brakes. The automobile must be inspected by
2 the Director of Revenue and Taxation before a certificate of
3 authorization to operate a driving school is issued.

4 (2) The driving school also must have driving school
5 insurance for vehicles.

6 (3) An undertaking to provide on-road instruction where
7 no credit is provided to the student unless the student is actually
8 driving a dual control automobile under the supervision of the
9 instructor.”

10 **Section 2. Add a new §3113.1 to Title 16 of the Guam Code Annotated**
11 **to require Written Test and Learner’s Permit.** §3113.1 of Title 16 of the Guam
12 Code Annotated, is hereby *added* to read as follows:

13 “§3113.1. **Written Test and Learner’s Permit:** All students must
14 have passed the written test and received a Learner’s Permit before any
15 school, including public schools, can provide on-road instruction.”

16 **Section 3. Evaluation of Current Drivers Education License Holders**
17 **for Compliance with Standards.** For current holders of a Drivers Education
18 Business License, each such business must be evaluated within one (1) year of
19 the effective date hereof. The licensee must complete all requirements within
20 the one (1) year period of time in order to continue operating a driving school.
21 Each driving school business license holder must have a teaching certificate
22 issued by the Department of Education before beginning to offer driving
23 school services, or to continue offering driving school services, and each
24 instructor shall have an AB Guam Driver’s License.



COPI

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

6/15/04

(Date)

Memorandum

To: Senator Respiño

From: Clerk of the Legislature

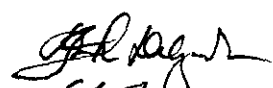
Subject: Committee Report on Bill No. 299 COR

Pursuant to Section 7.04 of Rule VII of the 27th Standing Rules, transmitted herewith is a copy of the Committee Report on Bill No. 299 COR, for which you are the prime sponsor.

Should you have any questions or need further information, please contact the undersigned at 472-3464/5.


PATRICIA C. SANTOS

Attachment


6/17/04
7:15 AM



Office of Senator Antoinette (Toni) Sanford
 Assistant Majority Leader

TWENTY-SEVENTH GUAM LEGISLATURE

Chairwoman, Committee on Economic Development, Retirement, Investments, Public Works and Regulatory Functions
 Suite 15B Sinajana Mall, 777 Route 4 Sinajana, Guam 96926 / Telephone (671) 479-TONI Fax (671) 479-8667

June 3, 2004

Senator Lou Leon Guerrero
 Chairperson, Committee on Rules & Health
 TWENTY-SEVENTH GUAM LEGISLATURE
 155 Hesler Street
 Hagatna, Guam 96910


Dear Senator Leon Guerrero,

The Committee on Economic Development, Retirement, Investments, Public Works and Regulatory Functions, to which BILL 299 AN ACT TO AMEND §3113 OF TITLE 16 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING STANDARDS FOR THE OPERATION OF DRIVERS EDUCATION SCHOOLS was referred, wishes to report its findings and recommendation TO DO PASS.

The voting record is as follows:

TO PASS	<u>7</u>
NOT TO PASS	<u>0</u>
ABSTAIN	<u>0</u>
TO PLACE IN INACTIVE FILE	<u>0</u>

Copies of the Committee report and other pertinent documents are attached.


 Frank Aguon, Jr.
 Acting Committee Chair

Attachment.



Office of Senator Antoinette (Toni) Sanford
Assistant Majority Leader

TWENTY-SEVENTH GUAM LEGISLATURE

Chairwoman, Committee on Economic Development, Retirement, Investments, Public Works and Regulatory Functions
Suite 15B Sinajana Mall, 777 Route 4 Sinajana, Guam 96926 / Telephone (671) 479-TONI Fax (671) 479-8667

June 3, 2004

MEMORANDUM

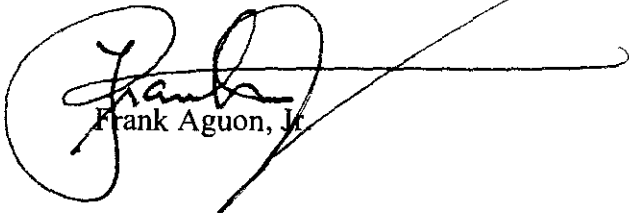
TO: Committee Members

FROM: Acting Committee Chair

SUBJECT: Committee Report and Voting

Transmitted herewith for your information and action is the report on BILL 299 AN ACT TO AMEND §3113 OF TITLE 16 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING STANDARDS FOR THE OPERATION OF DRIVERS EDUCATION SCHOOLS.

