



Office of the Governor of Guam

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Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Honorable Judith T. Won Pat, Ed.D
Speaker
I Mina Trenta Na Liheslaturan Guahan
155 Hessler Street
Hagatna Guam 96910

08 MAY 2009
30-09-05 96
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date: _____
Time: 5:00 PM
Received by: _____

2009 MAY 11 AM 9:14 AM

Dear Speaker Won Pat:

Transmitted herewith Bill No. 37 (COR), AN ACT TO RE-ENACT CHAPTER 6 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO RE-ESTABLISHING THE GUAM REGIONAL TRANSIT AUTHORITY," which was signed on March 13, 2009 as Public Law No. 30-05.

Public Law 26-76 abolished the Guam Mass Transit Authority and transferred administration of the public mass transit system to the Department of Administration ("DOA"). Since 2003, DOA and the public mass transit system have been stymied by litigation and limitations on resources. Bill 37 attempts to address the public transportation needs of our people by establishing the Guam Regional Transit Authority. Unfortunately, a gap of time has been created by this legislation between the enactment of the Act and the confirmation of a quorum of the new GRTA Board of Directors ("GRTA Board"). During this gap, there is no entity or agency responsible for the contracts and expenditures involved in administering the mass transit system.

To address this dilemma, an executive order declaring an emergency was issued to ensure the public mass transit system continues to operate and function pending the confirmation of a quorum of the GRTA Board and the transfer of control of the operations and management, currently being handled by the DOA Transportation Division, to the GRTA Board. This necessary action helped prevent any detriment to individuals who rely on the public mass transit system to bring them to their doctors, work, medical treatments, and other important meetings they may have.

Sinseru yan Magâhet,

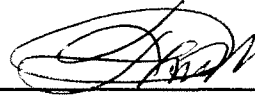
MICHAEL W. CRUZ, M.D.
I Maga 'låhen Guåhan, para pa'go
Acting Governor of Guam

0604

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session

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

This is to certify that Substitute Bill No. 37 (COR), "AN ACT TO RE-ENACT CHAPTER 6 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO RE-ESTABLISHING THE GUAM REGIONAL TRANSIT AUTHORITY," was on the 27th day of February, 2009, duly and regularly passed.



Judith T. Won Pat, Ed. D.
Speaker

Attested:



vicente c. pangelinan
Acting Legislative Secretary

This Act was received by I Maga'lahaen Guåhan this 3 day of MAR, 2009, at
4:04 o'clock P.M.



A. RACHULAP
Assistant Staff Officer
Maga'laha's Office

APPROVED:



FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: 13 MARCH 2009

Public Law No. 30-6

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session

Bill No. 37 (COR)

As substituted by the Committee
on Utilities, Transportation, Public
Works and Veterans Affairs and
amended on the Floor.

Introduced by:

Adolpho B. Palacios, Sr.

T. R. Muña Barnes

T. C. Ada

Judith T. Won Pat, Ed.D.

Judith P. Guthertz, DPA

F. B. Aguon, Jr.

F. F. Blas, Jr.

E. J.B. Calvo

B. J.F. Cruz

J. V. Espaldon

v. c. pangelinan

M. J. Rector

R. J. Respicio

Telo Taitague

Ray Tenorio

**AN ACT TO *RE-ENACT* CHAPTER 6 OF TITLE 12, GUAM
CODE ANNOTATED, RELATIVE TO RE-ESTABLISHING
THE GUAM REGIONAL TRANSIT AUTHORITY.**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that
3 mobility is a basic privilege all in the community should be able to enjoy and
4 appreciate.

5 *I Liheslaturan Guåhan* finds that many households in our community depend
6 on public transit to travel between home, school, work, medical appointments, and
7 various social and cultural activities. On an island where land is limited, traffic

1 congestion caused by a growing population cannot reasonably be addressed by
2 continually expanding roadways. Hence, public transportation provides enhanced
3 mobility within our community, while simultaneously relieving traffic congestion.
4 The availability of adequate public transit services may redirect consumer spending
5 from the purchase, operation, maintenance, and insurance of automobiles to savings,
6 investments, and discretionary consumer expenditures in the local economy. With the
7 benefit of a public mass transit service, many in our community will have improved
8 access to jobs, education, health care, social and cultural activities.

9 *I Liheslaturan Guåhan* finds that an important component of the Department of
10 Public Works' 2030 Guam Transportation Plan is the establishment of an integrated
11 public transit system to meet the mobility needs of Guam through 2030. This system
12 includes an expanded bus service that is regularly available and open to the public and
13 meets the requirements of the Americans with Disabilities Act of 1990.

14 *I Liheslatura* finds that the management and governance of this public transit
15 service requires the establishment of a dedicated organization, the Guam Regional
16 Transit Authority (GRTA). Such an organization, as outlined in this Act, is designed
17 to facilitate the planning, deployment and operation of public transit services in an
18 effective, efficient and timely manner.

19 Pursuant to Public Law 26-76, the administration of Public Transportation has
20 been conducted by a small staff within the Department of Administration. *I*
21 *Liheslatura* finds that despite the hard work and dedication of the people at the
22 Department of Administration, limitations on resources and capabilities within the law
23 have hampered their ability to meet the growing and diverse transportation needs of
24 our island.

25 Therefore, it is the intent of *I Liheslaturan Guåhan* to establish the Guam
26 Regional Transit Authority to effectively and efficiently address the public transit

1 needs for the people of Guam.

2 **Section 2.** Chapter 6 of Title 12, Guam Code Annotated, is hereby *re-enacted*
3 and *amended* to read as follows:

4 **“Chapter 6**

5 **Guam Regional Transit Authority**

6 **Article 1. General Provisions.**

7 **§6101. Title.**

8 **§6102. Creation.**

9 **§6103. Definitions.**

10 **§6104. Purposes.**

11 **§6105. Powers.**

12 **§6101. Title.** This Chapter *shall* be hereby cited as the ‘Guam Regional
13 Transit Authority Act of 2009’.

14 **§6102. Creation.** There is hereby created the Guam Regional Transit
15 Authority, a public corporation. The Guam Regional Transit Authority
16 (GRTA) *shall* have the exclusive franchise for the furnishing of public
17 transportation within Guam and on its roads and highways. *Except* for private
18 parking facilities, and parking facilities maintained and operated by the J. D.
19 Leon Guerrero Commercial Port of Guam and the A. B. Won Pat International
20 Airport Authority, Guam, GRTA *shall* have the exclusive franchise within the
21 government of Guam to collect and administer fees for the furnishing, operation
22 and maintenance of public parking on Guam.

23 **§6103. Definitions.** As used in this Chapter, unless otherwise indicated:

- 24 (a) *Authority* means the Guam Regional Transit Authority.
- 25 (b) *Board* means the Board of Directors of the Authority.
- 26 (c) *Director* means a member of the Board.
- 27 (d) *Public Parking* means any on-street and off-street parking

1 owned and operated by the government of Guam for purposes of
2 temporary storage of passenger conveyances such as automobiles, pick-
3 up trucks, motorcycles, and vans.

4 (e) *Employee* means any person employed by the Guam
5 Regional Transit Authority and as defined by the Civil Service
6 Commission. This definition *does not* include independent consultants,
7 persons who require legislative confirmation, deputy directors, *or* elected
8 officials.

9 (f) *Executive Manager* means the person employed by the
10 Board to supervise the administration of the Authority.

11 **§6104. Purposes.** The Authority is created to plan services, establish,
12 develop, coordinate, promote, own and operate facilities and services that
13 support public transportation and public parking within Guam.

14 **§6105. Powers.** (a) The Authority *may*:

15 (1) Enter into contracts, leases, concession agreements and
16 permits and to execute all instruments necessary or convenient in the
17 exercise of its purpose and powers, including, without limitation, the
18 purchase of liability and casualty insurance for Authority purposes, adopt
19 a seal and sue *or* be sued in its own corporate name.

20 (2) Plan public transit services, devise and follow schedules,
21 operate facilities and terminals, and otherwise engage in the necessary
22 actions to provide public transit service and public parking management.

23 (3) Acquire personal and real property through negotiation, grant,
24 gift, lease, *or* permit in accordance with the provisions and subject to the
25 limitations of laws of Guam, including Chapter 5, Title 5, GCA, and hold
26 and use any real and personal property necessary, convenient *or* useful

1 for the carrying out of any of its powers pursuant to the provisions of this
2 Chapter, and to dispose of the same.

3 (4) Receive and disburse Federal funds, submit project grant
4 applications, program of projects to Federal agencies, and enter into
5 formal agreements concerning projects with Federal agencies.

6 (5) Employ agents and retain *or* contract for the services of
7 qualified consultants, specialists *or* experts, as individuals *or* as
8 organizations, to advise and assist the Authority and its employees, all of
9 which may be accomplished without regard to the portion of the
10 Personnel Laws relative to compensation.

11 (6) Impose, prescribe, revise policies and collect fees for the
12 purposes of carrying commercial advertisement on real and personal
13 property owned by the Authority *or* used in the provision of transit
14 services pursuant to this statute.

15 (7) Adopt such rules and regulations, pursuant to the
16 Administrative Adjudication Law, as may be necessary for the exercise
17 of powers and performance of the duties conferred *or* imposed upon the
18 Authority *or* the Board.

19 (8) *Shall* enter into contract with the Attorney General to address
20 legal issues.

21 (b) The Authority *shall*:

22 (1) Operate a system of public transportation.

23 (2) Establish routes, schedules, fares and policies consistent with
24 the purpose of the Authority. Such services may be altered *or*
25 modified pursuant to the Administrative Adjudication Law only
26 after adequate public notice has been given on proposed changes.

1 (3) Monitor and respond to customer comments in a reasonable
2 and timely manner.

3 (4) Collect, record, store and manage data pertaining to the mass
4 transit services. Such data *shall* be made available to *I*
5 *Liheslaturan Guåhan* on a quarterly basis. Such data *shall* include,
6 but *not be limited to*:

- 7 (i) the number of consumers utilizing the transit system;
8 and
9 (ii) the types of services used by consumers.

10 (c) Nothing contained in this Section, *or* by implication in this Chapter
11 *shall* be construed to be in any way in derogation or limitation of powers
12 conferred upon or existing in the Authority *or* in the Board by virtue of the
13 Organic Act and the laws of Guam.

14 **Article 2.**

15 **Government.**

16 **§6201. Board of Directors.**

17 **§6202. Executive Manager.**

18 **§6203. Personnel.**

19 **§6204. Guam Regional Transit Authority Fund.**

20 **§6205. Limited Liability.**

21 **§6201. Board of Directors.** (a) The Board *shall* consist of seven (7)
22 Directors. Of these seven (7) Directors, two (2) *shall* be selected by and from
23 the membership of the Mayor's Council of Guam, and three (3) *shall* be
24 appointed by *I Maga'lahaen Guåhan* with the advice and consent of *I*
25 *Liheslatura*. These five (5) Directors *shall* recommend to the Governor the
26 names of at least four (4) additional candidates for the Board of Directors, two
27 (2) who are representative of mass transit riders, and two (2) who are advocates

1 for the rights of disabled passengers. In order to recommend an individual to
2 the Governor, a majority of the Board must vote to support said candidate (with
3 four (4) Directors constituting a quorum for said vote). From these
4 recommendations, two (2) Directors *shall* be appointed by *I Maga'laha*
5 *Guåhan* with the advice and consent of *I Liheslatura*. One (1) of the Directors
6 *shall* be a representative of the Senior Citizen of Guam.

7 Each director *shall* serve a term of four (4) years. All vacancies
8 occurring on the Board *shall* be filled by their respective appointing entity and
9 in the manner outlined in this Section, for the balance of the term.

10 All members *shall* be citizens of the United States and must have been
11 residents of Guam for *not less than* five (5) years preceding the date of
12 appointment. All appointments, *except* the appointments of members appointed
13 from the Mayor's Council, *shall* be subject to the advice and consent of *I*
14 *Liheslatura*.

15 (b) Four (4) Directors *shall* constitute a quorum of the Board for the
16 transaction of business. The Board may adopt rules and regulations governing
17 the conduct of its affairs. It *shall* elect a Chairman, Vice-Chairman and
18 Secretary from among its members. The Board may employ one (1)
19 unclassified administrative assistant who *shall* maintain all records,
20 transactions, and minutes of the Board.

21 (c) Each Director *shall* receive the sum of One Hundred Dollars
22 (\$100.00) for attendance at any one (1) meeting of the Board, but such
23 compensation *shall not* apply to more than one (1) meeting in any one (1)
24 calendar month. *No* Director *shall* receive any other compensation for board
25 duties, but *shall* be reimbursed for actual travel, subsistence and out-of-pocket
26 expenses incurred in the discharge of his responsibilities, including authorized

1 attendance at meetings held away from Guam.

2 **§6202. Executive Manager.**

3 (a) The Board *shall* appoint an Executive Manager, who *shall* be
4 its chief executive officer. The Executive Manager *shall* serve at the
5 pleasure of the Board, and the Board *shall* establish the compensation.
6 The Executive Manager *shall*, at a minimum, possess the following
7 qualifications:

- 8 (1) a combined minimum of ten (10) years of documented
9 experience successfully managing a public *or* private
10 transit system, *or* business activity similar to *or* greater
11 in scope and size to the Authority; and
12 (2) possess, at a minimum, from an accredited institution, a
13 Bachelors degree, preferably in the field of business
14 administration, city planning, urban planning,
15 engineering, engineering technology, public
16 administration *or* closely related field *or* discipline.

17 (b) The powers and duties of the Executive Manager include:

- 18 (1) To enforce all rules and regulations of the Authority.
19 (2) To attend, unless excused by the Board, all meetings of
20 the Board and to submit reports on the affairs of the
21 Authority as required by the Board.
22 (3) To keep the Board advised on the needs of the
23 Authority and to approve demands for payment of
24 obligations within the purposes and amounts authorized
25 by the Board.
26 (4) To devote full employment attention to the business of

1 the Authority, to select and appoint the employees of
2 the Authority, *except* as otherwise provided in this
3 Chapter, and to plan, organize, coordinate and control
4 the services of such employees in the exercise of the
5 powers of the Authority under the general direction of
6 the Board.

7 (5) To perform such other and additional duties as the
8 Board may require.

9 **§6203. Personnel.** (a) The Board, pursuant to Chapter 4, Title 4,
10 GCA, *shall* establish rules and regulations governing the selection, promotion,
11 performance evaluation, demotion, suspension, dismissal and other disciplinary
12 action for employees of the Authority. Until such rules and regulations are
13 established by the Board, the personnel rules and regulations of the government
14 of Guam *shall* be followed.

15 (b) The Executive Manager *shall* be an unclassified employee.
16 All other employees of the Authority *shall* be classified employees.

17 (c) Each employee of the Authority, *shall* be eligible to become a
18 member of the Government of Guam Retirement Fund pursuant to
19 §8105(d), Title 4, GCA.

20 (d) Each employee of the Authority, *shall* be eligible to participate
21 in government of Guam health and life insurance plans.

22 (e) The employer's contribution to the Government of Guam
23 Retirement Fund that is assessed by the Fund's Board of Trustees for the
24 benefit of Authority employees who are members of the Fund *shall* be
25 paid by the Authority.

26 (f) The employer's contribution to the Worker's Compensation

1 Fund that is assessed by the Worker's Compensation Commission for the
2 benefit of Authority employees *shall* be paid by the Authority.

3 **§6204. Guam Regional Transit Authority Fund.** (a) The Board *shall*
4 adopt and maintain a system of accounting which is in accordance with
5 generally accepted accounting principles.

6 (b) There is established a fund to be known as the "Guam Regional
7 Transit Authority Fund" which the Authority *shall* maintain separate and apart
8 from the other funds of the government of Guam, and independent records and
9 accounts *shall* be maintained in connection therewith. The Guam Regional
10 Transit Authority Fund *shall* be audited annually by an independent certified
11 public accountant *or* by the Office of the Public Auditor.

12 (c) All monies received by the Authority from whatever source
13 derived *shall* be deposited in the Guam Regional Transit Authority Fund and
14 used exclusively for the purposes of this statute.

15 (d) All expenditures, *except* as otherwise provided by law, *shall* be
16 made from said Guam Regional Transit Authority Fund.