Please review the report and take the appropriate action on the voting sheet. Your prompt attention and action on this matter is greatly appreciated. Should you have any questions regarding the report or accompanying documents, please do not hesitate to contact me.


Frank Aguon, Jr.

Attachment.



Office of Senator Antoinette (Toni) Sanford

Assistant Majority Leader

TWENTY-SEVENTH GUAM LEGISLATURE

Chairwoman, Committee on Economic Development, Retirement, Investments, Public Works and Regulatory Functions
Suite 15B Sinajana Mall, 777 Route 4 Sinajana, Guam 96926 / Telephone (671) 479-TONI Fax (671) 479-8667

BILL 299 AN ACT TO AMEND §3113 OF TITLE 16 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING STANDARDS FOR THE OPERATION OF DRIVERS EDUCATION SCHOOLS.

	TO PASS	NOT TO PASS	TO ABSTAIN	INACTIVE FILE
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AS
TONI SANFORD

Chairperson

Frank B. Aguon Jr
FRANK B. AGUON, JR

Acting Chair & Vice-Chairperson

Larry Kasperbauer
LARRY KASPERBAUER

Member

Lou Leon Guerrero
LOU LEON GUERRERO

Member

Jesse A. Lujan
JESSE A. LUJAN

Member

TINA MUNA-BARNES

Member

JOHN M. QUINATA

Member

Rory J. Respicio
RORY J. RESPICIO

Member

BEN C. PANGELINAN

Speaker & Ex-officio Member

**COMMITTEE ON ECONOMIC DEVELOPMENT, RETIREMENT,
INVESTMENTS, PUBLIC WORKS, AND REGULATORY
FUNCTIONS**

Twenty-Seventh Guam Legislature
155 Hesler Street, Hagatna Guam 96910



**COMMITTEE REPORT
ON**

**BILL 299 AN ACT TO AMEND §3113 OF TITLE 16 OF THE GUAM CODE
ANNOTATED, RELATIVE TO PROVIDING STANDARDS FOR THE OPERATION
OF DRIVERS EDUCATION SCHOOLS.**

COMMITTEE MEMBERS

Chairperson Senator Toni Sanford
Vice-Chairperson Senator Frank B. Aguon, Jr.

Majority Members

Senator Lou Leon Guerrero
Senator Tina Muna Barnes
Senator John M. Quinata
Senator Rory Respicio
Speaker ben c. pangelinan (ex-officio)

Minority Members

Senator Jesse A. Lujan
Senator Larry Kasperbauer

I. OVERVIEW

A. Purpose and Essential Elements

TITLE

AN ACT TO AMEND §3113 OF TITLE 16 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING STANDARDS FOR THE OPERATION OF DRIVERS EDUCATION SCHOOLS.

INTENT

To upgrade safety standards and uniformity by amending §3113 of Title 16 of GCA to provide additional requirements and standards for instructors, owners, and facility standards for operating a drivers education school.

SECTION BY SECTION

Section 1. Amends §3113 of Title 16 GCA (this is the section of law concerning Vehicle Regulations, including licensing, and drivers education) to upgrade safety standards and requirements for drivers education schools: adds new rule requiring all instructors to hold a Certificate of Completion from a U.S.A. accredited Institute of Higher Education (IHE) and a new subsection (b) with new language, that provides additional standards and requirements for the student, institution, vehicles, facilities, and course content.

“(2) a certificate to teach driver education from a recognized educational institution or training agency in Guam or ~~from~~ another territory or state which has Driver Education Training or a safety education minor or major from a U.S.A. accredited Institute of Higher Education (IHE);

(b) standards to be evaluated by Dept. of Rev. and Tax before issuing any certificate for operation of driving school business:

- (1) vehicles: all businesses to own at least (1) car for driving instruction. Car to be equipped with dual control of steering and brakes, but with minimum of brakes. Vehicle must be presented and function properly to be demonstrated to Dept. of Rev. and Tax before certificate of authorization to operate school is issued along with driving school insurance.
- (2) Facilities: schools that seek a business license must be on commercially zoned property. Must show evidence of fully functioning classroom w/ appropriate supply of water, restroom facilities, lighting, and sanitation. Not permissible to operate a driving school out of a home. Space to be solely dedicated to teaching and demonstration of appropriate driving and safety techniques.