17 (e) The Authority *shall* present an annual report within one hundred
18 twenty (120) days after the end of each fiscal year and, *if* requested by *I*
19 *Maga'lahi or I Liheslatura*, the Authority *shall* present special reports within
20 thirty (30) days after the end of each quarter. The financial information
21 presented in such reports *shall* be in accordance with the system of accounts
22 adopted by the Board *or* as delineated by requestor.

23 **§6205. Limited Liability.** (a) To the extent that any liability of the
24 government of Guam *or* of the Authority is covered by a policy *or* policies of
25 insurance, the government waives the limitation of liability found in §6301,
26 Title 5, GCA; provided, that the government *shall not* be liable in damages for

1 tort in any amount which exceeds the coverage of insurance and the limitation
2 of liability contained in §6301 of Title 5, GCA.

3 (b) All claims made against any policy of insurance purchased by the
4 Authority *shall* be made in accordance with the procedures and time limitations
5 set forth in the Government Claims Act, *except* that all claims *not* in excess of
6 the face amount of the policy *shall* be presented to the Executive Manager of
7 the Authority, who *shall* present the same to the insurance carrier, carriers *or* to
8 their designated agents for processing.

9 (c) *If* a claim is in excess of the applicable insurance coverage, then
10 the Executive Manager of the Authority *shall* also present a copy of the claim to
11 the Attorney General, who *shall* then coordinate the claim as between the
12 government and the insurance carriers, and who *shall* represent the government
13 in the event of a dispute between the government and the insurance carriers. In
14 the event of said dispute, the Attorney for the Authority *shall* represent the
15 interests of the Authority.

16 (d) Each policy of insurance written covering the Authority *or* its
17 interest *shall* contain a clause waiving any defense of sovereign immunity
18 which may be raised against the payment of the claim by carrier.

19 (e) The Executive Manager *shall* publish, in a newspaper of general
20 circulation in Guam, within ten (10) days after the effective date of any policy
21 insurance purchased. All claims against the authority *shall* be filed with the
22 authority.”

23 **Section 3. Transfer of Funds.** The total amount in the Public Transit Fund
24 at the time of this Act’s effective date *shall* be transferred to the Guam Regional
25 Transit Authority Fund.

26 **Section 4. Transfer of Records, Equipment, Designation as State Agency.**

1 (a) The Guam Regional Transit Authority is hereby the designated state agency
2 for purposes of receiving and disbursing funds from the U.S. Department of
3 Transportation-Federal Transit Administration *or* from any other federal agency in
4 support of the mission of the Authority.

5 (b) Immediately upon confirmation of a quorum of the GRTA Board, the
6 Board *shall* be responsible for the operations and management control of the
7 Transportation Division of DOA, including the approval of all contracts and
8 procurement in support of the mission of the Authority, *except* as otherwise provided
9 by P.L. 26-76:25(f), *or* other provision of law. The Department of Administration and
10 the Department of Public Works *shall* assist the Board in the transition period, with no
11 authority to obligate GRTA to contracts *or* commitments prior to the confirmation of
12 the GRTA Board.

13 (c) Immediately upon confirmation of a quorum of the GRTA Board, the
14 Department of Administration *shall* initiate transfer of all personnel, including their
15 FTE positions and budgeted funds for salary and benefits, and *shall* transfer
16 possession of all books, records, papers, maps, plans, documents, offices, equipment,
17 supplies, money, funds, appropriations, licenses, permits, agreements, contracts,
18 claims, judgments, land, and other property, real *or* personal, connected with the
19 administration of, *or* held for the benefit *or* use of, the former GMTA to the Guam
20 Regional Transit Authority. *No later than* October 1, 2009, complete transfer to
21 GRTA *shall* have been completed.

22 **Section 5. Funding Source.** The funding sources for the establishment of the
23 Guam Regional Transit Authority *shall* include the “Public Transit Fund”, and *shall*
24 be for the purpose of providing funding for the Guam Regional Transit Authority
25 facilities, personnel and operations. Additional funding sources *shall* be Federal funds
26 received for purposes of mass transit and the third funding source would be funds

1 generated by the fare box, advertising, and other business activities allowed in this
2 Act. Funds obtained from these sources *shall* be used exclusively for the purposes
3 defined in this Act.

4 **Section 6. Severability.** *If* any provision of this Law or its application to any
5 person or circumstance is found to be invalid or contrary to law, such invalidity shall
6 *not* affect other provisions or applications of this Law which can be given effect
7 without the invalid provisions or application, and to this end the provisions of this
8 Law are severable.

6

I MINA' TRENTA NA LIHESLATURAN GUAHAN 2009 (FIRST) Regular Session

Date: 2-27-09

VOTING SHEET

SBill No. 37(COR)

Resolution No. _____

Question: _____

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BLAS, Frank F., Jr.	✓				
CALVO, Edward J.B.	✓				
CRUZ, Benjamin J. F.	✓				
ESPALDON, James V.	✓				
GUTHERTZ, Judith Paulette	✓				
MUNA-BARNES, Tina Rose	✓				
PALACIOS, Adolpho Borja, Sr.	✓				
PANGELINAN, vicente (ben) cabrera	✓				
RECTOR, Matthew					
RESPICIO, Rory J.	✓				
TAITAGUE, Telo	✓				
TENORIO, Ray	✓				
WON PAT, Judith T.	✓				

TOTAL

14 _____ _____ _____ 1

CERTIFIED TRUE AND CORRECT:

Patricia C. Santos
Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence



Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs
30th Guam Legislature • I Mina' Trenta Na Liheslaturan Guåhan

2009 FEB 16 AM 8:14

February 13, 2009

The Honorable Judith T. Won Pat, Ed.D.

Speaker

I Mina' Trenta Na Liheslaturan Guåhan

155 Hesler Place

Hagåtña, Guam 96910

VIA: **The Honorable Rory J. Respicio**
Chairperson, Committee on Rules

RE: Committee Report – Bill No. 37 (COR)

Dear Speaker Won Pat:

The Committee on Utilities, Transportation, Public Works, and Veterans Affairs, to which was referred **Bill No. 37 (COR) – “An Act to re-enact chapter 6 of title 12 GCA, and to amend §4105 of chapter 4, title 4 GCA relative to re-establishing the Guam Mass Transit Authority,”** hereby reports out with the recommendation to pass the bill as substituted by the committee.

Committee votes are as follows:

- 4 TO PASS
- 0 TO NOT PASS
- 0 TO ABSTAIN
- 2 TO REPORT OUT ONLY

Sincerely,

Senator Thomas C. Ada
Chairperson

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Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs
30th Guam Legislature • I Mina' Trenta Na Liheslaturan Guáhan

Committee Report

Bill No. 37 (COR)



Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs
30th Guam Legislature • I Mina' Trenta Na Liheslaturan Guåhan

2019 FEB 16 AM 8:15

VOTING RECORD

Bill No. 37 (COR) - A.B. Palacios, Sr.

An act to re-enact Chapter 6 of Title 12 GCA, and to amend §4105 of Chapter 4, Title 4 GCA relative to re-establishing the Guam Mass Transit Authority.

Committee Members	SIGNATURE	TO PASS	NOT TO PASS	TO REPORT OUT OF COMMITTEE	ABSTAIN	INACTIVE FILE
Senator Thomas C. Ada, Chairman		✓				
Senator Adolpho B. Palacios, Sr., Vice Chairman		2/13 ✓				
Senator Frank B. Aguon, Jr.		2/13/09 ✓				
Vice Speaker Benjamin J. F. Cruz				✓		
Senator Tina Rose Muña-Barnes		✓				
Senator Rory J. Respicio						
Senator James V. Espaldon						
Senator Telo Taitague						
Senator Ray Tenorio						



Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs
30th Guam Legislature • I Mina' Trenta Na Liheslaturan Guåhan

February 13, 2009

MEMORANDUM

To: All Members, Committee on Utilities, Transportation, Public Works and Veterans Affairs

From: Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works and Veterans Affairs

Subject: Voting Sheet for No. Bill 37 (COR)

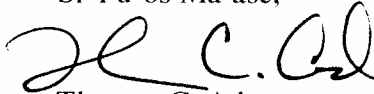
Included herewith for your information and action is the Committee Report on:

Bill No. 37 (COR) - A.B. Palacios, Sr.

An act to re-enact Chapter 6 of Title 12 GCA, and to amend §4105 of Chapter 4, Title 4 GCA relative to re-establishing the Guam Mass Transit Authority.

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

Si Yu'os Ma'ase,



Thomas C. Ada

Attachments: Committee Voting Sheet
Committee Report
Bill No. 37 (COR)
Public Hearing Sign-In Sheet
Notice of Public Hearing

Public Hearing

Bill No. 37 (COR) - A.B. Palacios, Sr.

An act to re-enact Chapter 6 of Title 12 GCA, and to amend §4105 of Chapter 4, Title 4 GCA relative to re-establishing the Guam Mass Transit Authority.

I. Overview

The Committee on Utilities, Transportation, Public Works and Veterans Affairs convened on February 6, 2009 at 1:00 p.m. to hold a public hearing on Bill 37 (COR). Notice of the hearing was disseminated to all local media outlets via facsimile on January 29, 2009, thus meeting the requirements of the Open Government Law. Notice of the hearing was also posted on the Guam Legislature's website.

Committee Members and Senator present:

Senator Thomas C. Ada	Chairman
Senator Adolpho B. Palacios, Sr.	Vice Chairman
Senator Frank B Aguon, Jr.	Member
Vice Speaker Benjamin J. F. Cruz	Member
Senator Tina Rose Muña-Barnes	Member
Senator Rory J. Respicio	Member
Senator Telo Taitague	Member
Speaker vicente "ben" c. pangelinan	
Senator Matt Rector	

Testimony submitted by:

Evelyn R. Duenas, Guam Transportation Commission
Jane Borden
Mark K "paps" Martinez
Ivan Matek
Manuel Q. Cruz, Guam Developmental Disabilities Council, Guam Transportation Commission
Ginger S. Porter, Guam Center for Developmental Disabilities Education Research and Service
Michael J. Terlaje, Guam Transportation Commission
Joseph C. Manibusan, Department of Administration
Larry Perez, Department of Public Works
Lee Gibson, Parsons Brinckerhoff
Lisa C. Ogo
Lourdes Bitanga, Catholic Social Service
Jaha Cummings

II. Summary of Testimonies

Evelyn R. Duenas

Provided oral and written testimony (written testimony attached)

Ms. Duenas is in favor of Bill 37. Ms. Duenas, Vice President of the Transportation Commission provided her oral testimony by reading her written testimony. Within the

testimony, she addressed key components found in Bill 37 that she believed are important upon the establishment of a mass transit authority. She stated that Bill 37 will allow the Authority, under a General Manager, to address immediate transit issues rapidly. Ms. Duenas also believed that Bill 37 provided a balance of community interests on the governing board. Ms. Duenas articulated her frustration with the prolonged and duplicated efforts in passing a bill to create a mass transit authority. In her concluding testimony, she made some suggestions that are to be considered when drafting Bill 37. These are the following: include a representation from the Mayor's Council on the Board, define the educational requirements for the position of General Manager, provide for the transfer of existing transportation service personal to the new Authority, and reiterate the requirement for the Authority to meet ADA guidelines.

Jane Borden

Provided oral and written testimony (written testimony attached)

Ms. Borden is in favor of Bill 37. During the public hearing, Ms. Borden provided oral testimony in support of the reestablishment of the Mass Transit Authority. She emphasizes, however, that prejudiced people not be entrusted with positions on the board, so as to avoid the issues currently affecting the transit system. For instance, Ms. Borden is concerned that there is no clear, centralized method by which riders can get information on the present system, and she consistently finds herself educating confused, new riders. She also notes that pick-up and drop-off locations are poorly implemented, with no shelters, and that in one specific case (near Mangilao), riders are dropped off on the far side of a busy street and expected to cross without aid of a crosswalk. After the public hearing, Ms. Borden also submitted a written testimony. In this written testimony, Ms. Borden expresses her support for the recreation of a mass transit authority. She is, however, against the idea of housing mass transit capabilities with the Mayors' offices. Her concern is that the Mayors' offices do not currently provide adequate services mass transit riders; she specifically notes that these offices do not provide drinking fountains or access to restrooms to individuals using the mass transit system. Ms. Borden wishes to see the reestablishment of the Guam Mass Transit, and that their offices be staffed with employees capable of receiving complaints and concerns, and that these employees be entrusted with the ability to address such issues. Ms. Borden is also concerned that an association is currently dictating policy to the transit contractor, and that this association does not hold public hearings before making changes to policies.

Mark K "paps" Martinez

Provided oral and written testimony (written testimony attached)

Mr. Martinez is in favor of Bill 37. Mr. Martinez notes that he has been a regular rider of the mass transit system on Guam for the past nine years, and that he has testified on previous versions of these bills. His current testimony, he notes, is similar to his previous ones in that he wishes to emphasize that money exists to fund a new mass transit. Mr. Cruz explains that the Highway Fund receives its monies from multiple sources. Of these numerous sources, Highway Fund monies derived from a liquid fuel tax are specifically set aside and separated into two pools, with the larger portion designated to road repairs and the smaller portion to fund mass transit. Mr. Cruz argues that because \$120 to \$160 million of Highway Fund monies have derived from other sources over the years (going back to 1974) and gone solely toward road repair, that monies derived from the liquid fuel tax and allocated for road repairs should now be

reallocated toward mass transit. Mr. Cruz also notes that Bill 37 does not specify a dollar amount for the appropriation of funds, and he feels it may be better to insert said amount.

Ivan Matek

Provided oral and written testimony (written testimony attached)

Mr. Matek is in support of Bill 37, provided that its best features are combined with the best features of Bill 38. Mr. Matek identifies the lack of funding as the most pressing problem facing the mass transit system on Guam. He explains that the Highway Fund is currently insufficient to meet current mass transit needs, so proposed increases in service will be exceedingly difficult to fund; given this situation, Guam needs support from the federal government. Nevertheless, Mr. Matek notes, we do need the Authority proposed in Bill 37. He also estimates that it will cost roughly \$32 million just to start a mass transit system, not including salaries for managers, drivers, and maintenance workers. Mr. Matek also warns that the current condition of the roads is poor, and that it can damage newly purchased buses; for this reason, the Department of Public Works should pay to fix damages caused by potholes, and such, that will occur to mass transit buses. Care must be given to the elderly and people with disabilities, Mr. Matek recommends. Because Guam a large population that cannot afford tickets, Mr. Matek also recommends that these individuals be provided free access to mass transit. He also suggests the establishment of a bus manufacturing assembly line on Guam; in this way, he argues, the government of Guam can train locales, provide for increased employment, and save money on shipping costs (for newly purchased buses). Mr. Matek warns of the rising cost of fuel and the resulting potential costs that may be incurred in a mass transit increase; given these potential costs, he suggests the consideration of alternative fuels, such as natural gas. Even if the establishment of the new fuel infrastructure will cost \$10-15 million, Mr. Matek notes it will still be cheaper than operating on costly, traditional fuel. Mr. Matek recommends that the best parts of Bills 37 and 38 should be combined, perhaps through the development of a main thoroughfare from the Seaman's Club to Dededo, and include satellite transportation options that operate out toward the individual villages. This satellite system could be operated by citizens, ideally veterans, and be initially subsidized through federal government; the vehicles would also be inspected and maintained by Authority. Mr. Matek warns that political appointees must never run the mass transit authority, and that diasporic Guamanians can be convinced to return to Guam to run the system. Mr. Matek notes that Guam needs a mass transit system to serve the many people who lack access to personal vehicles.

Manuel Q. Cruz

Provided oral and written testimony (written testimony attached)

Mr. Cruz is in favor of Bill 37. Mr. Cruz, Executive Director of the Guam Developmental Disabilities Council and a member of the Guam Transportation Commission, believes that the abolishment of the Guam Mass Transit Authority in 2002 was a significant mistake that lead to the loss of financial resources and trained personnel. He states that Guam has relied exclusively on car transportation for too long, but that a renewed focus on developing a mass transit system will help members of the community, including para-transit riders, travel between on-island events. Such an investment in a public transportation system will also boost the island's economy, Mr. Cruz argues, by providing better access to jobs, shopping, and social and cultural activities. And, a public transportation system will aid in alleviating traffic congestion, air pollution, and climate change. Mr. Cruz, in citing the 2030 Guam Transportation Plan, notes that

the management and governance of a public transit operation requires the establishment of a dedicated organization such as the Guam Mass Transit Authority. Bill 37 creates such a board, but Mr. Cruz recommends that Article 2, Section 6201 of the bill be amended to increase the number of board directors (from five to seven or nine) in order to include a number of individuals knowledgeable in mass transit systems, finance, marketing, procurement, and contracting. By amending Article 2, Section 6201 in this manner, Mr. Cruz argues that the Authority will be better positioned to meet current and future public transportation demands. Mr. Cruz, as representative of the Guam Developmental Disabilities Council, also emphasizes the importance and responsibility of Guam's mass transit system to meet the needs and requirements of the American with Disabilities Act. The lack of accessible, available, and affordable transportation is a major barrier to employment and social relationships, Mr. Cruz explains, and he believes the growth of a healthy, vibrant community on Guam necessitates careful planning to make public transportation accessible to all people.