- (3) Course content: documentation to be presented that indicates the hours of on-road instruction consisting of one-to-one ratio between instructor and student while passengers riding in vehicle are not given credit for driving.
- (4) Written test and learners permit: all students must pass the written test and received a learner's permit before any driving school can train them in any vehicle. Required despite fact that high schools have taken students out on the road without having a learner's permit.

Section 2. Evaluation of current drivers education license holders for compliance with standards. Current holders of Driver Education Business License, each business will be evaluated within one (1) year of implementation of this legislation regarding status of certification to operate school. Applicant to complete requirements and courses within one (1) year time period to continue operating driving school on Guam. Driving school business license holder to have a Board of Education issued certificate issued by Department of Education before beginning to offer driving school services or to continue offering driving school, and an AB Guam Driver's License.

B. Public Hearing Conducted

The Committee on Economic Development, Retirement, Investments, Public Works and Regulatory Functions conducted a public hearing on 9:00 AM, Tuesday, June 1, 2004 in the Legislative Public Hearing Room, I Liheslaturan Guahan, in Hagatna. Public notice was provided on May 25, 2004 and May 28, 2004.

Committee Chairwoman Toni Sanford called the public hearing to order at 1:40 p.m. in the Legislative Public Hearing Room. Committee members present were Speaker Ben C. Pangelinan. Non-committee members present were Senators Robert Kitzkie and Joanne Brown.

Subsequent to the public hearing and on June 3, 2004, the Committee received written testimony from Mr. Artemio Ilagan, Director of the Department of Revenue and Taxation in support of Bill 299 (attached and summarized in Section II of this report).

II. SUMMARY OF TESTIMONY

Mr. Lon Bottcher, owner of K & L Driving School, appeared before the Committee and provided written and oral testimony in favor of Bill No. 299. Mr. Bottcher stated I think people driving on the roads of Guam need the best drivers possible to take care of them. The assumption is we need professional people training them out there on the road.

Many of us have seen the situation on the roads and there are many people out there that you wonder how they got a driver's license?

Mr. Bottcher stated we need good driver trainers. When we talk about professional driving, in terms of both context and methodology, before teaching a driving education school -- and this means professionals that operate these schools that are certified teachers to teach students and anybody -- that teacher needs to be certified by an agency that ensures they are qualified to provide this instruction. You don't die if you're not taught music properly but you do die if you're not trained to drive properly. The common reaction to a bill like this is, 'we don't have anyone to teach,' however, where is a need for something like that, the demand will cause those types of professions to emerge.

Mr. Bottcher stated other concerns that I have is that some schools don't have a car, they require students to bring their own car and bring a book from the Department of Revenue and Taxation and review the standards and then they receive a certificate. They have had no training for operating a drivers school. For example, I knew someone (a driving school operator) whose cars are not equipped with dual brakes and they had a head-on collision with another car. This happened because they are not trained properly and their cars are not set up properly. And at this point we don't have any rules and regulations (in place that sets up uniform standards) to set up these schools.

Mr. Bottcher stated when students are taught behind the wheel, I think it is best they be taught on a one on one basis. When individuals who are being taught in a group they don't get as much attention - I prefer the one to one course instruction. Some high schools have taken students out before they receive their instructional permit and before they are award of the rules of the road. Mr. Bottcher stated he believes the schools should also be operated in a regular business situation. It's best that the place of business is located in a commercially zoned property. Bill 299 speaks for itself on so many things and anybody here should be provided an AB license and they know what the truck drivers are doing out on the road and why they are doing these things and an instructor that has that (training and background) will be a better instructor.