Ginger S. Porter

Provided written testimony (written testimony attached)

Ms. Porter is in favor of Bill 37. During the public hearing Ms. Porter read her written testimony, which is summarized as follows. Ms. Porter is Chair of the Mobility Planning Team, and as such represents the transportation research and technical assistance function of the Guam Center for Developmental Disabilities Education Research and Service. As additional evidence of her knowledge and familiarity with mass transit issues on Guam, Ms. Porter also provided a thorough history of her involvement and leadership in a number of previous mass transit initiatives. In focusing on the necessary feature, Ms. Porter makes the following recommendations: 1) the creation of a mass transit authority with a governing board, in order to more effectively procure federal funds; 2) that this recommended governing board consist of nine individuals representative of the entire community, including riders, the Mayor's Council, and other stakeholders, and that a process be outlined for the public to nominate candidates to the Governor; 3) assurance, perhaps through stipulated minimum qualifications, that the General or Executive Manager of this board have knowledge and experience of mass transit systems and a degree in a relevant field; 4) the retention of an exclusive franchise for the furnishing of public transportation on Guam, and the ability to regulate all public transportation; 5) retention of the authority to establish schedules and fares; 6) retention of the authority to schedule and dispatch vehicles; 7) transfer of existing mass transit employees, without loss of their accumulated benefits of leave or retirement services, into the new mass transit authority; 8) allowing the new mass transit authority to achieve their aims without the hindrance of legislated constraints or design; 9) retention of all present funding courses, including the Mass Transit Automotive Surcharge, and a defined level of initial funding. Additionally, Ms. Porter forwarded the following specific recommendations for reworking portions of Bill 37: 1) add a statement designating the Guam Mass Transit Authority as a State Agency; 2) consider a statement stipulating that existing mass transit contracts will continue; 3) consider a statement stipulating that the new GMTA assumes all powers, duties, and responsibilities of the DOA-DPTS; 4) remove any references to a former "GMTA," as the appropriate reference is "Department of Administration, Division of Public Transportation Services."

Michael J. Terlaje

Provided oral and written testimony (written testimony attached)

Mr. Terlaje is in favor of Bill 37. During the public hearing, Mr Terlaje, on behalf of the Guam Transportation Commission, read from his written testimony. In this written testimony, Mr. Terlaje explains that the Transportation Commission recently completed its three-year term, under which time it assisted the Department of Administration by providing guidance and addressing transit issues; but, while the GTC was able to make some changes for the betterment of Guam, the organization encountered significant hurdles that slowed progress. Mr. Terlaje believes that the core intent of Bill 37 is to create an autonomous agency for the sole function of providing for a safe, accessible, and dynamic public transportation system. Such an autonomous agency, or Authority, staffed with qualified, dedicated individuals and lead by a Board and General Manager will allow for improvements to the public transit system. The inclusion of community members on the governing Board will also increase community interest. Additionally, by having exclusive franchise rights for the furnishing of public transit services, the Authority can realize an additional source of funding, complementary to federal and local funds. And, with the hiring of a full-time, qualified General Manager, the Authority can ensure leadership to ensure the development of a strong public transit system that is accountable to the people. Lastly, Mr. Terlaje emphasizes the importance of repealing P.L. 26-76 in order to free day-to-day operational decisions from inflexible legal mandates and to allow the Authority to adjust these operational tools through careful, dynamic processes.

Joseph C. Manibusan

Provided oral and written testimony (written testimony attached)

Mr. Manibusan is in favor of Bill 37. Mr. Manibusan, Deputy Director of the Department of Administration, provided his oral testimony by reading his written testimony. Mr. Manibusan began his testimony by recapping a brief history of the GMTA. Key points from this section are as listed: GMTA was established as an autonomous agency of the government through PL15-92, the rules and regulations was enacted through PL26-57, and the GMTA was dissolved through PL26-76. Mr. Manibusan stated that the number of ridership in FY2005 was 18,919/month (227,026/yr), in FY2008 was 22,707/month (272,485/yr) and the current FY2009 average is 26,182. He declared that this was a 38% estimated increase in avg. monthly rides from 2005-2009, a trend that is not being accommodated by the system. Mr. Manibusan attributed that the system's problems was due to its lack of funding, staffing, and resources available. Mr. Manibusan had then conveyed that the following needed to be addressed: proper funding, management and staffing, facilities, assets, and resources. In addition, he mentioned the need for an organizational structure that has adequate and appropriate authority, powers, and jurisdiction to carry out its mission. His testimony described participation in scanning tours that compared different transit agencies. He believes that the creation of an authority will bring financial opportunity from the FTA and FHWA and would support the DPW 2030 Guam Transportation Plan. Mr. Manibusan's believes that Bill 37's framework will accomplish the suggestions he had stated as well as provide room for the growth and development of an authority dedicated to mass transit on Guam.

Larry Perez

Provided oral testimony

Mr. Perez is in favor of Bill 37. He spoke very briefly to express the Department of Public Works' support of the recommendations of Lee Gibson and Parsons Brinckerhoff.

Lee Gibson

Provided oral and written testimony (written testimony and slides are attached)

Mr. Gibson is in favor of Bill 37. As representative of Parsons Brinckerhoff, lead developer of the 2030 Guam Transportation Plan, Mr. Gibson provided written and oral testimony, accompanied by PowerPoint slides. In his testimonies, Mr. Gibson focused on providing recommendations on the actions necessary to implement new transit services on Guam; in particular, Mr. Gibson believes that development of a new transit system necessitates the creation of a Guam Regional Transit Authority (GRTA) to facilitate the ability to receive federal funds. The GRTA would be legally enabled to plan, design, operate, and maintain mass transit services throughout Guam. The definition of mass transit would be consistent with the federal definition – which is that the service must be regularly available and open to the public. The reason for using the term “Regional” in the title is to reflect the fact that Guam consists of both urbanized and rural areas with varying land use characteristics. The transit services to be provided over time by the entity (GRTA) would be tailored to meet the specific needs of the various areas of Guam. The transit needs of the south island are different from the needs of the more urbanized areas of Tamuning, Hagatna, and Dededo. Additionally, Mr. Gibson explains that the GRTA, like many agencies receiving federal funds, will be empowered to: 1) own real and personal property; 2) Enter into contracts with public and private entities; 3) Conduct all matters pertinent to operating public transit services including establishing stops, setting fares, operating vehicles over public roads; and 4) Retain staff for the necessary functions of operating transit service. Lastly, Mr. Gibson notes that the GRTA would be governed by a board of directors who would hire a General Manager with expertise in the management and administration of public transit.

Lisa C. Ogo

Provided written testimony (attached)

Ms. Lisa C. Ogo is in favor of Bill 37. As a resident of Mangilao, Ms. Ogo is a transit rider since 2003, and is active in the Transportation Commission meetings. She expressed support for the creation of an authority with the sole control over transit issues. She believes that a single authority will be able to manage and develop a transportation system that will provide better service to the community and relieve other government agencies from the obligations of such authority. She recommended that the word “consumers” in the drafted bill be changed to reflect a better description of the passengers. She also wrote that the authority should be responsible for schedules and the dispatch of services. Ms. Ogo also recommended that the current DOA employees be transferred to the new authority, for their knowledge and experience in transit.