Mr. James Santos, owner of Safe Start Driving School, which began operating since 1995, appeared before the Committee and provided oral testimony opposing certain provisions required under and contained in Bill No. 299. He stated he received his driver training certification from Frank Reyes, Office of Highway at DPW, who is a master trainer. Mr. Santos stated he first became a driver's education instructor through Mr. Reyes and later obtained the next level of instructor trainer certification, which allows him to certify other instructors. I'm not certified through DOE because the law allows me to get a certification from another recognized institute on island. I have 18 years of police experience, I do have an office for my company, and there are certain things on the bill that I do not agree with.

Mr. Santos stated, for example having to operate out of a commercialized zone -- I think that's not fair to those who cannot afford an office and who are maybe building up to put

themselves in an office. I don't like to step on the little guy and I'm one of those little guys. I do believe in quality education and I do provide that quality and professional education, otherwise my business would not be around for so long. As far as having the vehicles equipped, I do have a vehicle, but I don't have a secondary break system on my vehicle. The reason for that is because it develops a false sense of security. I believe in training realistically, not setting up something that nothing is going to happen. The reality of life is if you're not paying attention you're going to crash or you're going to take your life or you're going to take someone else's life. The dual brake system develops a false sense of security and I have operated my school without a secondary break system without any accidents. I take them (the students) to a controlled area, run them through patterns of movement and until I see or am convinced that the student can control the car, then I take them out on the road. Until such time, we stay on the collision avoidance range. That is part of being a good instructor, you have to take it up a notch, to the next level and from there you also assess your students individually.

As far as the suggestion to require one on one teaching, that methodology works for some and not for others. I'm all for proper training as far as driving is concerned. All of us share the road together and I'm a full time police officer. One of the reasons I started my business was to make my police job easier in terms of safety. I don't want to see standards set up that we cannot meet. Mr. Santos stated the current law in its current form works fine. It sets the guidelines of what you need to do. If Revenue and Taxation issues a business license then you've fulfilled those requirements. Right now the current law requires an AB license, CPR certification; and driver instruction certification by DOE or a recognized training institute. And if you pay your taxes on time you should not have any problems.

Speaker Pangelinan stated the current statute also requires Department of Revenue and Taxation to develop rules and regulations for the licensing of these schools. I've been meeting with them, and that's one of the items they're working on to complete. Speaker Pangelinan suggested rather than amending the law, why not have them (Revenue and Taxation) work through the certification of the schools through the rules and regulations, which are already provided for in the law.

Mr. Santos states that the director of Revenue and Tax has that authority now to come up with additional requirements as given in the law. One thing that needs to be addressed is, currently a lot of students and teenagers are circumventing the Guam law by flying to Saipan in the morning and getting their license there, then they come to Guam show their Saipan license and they're issued the Guam license without having to go thru driving school instruction and certification. Guam law states all you need to have is a license from a state or territory, take a written exam, pass it once and they will issue a Guam license, you fail it twice, you will need to take a 12-hour refresher course. Pass the refresher course and they will issue a Guam Drivers License. That is the process that is being circumvented. The drivers education program is going to be useless if it is circumvented. It can be addressed either by amending the law or including in the Rules and Regulations.

Speaker Pangelinan stated that under the graduated driver's license is that people are flying to Saipan getting the license and coming back. What we are trying to do under the current law is still require that driving experience of that six month window. In other words, you can not get a full service license and trade in a license issued in Saipan by getting a full license now, in which Saipan does not have a graduated drivers license program. We get creative on how to circumvent these rules and those are some of the things Revenue and Taxation staff are looking at and to possibly address in its proposed rules and regulations.

Senator Robert Klitzkie asked whether Revenue and Taxation has not promulgated rules and regulations? Mr. Santos stated the Safe Streets Act was passed in 1993 and took effect in 1994 –that Act implemented the driver education process and requirement and that Act also mandated Revenue and Taxation to promulgate rules and regulations. Then in 1999, the Legislature passed another law, which is the graduated drivers license program, which went into effect in June 18, 2003.

Senator Klitzkie asked if he wanted to start a driving school right now, assuming he has a driver's license, what would be the requirements be? Mr. Bottcher stated you don't need a driver's license or even need to know how to drive. You get your certificate for first aid and CPR from Red Cross, then go to Revenue and Taxation to apply for a business license.

Mr. Santos disagreed. He stated current laws stipulates that you need a type B chauffeurs license so in order for you to get a Type B license, you need to have a Type A operators license first. It requires a CPR first aid certification, receipt of some type of training in instructorship as far as driving education is concerned either from DOE certification or from a recognized school on Guam.

Senator Klitzkie asked if he had a type B chauffeurs license, then can he get a drivers school business license? Mr. Santos responded by saying only if you also get a certification of instructorship from either DOE or a recognized school on island.

Senator Klitzkie asked what if I went to DOE what would I have to show there? Mr. Santos said they would put you through the defensive drivers' license program and that DOE does not train drivers' trainers, is not sure why they do not do that, and asks whether they are legitimate.

Senator Klitzkie asked how many (drivers education) schools are there on island that certifies people as driver's trainers? Mr. Santos stated he is qualified to certify driver's trainers and he received his certification through Mr. Frank Reyes, Office of Highway Safety of the Department of Public Works – he at the time was operating his school, which was recognized, by Revenue and Taxation, Mariah Inc. Mr. Bottcher responded although his school is also qualified to provide that certification, however, to date his school has not performed that function.

Senator Klitzkie asked whether no one could take a written test unless they go to school - even if they are as old as I am? What if I don't have a driver's license from elsewhere? Mr. Bottcher stated no matter what your age, you would still have to go to school.

Senator Klitzkie asked Mr. Santos if he does that kind of training? Mr. Santos stated yes, and all you have to do is start from the very beginning just as the fifteen and a half year old who is first eligible at that age for a learner's permit.

Senator Klitzkie said okay I have gone to school; I have taken the training and then test, then what? Mr. Bottcher stated then all you have to do is 'on the road driving.' Senator Klitzkie asked whether one must go to one of the driving schools to do the on the road driving? Can't have my father take me out and show me how to drive? Mr. Bottcher stated that you can, but you have to be certified by a driving training school before you can take the driving test. In other words, you can do your practice driving any way you want, but you need to go to a school and have them certify that you are ready for the road.

Mr. Santos stated that the current language in the law is when you obtain the permit at age 15 and a half, it says there that you will do 50 hours of driving; 40 hours in the daytime and 10 hours at night after 7 p.m. and it must be certified by your parent or a licensed driver over the age of 21 or designee - the designee is the driving schools. But if you take 40 hours of driving in the day and 10 hours at night, being 50 hours total, that is a lot of money parents are going to be paying and so most parents usually opt to certify that requirement. How it is certified? All the parents need to do is put it on a spreadsheet and sign it. They take it to DMV with a certificate from me (a driving school) saying that we completed our portion of the driving. Our portion is the 8 hours behind the wheel. Once that is completed, they take that certificate, the spreadsheet from the parents, their permit, but they have to reach the age of 16 years old in order to receive the intermediate license out of the way.

Senator Klitzkie stated that this seems to be an area worse than regulation.

Senator Brown stated that this is an issue we need to look at. Education is the in thing as far as opening institutions. We have an expectation that people have some level certification to instruct others, particularly in driving. I never went to driving school. There is a reasonable need to look at some type of standard. The question is how to bring it to a median. We need to have a certain standard. I am open, if there is more in this area that we can find out about, to standardize the training for the individuals who will actually perform this task. Certain businesses want to establish themselves with the exclusion of everybody else. We need to get standards that are set and there is a certification process, particularly for the individuals that will be doing the training.

Mr. Monty McDowell, a local private business owner appeared before the Committee and provided oral testimony and comments on Bill 299. Mr. McDowell stated that these gentlemen (Mr. Bottcher and Mr. Santos) are in the profession and he knows that Revenue and Taxation and the Legislature and the Administration has the tendency to

pass laws which require certain agencies to set up rules and regulations for implementation of the law and if you wait for them to do it you will die of old age. Mr. McDowell suggested the community of driving schools should get together to write the correct rules and regulations that should be lived by in their industry.

Mr. Santos stated that it is important that we capitalize on one another, because knowledge is power.

Senator Sanford stated that the process is in place and it needs to get done. You folks who do this for a living come together and come up with the rules and regulations. The intention of Bill 299 is good, and trying to ensure safety via standard definitions on criteria for qualifying yourself as an instructor for the school or the instructor for trainer of the school. How we get there will be something the Committee will try and recommend whether a bill needs to be in place or just the rules and regulations in a form of the bill so we can expedite the definitions for the rules and regulations.