Lourdes Bitanga

Provided written testimony (written testimony attached)

Ms. Bitanga is in favor of Bill 37. Ms. Bitanga, representing the Catholic Social Service, submitted her written testimony prior to the public hearing, and did not read it or provide oral testimony during the hearing. She shares that clientele of the Catholic Social Service use public transportation to visit the organization’s main office for appointments and other needs. Additionally, many of these same individuals lack access to their own vehicle, and consequently use public transportation to travel between work, training programs and social activities throughout the community. Additionally, as demand for bus service intensifies with the increasing number of persons with disabilities, the public transportation system will need an

increase in the number of buses to meet demand. Ms. Bitanga recommends reestablishing the GMTA with a Board of Directors to oversee public transportation services in the community. She also notes that the establishment of this board will require revisiting the Transport Care Attendant law which requires care attendants in the bus especially for those riding the Para transit bus services to ensure the safety of its riders.

Jaha Cummings

Provided written testimony (written testimony attached)

Mr. Cummings is not in favor of Bill 37 as it stands (and that aspects can be instead incorporated into Bill 38). Mr. Cummings explains that, given that Guam is an island, any implemented mass transit system must address the unique requirements of the island. Mr. Cummings suggests using as a model the mass transit system of Puerto Rico, an island territory consisting of urban and rural destinations much like Guam. He warns of the dangers of simply imposing onto Guam a mass transit system designed for a state, noting that such parroting of stateside ventures will only serve to enrich off-island countries while stripping Guam of much needed funds and local employment opportunities. Mr. Cummings also explains that there is no need to reestablish the GMTA, as the Aturudat Islan Transitu proposed in Bill 38 will serve in the same capacity as a public entity capable of administering local and federal funds. Given the uncertain obstacles facing Guam in the future, Mr. Cummings states that a 2030 mass transit plan is unrealistic and does not address numerous difficult to determine variables. Mr. Cummings also notes that a zero-emission fleet is largely possible by 2015, and should be explored as a way of investing local resources toward simultaneously benefit the environment and the economy. Because Guam's population does not travel primarily between shopping centers, Mr. Cummings suggests that the central system of 37 be incorporated into the village-focused system in Bill 38. Mr. Cummings is also concerned that Bill 37 does not propose to begin until late 2001 or early 2012, leaving current riders with a few years of continued poor service. Bill 37 also does not address the social stigma associated with riding mass transit, explains Mr. Cummings, and the establishment of the system proposed in the bill will not simply change people's views on riding buses. Mr. Cummings is also concerned that Bill 37 is more focused on a privatized model that focuses on contractual compliance rather than flexible responsiveness to dynamic community needs. He notes that such privatization will cost Guam more in the long run. Mr. Cummings also included in his written testimony an article addressing the difficulties encountered in Hawai'i when they attempted to implement a system similar to that proposed in Bill 37.

Questions and Answers:

Senator Ada : yields the floor to the sponsor (Senator Adolpho B. Palacios, Sr.) of Bill 37 who reiterates that he is reintroducing Bill 37 to the Legislature.

Senator Ada : yields the floor to Senator Barnes for her comments. She limits her comments in favor of legislation that will help provide mass transit to the community of Guam.

Senator Ada : yields the floor to Senator Pangelinan for questions or comments.

Senator vicente "ben" c. pangelinan: requested for the powerpoint presentation to be provided to the Senators. He then directed a question to Mr. Lee Gibson, to confirm if the study had adjusted

and accounted for the differences in conditions found in the different cities from the scanning tours.

Mr. Gibson: replied that PB wanted to set a standard or “range” in the case study to identify what is available as a model transit systems and how Guam can use these models to approach their development of a Mass transit system. He then testified that the population and population density of a community drives the demand for mass transit usage, and Guam sits in the middle demographic as related to the cities in the study. He also mentioned that Guam will be able to double its ridership with just a few improvements to the current system.

Senator vicente “ben” c. pangelinan: “Are the people of Guam ready to transition to mass transit? What changes in the community will drive the people to mass transit? What makes us comfortable to throw 25 million dollars into a system that was dissolved in the earlier Legislature? Are we confident that ridership will double”.

Mr. Gibson: answered that the people will respond to a reliable, safe and convenient system, thus ridership will increase. He then refers to Mr. Manibusan’s statistics on ridership numbers and indicated that there is indeed already an increase of ridership on Guam. Mr. Gibson stated two factors that will drive increase in ridership: Fuel prices and the condition of the economy. “Guam is going to experience 20yrs of growth in 5 yrs”.

Senator vicente “ben” c. pangelinan: expressed concern in regards to the 25 million from FHWA and FTA?

Mr. Gibson: FHWA puts forward money to buy buses and develop maintenance facilities. US DOT allow for the flexing of fund. Guam could take funds from the highway program, use it to advance transit system and later pay back transit investment when the grant comes in from FTA to pay FHWA. However, there is no need to pay back FHWA .

Mr. Perez: included that DPW found 160 million dollars of old money from the reserve money. Twenty million was earmarked for mass transit.

Mr Perez: This is a policy call that is being made in lieu of widening roads.

Senator vicente “ben” c. pangelinan: mentioned that there are no mass transit systems that are self sustaining, so Guam must dedicate itself to this new Authority if it is established. He is committed to working and putting in an organizational structure and legal framework to allow mass transit to be rebuilt and developed to provide public transit service with the full realization that we have support it with other revenues other than the fare box. He is “prepared to make that commitment”.

Senator Matt Rector: posed the following questions to Mr. Gibson; Why are all the systems in the study, private-public partnerships? Did you find any completely public transportation systems?

Mr. Gibson: responded that the transit systems in the study had qualifications that met their focus for the study. The communities in the study have a high degree of growth and high volumes of tourist. They each went through major changes in their transit system. He mentioned that it is valuable to look at how these transit systems dealt with the issues of these changes. It was also stated that Guam will soon face similar problem when establishing a mass transit authority. He then concluded that contractors were a major tool in that they are usually efficient, flexible, can purchase vehicles immediately, develop an infrastructure, and are ready to respond to customer needs.

Senator Matt Rector: asked if other models other than private-public models were looked at?

Mr. Gibson: the response was that the model for a completely public transit system is outdated. He mentions that most systems are using contractors and that the statistics show that contracting have been successful as opposed to being completely public. Cardinal rule is to keep policy and operations separate. He recommends that the policy should be vested with the public body so that decisions with fare, schedule and routes are focus on the criteria of public policy and not economics. He later alludes that public transit is not self sustaining, but its benefits come from indirect effects on the community. "For every dollar invested in mass public transit, there is a \$2.50 return to the community.

Senator Matt Rector: inquires on where the money is being saved with private-public transit service?

Mr. Gibson: answers that the money is saved in the salaries of the employees and in managing part-time operators.

Senator Matt Rector: counters that by doing this, then you eliminate many full-time employees, career people who will be replaced by the part-time employees. He asked if this was good economics, since Guam is a wage based economy. He argues that it is better to create more full time position rather than part time ones.

Mr. Gibson: Sourcing the 2030 GTP, Mr. Gibson stated that Guam's unemployment rate will be at 4% as an effect of the military buildup. The build-up will create more jobs and thus increase ridership to these jobs. He also mentioned that as soon as the visa issues with China are settled, there will be a rise in growth of public transportation needs.

Senator Matt Rector: wants to be assured that the public transport system is truly a public transit system and not one that generates wealth for a private contractor at the people of Guam's expense.

Senator Ada: yields the floor to Senator Telo Taitague

Senator Telo Taitague: raised the question about exclusive franchise and public parking, and how it would affect the private contractors?

Mr. Larry Perez: defers the questions over to Mr. Joseph Manibusan

Mr. Manibusan: replied that DOA is not addressing exclusive franchise or public parking at the moment, but it is an issue that needs to be addressed.

Senator Telo Taitague: asked Mr. Gibson about his thoughts and comments of parking meters.

Mr. Gibson: He said that the measure of public parking in the bill is looking far beyond the initial stage of development, but rather long term goals. He states that it is important that legislation is crafted to consider the long term goals.

Mr. Larry Perez: reminded the Senators that Parsons Brinkerhoff was hired to develop a business plan that outlined components of where Guam stands in Mass Transit and where Guam needs to be to accommodate its growing needs. Also that Parson Brinkerhoff was going to incorporate in the business plan, the flexibility of the authority to find funding

Senator Frank Aguon: brought into issue the current procurement contract and how this will interconnect with the new authority.

Mr. Manibusan: responds that the authority will make sure that the private contractors will follow guidelines as required by federal and local transportation.