Senator Brown commented that if we are going to encourage the rules and regulations, some of the things we have done in other legislation, is we added language for an advisory panel or committee that can assist the government in providing input. Every time meetings are held on this issue they are included in the dialogue so that when the rules and regulations are developed a lot of these concerns are addressed at the time they are formulated.

Senator Sanford stated that Mr. Santos has been in business for ten years, and he is concerned about the certification process. I know you do not want it to continue for just anybody to come in and pay \$25 and get a license, without any qualifications? Mr. Santos affirmed stating he is all for regulations and policy.

Senator Sanford stated that we need some kind of regulations so that there is uniform adherence to some kind of mandate and standards are established and met to ensure the people that are training are qualified; the people that are on the road and behind the wheels are qualified; and that above all else, road safety is provided for in the interest and welfare of everyone else.

Mr. Bottcher stated that as far as being a professional driver trainer, he has seen many changes occur. One of the things we need to do is get some real standards in it so that people are safe out there on the road.

Senator Sanford wondered how many people are driving without licenses?

Mr. Santos stated that another issue that needs to be addressed is the testing procedures at Revenue and Taxation appear to be focused on parallel parking. When I took my test we had a collision avoidance range set up. We had a serpentine, a 100-foot back out, a simulated parallel parking range. You pass that current test today and they schedule you for a road test the next day. I took my road test in the heart of Hagatna. If you go up to

the parallel parking area there is a big hole up there and realistically we cannot train people that way.

Senator Sanford stated that we are certainly going to have to look at how we can address that particular issue. That is not a good thing.

Mr. Bottcher commented that when you take the test in Saipan, you do not have to do any driving. You take a written test and they give it to you in the afternoon. We don't even know if they can even drive anything. It is very simple procedure (unlike the requirements mandated under Guam's driver licensing laws). Mr. Santos confirmed that it is only a written exam that is required in Saipan – he had recently obtained a Saipan driver's license only because the golf courses offer discount to local residents. Just exactly what Mr. Bottcher mentioned, you walk into the Police Department; you apply for a Saipan License and show your Guam Drivers License or picture ID.

Senator Sanford thanked the two gentlemen for attending the public hearing told them to stay in touch because we need to move this forward. Whether it is modifying this bill or trying to get the rules and regulations details together. We need to get with the sponsor of the bill and we will move it from there.

Subsequent to the public hearing and June 3, 2004 Mr. Artemio Ilagan, Director of Department of Revenue and Taxation, submitted written testimony that addressed concerns and issues on Bill 299. He stated that since the Safe Streets Act was passed in 1994, Drivers Education Schools were established to provide classroom and in-car instruction. The Department of Revenue and Taxation's General Licensing Branch is tasked with verifying three requirements a school or firm must meet before being allowed to provide this education service. Bill 299 addresses these same requirements on lines 12, 13, and 17 of page 1 of the Bill. Research conducted by the Department has uncovered that some schools were initially licensed by the previous Administration without meeting either #1 or #2 and #3 of these basic requirements.

Mr. Ilagan states that the Department understands that this action created an atmosphere of unfairness, that different standards were being applied for each school. Because of this, the Department welcomes this proposal to set uniform standards for this industry. Bill 299 will require an additional investment for those schools that lack these resources and while it may appear that we may be catering to a small group of schools by endorsing this Bill, the primary reason for supporting this Bill is that it improves the quality of driver's education. The Department has allowed these schools to operate through the expiration of their business license and will take a stronger position when these schools renew their licenses on June 30, 2004. The Department will address line 1 of page 3 of this Bill entitled "Section 2. Evaluation of current drivers education license holders for compliance with standards" during the renewal process by conducting the following:

Mr. Ilagan's testimony also stated, in addition to verifying the three basic requirements and these new standards, if Bill 299 were enacted into law, the Department will require all schools to submit proof of these standards to the Driver's Licensing Branch for review

and approval prior to the General Licensing Branch issuing a new or renewed business license.