Senator Frank Aguon: Where is the oversight? How will the mass transit expand with this new private contract? He was concerned because he wants an the authority to pursue federal funds and expand the service and not just to monitor compliance with the private contract.

Senator Frank Aguon: asked about situation in obtaining the stimulus package that may provide 25-30 million. He questions about the stipulation that there is a 180 day window to incur or spend those resources? What mechanism is there now that we can directly access those resources in compliance with the stimulus package?

Mr. Gibson: There is a list of identified projects on the TTIP that are needed for the development for mass transit. They are technically ready to go because they are in the TTIP.

Senator Frank Aguon: askd if there is contract already, will the money from the stimulus go to the private contractor?

Mr. Perez: transportation is very dynamic, the stimulus package would be used to leverage and reprogram the monies if money is given. The TTIP for mass transit and highway program is set up so that the money or fund coming from the stimulus, FTA, or the federal highway, will determine how the money is reprogrammed. That is the dynamics of transportation. Whether you create an autonomous entity or not, you will still need an entity to oversee requirements, such as management, business plans, and revenue streams. The entity will assume current issues now and then it will develop as it grows. There is a need for an entity to take us from where Guam is now and where Guam wants to be.

Senator Frank Aguon: reiterated what Mr. Perez mentioned and agreed that the need for an authority to carry out the master plan is important and that we Guam should understand that the authority will take over the current responsibilities as well as the future growth.

Senator Rory Respicio: is there any thought to integrate the mass transit system with schools?

Mr. Gibson: answers, absolutely. Schools are major destinations for students and major destinations for employees. It will help increase ridership. In terms of fare structure: there will be student discounts. This will be in the business plan.

Senator vicente "ben" c. pangelinan: Breakdown in ridership? Increase of trips or increase of actually rider?

Mr. Manibusan: it reflects only the trips.

Senator vicente "ben" c. pangelinan: this is important to track some when developing business plans for this authority.

Senator vicente "ben" c. pangelinan; any thoughts Mr. Gibson?

Mr. Gibson: consensus surveys are used. Once the system is running, it will be important to look into this and into the psychology of your riders. If you can expand the base, that is the triumph that all transits systems want to succeed in.

Senator vicente "ben" c. pangelinan: Is the 25 million used for the current contract?

Mr. Manibusan: it will not be used for the current contract, only for the new mass transit. The time to get the buses will be after the contract expires. Planning the life of the contracts to phase out the old is taken into consideration.

Senator vicente "ben" c. pangelinan: what is the benefit to the contractor?

Mr. Manibusan: there will information on how new assests will be awarded to the bidders?

Senator vicente "ben" C. Pangelinan: when will you anticipate the new RFP for the new mass system utilizing the 25 million to be done?

Mr. Perez: this year June. The package created will inform the contractors that this is the first phase, giving contract based on appropriation and renewable resources. The alternate mass transit system will be on the table and the contractor may have leverage and want to participate when it comes out. It will take time for the buses to come in. They are loking at second contractor to be found late 2011-early 2012.

Senator Thomas Ada: Is the 25 million earmarked for bus fleet also available for the construction of maintenance facility or procurement of equipment, or is it available only for initial operational cost.

Mr. Gibson: it is only for capital projects, buses, maintenance facilities.

Senator Thomas Ada: who is funding the current DOA transit?

Mr. Manibusan: It is 70:30, more local funds.

Senator Thomas Ada: current cost of running it now?

Mr. Manibusan: FY2008 FTA 820,00 FY2009 920,00 approximately 10% increase every year in the federal granting

Senator Thomas Ada: thanks everyone for participating and adjourns the Public hearing.

III. Findings and Recommendation

The Committee on Utilities, Transportation, Public Works and Veterans Affairs finds that a strong, healthy community requires an accessible and dependable public transportation system. The Committee further finds that Guam's mass transit system is in need to improvement in order to meet current and future demand and to better serve the diverse needs of our entire island community. In order to establish a public transportation system that will best serve the community, the Committee realizes the need to establish the Guam Regional Transit Authority as an independent, autonomous agency tasked with the responsibility to provide an accessible and reliable mass transit system.

After receiving public input on Bill 37 (COR), the Committee has amended the bill as such:

- Composition of the Board has been changed to five (5) directors: two (2) appointed by the Governor; two (2) appointed by, and members of, the Mayors' Council; and one (1) shall be the director, or his/her designee, of Department of Integrated Services for Persons with Disabilities (DISID).
- References to a proposed Guam Mass Transit Authority (GMTA) have been changed to the Guam Regional Transit Authority (GRTA) to more accurately reflect the 2030 Guam Transportation Plan.
- Minimum qualifications have been added for the position of Executive Manager.
- Definitions for "public parking" and "employee" were added.
- The proposed GRTA is given the exclusive franchise to collect and administer fees for the furnishing operation and maintenance of public parking, except for parking facilities maintained and operated by the Port of Guam or the A. B. Won Pat Guam International Airport Authority.
- An effective start date and guidelines for transitions have been included.

Bill 37 (COR) as substituted by the Committee on Utilities, Transportation, Public Works and Veterans Affairs is duly reported to *I Liheslaturan Guahan* with the recommendation **TO PASS**.

February 3, 2009

Evelyn R. Duenas
P.O. Box 3943
Hagåtña, Guam 96932

Senator Thomas C. Ada, Chairman
Committee on Utilities, Transportation, Public Works, and Veterans Affairs
30th Guam Legislature
Ada Plaza Center, Ste. 207.
173 Aspinall Avenue
Hagåtña, Guam 96910

Hafa Adai Senator,

I am Evelyn R. Duenas, the Vice President of the Transportation Commission, and a rider of the public transportation system. I am here to testify on Bills 37 and 38, relative to the establishment of a mass transit authority.

I am opposed to the decentralized operations of the mass transit system as proposed in Bill 38 under the structure of Setbisio Kareta Publiku. This particular structure places the majority of the responsibility and planning of transit operations into the hands of the village mayors, who are unfamiliar with the federal requirements for funding, accessibility standards, and the requirements for service. It also legislates operations, a detail that should be left to the management of the Authority, not to legislation. This bill further extends one of the basic problems of PL 26-76: it fails to retain the few personnel who have knowledge of

"Within the heart of each community, everyone belongs."

the history and operation of the transit system and who have been trained by and worked closely with the Federal Transit Administration.

Our system needs transit management from a dedicated group of individuals who are committed to improving transit services, and who are willing to train, develop professionalism in services, and build a career and expertise in moving people in our community. Mayors have village specific interests, and services are likely to follow those interests, without the required vision of coordinating all of human services transportation with public transportation, a feature that is required by the federal government. I fear the result will be inconsistent passenger services across villages, creating confusion to riders. I also fear that there will be a lack of required attention to the accessibility needs of a core system of services and the proposed neighborhood service. Mayors should have representative input on the Authority Board, but it should be balanced with a variety of riders and other community members with expertise in areas such as business, finance, marketing, accessibility and transportation.

For the past five years, riders have been seeking stability in our transit services and accountability to the basic accessible standards set in place by the Americans with Disabilities Act, a piece of civil rights legislation enacted in 1990. The structure of Bill 38 does not necessarily promote all of these basic, yet essential goals, therefore, although I praise the intent to seek a neighborhood solution for our transit system, I do not support Bill 38.

“Within the heart of each community, everyone belongs.”

I do, however, fully support Bill 37, which provides a strong basic structure for a Transit Authority, with flexibility to address neighborhood transportation service after a core system is well established. Bill 37 recognizes the need for the transit authority to retain the exclusive franchise for the provision of public transportation on Guam's roads and highways. Bill 37 also provides a balance of community interests on the governing board.

Bill 37 has more stability and authority to manage the contractual arrangements and the day to day operations of the transit system. An authority, under the direction of a General Manager, has the ability to focus solely on transit issues and rapidly respond to all situations. It also addresses the needs of the system to generate income through marketing, advertising, taxation, fare restructuring, and use of franchise agreements.