Mr. Ilagan stated one change to the Bill is strongly suggested regarding the three basic requirements on lines 12, 13, and 17 of page 1 of this Bill. Presently, only one individual, usually the licensed owner, would have to fulfill these requirements. The Department would propose that wording be included to ensure this standard be applied to each of the instructors employed by the licensed owner of the school. Reason being, many instructors employed by the licensed owner provide one to one instruction, which includes in-car instruction. To allow an individual to instruct without meeting any of these requirements would be denying a new driver the service he/she is entitled to.

III. COMMITTEE FINDINGS

The Committee on Economic Development, Retirement, Insurance, Public Works, and Regulatory Functions finds since the enactment of laws requiring driver education courses for issuance of a Guam driver's license and requiring licensure and certification of driving education schools, varying degrees of standards have been applied in implementing these laws. The Department of Revenue and Taxation is tasked to implement these laws and to also promulgate licensure rules and regulations for the purpose of protecting the welfare of the general public. Testimonies received at the public hearing support the need of both amendments to the current laws and promulgation of rules and regulations by the Department of Revenue and Taxation.

The Committee further finds the proposed amendments to §3113 of Title 16 of GCA contained in Bill 299 to provide additional requirements and standards for instructors, owners and facility standards for operating a drivers education school are consistent with policies established under the Safe Streets Act and its subsequent amendments and would serve to upgrade safety standards and uniformity in the implementation of such policies.

IV. COMMITTEE RECOMMENDATIONS

The Committee on Economic Development, Retirement, Investments, Public Works, and Regulatory Functions recommends Bill 299 to be reported out with a recommendation TO DO PASS.



Dipáttamenton Kontrólsion yan Adu'ána

DEPARTMENT OF

REVENUE AND TAXATION

GOVERNMENT OF GUAM

Gubetnamenton Guáhan

FELIX P. CAMACHO, Governor *Maga'láhi*
KALEO S. MOYLAN, Lt. Governor *Tiñente Gubetnadora*

ARTEMIO B. ILAGAN, Director
Direktot
JOHN P. CAMACHO, Deputy Director
Segundo Direktot

individual to instruct without meeting any of these requirements would be denying a new driver the service he/she is entitled to.

Thank you for this opportunity to present our position.

Sincerely,

Artemio B. Ilagan
ARTEMIO B. ILAGAN

Director

Rec'd from Lon Battcher
6/1/2004 9:40am
by Blu

Greetings: Good Morning Senators

Appreciation: Thank you Senator Respicio for introducing this very important bill that has the potential to improve safety for all people traveling on the roads of Guam.

Session Purpose: Improve safety for all people traveling on the roads of Guam by improving the Driver Education programs.

An Assumption: We think that all new drivers should receive the best instruction possible. I presume you all share our professional opinion on this matter. K&L Driving School is a professional school.

Goal of this document: It is the purpose of this K&L document to reaffirm that legislators and K&L share the belief that *all* driver education schools on Guam shall be conducted by professionals.

Definition of Professional: Professional, in this context, means that Driving Schools shall be operated by personnel and taught by instructors who have college transcripts that indicate competence in both CONTENT and METHODOLOGY before operating or teaching a Driver Education school. This means that professionals operate the schools and that certified teachers teach the students.

A common reaction to this criterion of quality and accountability: The criticism heard from our competitors on this proposed legislation is that they cannot receive such preparatory courses here on Guam.

K&L's response to this defensive reaction: We don't have a medical school here on Guam, but we have many doctors. We don't have a dental school here, but we have many dentists here. We don't have a law school here, but we have many lawyers here. As a professional in the area of Safety Education, I (the founder and owner of K&L Driving School since 1981) consider driving as a very important skill that will be used by 90 percent of the residents of this island. Only clearly qualified personnel should be in the business of teaching others how to drive. Corrective action must be taken now.

The training student drivers receive should be done by certified or licensed professionals to ensure that private school Driver Education graduates *stay safe on the road* and so do the people that share the road with them.

All of you frequently see the numerous individuals that are extremely unsafe on the road. We at K&L often wonder how they ever got a license!¹ We at K&L want to work with you so no more poorly trained drivers appear on our roads causing needless pain, havoc, and tragedy to our island community.

A brief outline of some concerns and possible corrective actions:

Concern One: Some "schools" do not have any cars. They meet down in the park in Agana and tell the students to bring a Government driving book. This booklet is reviewed. Then the student and the "instructor"

¹ Or do they have a valid license? Aspects of current legislation discourage potential applicants from going to Driving School due to the long term delays.

ride around the block in the student's car. And like magic the student is given a certificate that indicates readiness to take the Guam government driving test.

1st Corrective action: A classroom should be set up so a student knows where to go for additional information or to review. When you meet in a park or the mayor's office. Everything disappears when you walk away.

2nd Corrective action: Students learn best when they are properly prepped and when they are behind the wheel while receiving practical instruction. K&L believes: A lot of emphasis should be placed by teaching "behind the wheel" skills to determine the student's ability to apply theory and rules taught in the classroom.

Concern Two: Common practice is to credit the student with "X" hours of driving credit while riding around with another student at the wheel. K&L objects to this short cut practice. This saves the school time and money but it is unacceptable as a practice.

1st Corrective Practice: Students should be taught *one on one* in the vehicle. Each student must be taught "behind the wheel" skills individually without other students riding around with him/her. This important part of the instructional program must not be compromised. No dilutions or distractions are allowed. The K&L distraction free environment is one of the keys to our success.

Concern Three: Some students are apparently being taken out for behind the wheel driving without having completed their class work in driver education and without a Learners Permit.

1st Corrective Action: Students should not be taken out to drive until they have passed the written test AND have received their Government of Guam Learner's Permit. This gives them the understanding of the rules of the road before being put in a position to make decisions based on that understanding.

Concern Four: Some driving schools operate out of homes instead of operating as a bona fide business.

1st Corrective Action: The proposal before you weeds out transitional opportunists by indicating that they must operate the driving school from commercially zoned property that meets common federal guidelines for the protection of all students and their families.

Conclusion: Overall, the proposal you have before you corrects obvious deficiencies that interfere with the operation of credible driving schools here on Guam. Later on we can work on some other issues. Let's go a step at a time to move toward a standard of excellence as defined by (one of my favorite professional organizations) Driving School Association of the Americas.

Section 2. AB license means that the instructor knows enough information and knowledge to be a highly informed instructor for any situation that a student might find themselves in out on the road as they have to understand why the larger vehicles do what they do on our roads.



Office of Senator Antoinette (Toni) Sanford

Assistant Majority Leader

TWENTY-SEVENTH GUAM LEGISLATURE

Chairwoman, Committee on Economic Development, Retirement, Investments, Public Works and Regulatory Functions

Suite 15B, 777 Route 4, Sinajana, Guam 96910 / Telephone (671) 479-8664/6 Fax (671) 479-8667 Email: senatorsanford@ite.net

May 24, 2004

MEMORANDUM

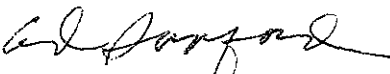
TO: All Senators

FROM: Committee Chair

This is to inform you the Committee on Economic Development, Retirement, Investments, Public Works and Regulatory Functions has scheduled a public hearing 9:00 am, Tuesday, June 1, 2004 in the Legislative Public Hearing Room on the following:

- Confirmation of Ms. Cynthia V. Ecube to serve a four-year term as a member of Guam Board of Equalization.
- Bill 259 An act to improve the reliability of the valuation of appraised real properties, through the amendments of Sections 30104, 30108, 30109, 30112, 30113, and 30122 of Chapter 30 Division 2 of Title 22 GCA.
- Bill 299 An act to amend §3113 of Title 16 GCA, relative to providing standards for operating Drivers Education Schools.
- Bill 300 An act to authorize the issuance of the tax credit to entities who contribute to the Guam Memorial Hospital to pay for pharmaceutical and medical supplies by adding a new Article 5 to Chapter 77, Division 2, Title 12 GCA.
- Bill 303 An act to increase the competitiveness of Guam-based businesses in order to improve the economic climate, create jobs and boost economic activity.
- Bill 304 An act to approve rules for qualified entities contributing to the renovation and maintenance of the Paseo Stadium to be issued tax credit certificates as prescribed by PL 27-27.

Your attendance and participation is welcomed and appreciated.


Antoinette (Toni) Sanford

Cc: Clerk of the Legislature
Protocol
All Media