Hopefully, there will be no further delays in passing appropriate legislation. Bills 37 and 38 contain many common elements which can be combined into one piece of legislation. The public should not have to come before this body again for the same legislation. Having spent 2 months preparing input for similar bills in the 29th Legislature, participating in prior public hearings, and now repeating the process again is far too much duplicated effort. Let's get it right this time in the interest of the public and move forward. Put aside partisan politics and engage in teamwork, communication, and collaboration on this issue. Do your review, listen to the public, and ask questions of those who have expertise in this area in order

"Within the heart of each community, everyone belongs."

that you can approach this legislation with professionalism and knowledge. I highly recommend that you focus on the strengths of Bill 37 and support it with the following modifications:

- Include representation from the Mayor's Council on the Board
- Define a guide for educational requirements for the General Manager position.
- Provide for the transfer of existing public transportation services personnel.
- Reiterate the ADA regarding accessibility requirements of all transportation operating on public roadways.

Thank you for the opportunity to provide input on Bills 37 and 38.

Sincerely,

Evelyn R. Duenas, Vice President
Guam Transportation Commission

Feb. 12, 2009

Senator, Tom Ada
Chairman, Committee on Transportation
30th Guam Legislature
Hagatña, Guam 96910

Dear Senator Ada;

Buenas yan Hafa Adai!!

Senator, the issues on the Guam Mass Transit has been a long time already that no one is intending to do something about it.

I would like to say "thank you" for your interest to hear from the public about the Mass Transit issues, and I am hoping that we work together to improve this service.

Senator, I have nothing against re-establishing of the Guam Mass Transit. I am against the idea of putting the transit at the Mayors Office because even now that the Mayors Offices are the designated pick-up and drop-off station they don't provide any kind of service for us riders. When I say they don't provide service I mean they don't provide atleast drinking fountain outside their office so that while we riders waiting for the bus and we don't have money to buy drinks we can drink from the drinking fountain. The other thing, the Mayors won't open the restroom at their office incase we need to use

(Page 2 Please)

Page 2

it while we waiting for the bus.

Senator, again about re-establishing the Guam Mass Transit. We really need to have Guam Mass Transit Office with employees who will listen to any complains from the riders, and do something to improve the transportation services.

Senator, right now it's an association that is demanding the contractor how to run the Public Transit. That association also are the one that makes policies for us riders without conducting any public ~~forum~~ forum.

Senator, I am going to stop here because if I am going to write down about every issue about the transit, it will take me about over a month to finish.

Senator, I don't have any kind of office equipment to write everything about the issues. but I would like to ask if you will be willing to have a meeting with me so that I'll let you know what ^{are the issues} we as riders experiencing today.

Senator, I don't have any college degree but I got more experience about the transit, this is why I am asking you to please meet with me so that you will know more about issues with Guam Mass Transit.

I am asking for your understanding on this matter.

Si Yours Maase

Jane A. Borden (Phone #482-2423)

The Honorable Thomas C. Ada
Chair, Committee on Transportation
30th Guam Legislature

RE: Testimony on Mass Transit Bills 37 & 38

I have been a regular rider on Mass Transit for the past nine (9) years. Last year I testified in favor of two bills very similar to these two bills. My testimony then as well as now is in one area, the funding for Mass Transit. The Highway Funds (HF) come from the liquid fuel tax(LFT). These funds go mostly to repairing the roads. The smaller part goes towards Mass Transit. However, there is \$120 to \$160 Million from Highway funds going back to 1974 that Guam will get or has gotten to repair roads. Therefore, money in the HF from the LFT to repair roads can now go towards Mass Transit.

I support both bills. However, bill 37 does not have a dollar amount appropriation in it. It may be better to insert an amount.

Mark K "paps" Martinez

Ivan Matek

Submitted Testimony

Public Hearing on Bills 37 and 38
February 6, 2009

Subject:

Purchase of buses for Guam mass transit

Thinking about Guam mass transit and re establishment of services on Guam I have come to conclusion to this can be beneficial for Island on more than one way.

Each manufacturer of buses want to sell, and customer must to specify exactly what customer want.

Why not include in the contract as follows:

1. As Guam will need about 350-400 buses initially and more further down the line
2. Guam will purchase Buses from company that will establish assembly line on Guam
3. Company will employ Guam residents to assembly buses and at same time will train them in know-how for further repairs
4. Assembly building will be at same time used as Central maintenance for buses in need of third and fourth Service and/ or general overhaul.
5. Company will at same time with assembly off buses train needed drivers (1000) and mechanics and other maintenance people for two Depots
6. Company will provide all necessary (tools, lifts, repair programs, computerized maintenance programs ETC) and train people to use them at most efficient way

This system will initially provide job for construction company and aftermath it will provide jobs for people that latter on will work on maintenance and use of buses.

We must not forget to purchase of 300-400 hundred buses is huge order and in today market no Company can refuse something like that.

In my previous letter I have estimate what it will take to start Guam Mass Transit again and this can be good addition of highly train workers with decent wages to Guam's market.

1 **Is Guam ready for public transportation?**

2 With military build up and almost 40 thousand people moving to our island without workers that will
3 build Island up it is simply necessity to establish proper public transportation.

4 Senators Barnes and Ishizaky both have proposed bills on that problem. They propose to use \$4.5 M
5 for initial start of mass transit. Federal Government as we were informed will infuse funds to help
6 build up island system. I don't want to go in the political repercussions of each bill, but I want to
7 explain some of fundamentals of well established and run public transportation system.

- 8 1. Mass transit when is established cant be abolished- one it will leave people without transport
9 and that will affect economy
- 10 2. Mass transit is World wide subject to subsidizing from community, this some time goes as far
11 as 25 and 45 % if not more.

12 To run Public transportation on Guam we must think in couple different ways that affect this system.

- 13 • Guam have Mountains
- 14 • Guam have hills
- 15 • Guam have flatland

16 Each of these conditions dictates type of engine and transmission on the bus for better fuel economy
17 and maintenance. Therefore for Mountains we will need buss with propulsion system designed and
18 ordered specifically for that area. It is more expensive but on long run saves money on fuel and
19 maintenance.

20 Buses for Hilly conditions can be just little bit below above in order conditions and therefore cheaper
21 to procure.

22 Buses for flat land are regular set up buses that might have some what weaker engines/transmissions as
23 they will not travel in above situation.

24 To run mass transit on our island we must count to we have 15 villages. And that means to before we
25 ever start running mass transit we must:

- 26 1. Build two depots, one in North and second in the South.
- 27 2. Build Central Maintenance
- 28 3. Build at least six Terminals
- 29 4. Build at least 1000 station shelters
- 30 5. GPS communication system, real time arrival for each bus and information digital panel on
31 each station.
- 32 6. Use Earth Google for initial bus routes through villages
- 33 7. Establish YELLOW LINES or BUS lines

34 Depots : depots will be established One in North and one in South. Length of lines and time will
35 determine number of busses on each line. RULE IS 10-15 MINUTES BETWEEN BUSSES. Each
36 depots will be organized as :

- 37 • Refueling – must be determined in advance what fuel will be used (D2, LPG,NPG)
- 38 • Washing

- 1 • Sanitizing
- 2 • Inspection
- 3 • Servicing (first, second third and fourth service)
- 4 • Emergency repairs
- 5 • DOT -after repair inspections, with intranet reporting of all repairs and inspections in real
- 6 time to DOT. This is MUST when brake works are done at mass transit vehicles.
- 7 • Depots must have parking for all busses with anchor points in pavement where buses will be
- 8 chained down to prevent typhoon damages

9 Having all above in mind my estimate is to each depot will employ between 25 and 35 workers per
10 shift, 365/7/24. That mean each depot will need at least 8 mechanics,8 electricians,6 electronic,
11 machinist, welder, 2 tire workers, two rover services mechanics,12 depot drivers-that take bus on
12 gate from line driver and deliver it through all the points above. One DOT inspector on break wheels
13 and inspection duty,8 cleaners for internal cleaning, automatic bus wash station with 2 employees ,
14 Day inspectors in each shift that after clean up inspect vehicle inside and out, up and down, add
15 liquids and release water from air systems, determine needed repairs .

16 One supervisor to run the shift, three dispatchers per shift, 300 bus drivers per shift. Now when we
17 count all this we come to staggering numbers that on present time cant be supported by Guam.

18 Each shift will be 356 people. To accommodate sick leave, annual leave, accidents, ETC, that mean
19 just operational side of mass transit will need about 1424 workers.

20 Now, when we add other business things for right and proper run, mass transit will need two Depots
21 managers, two procurement managers, 6 accounting, 10 time keepers for service and transportation
22 sections, 10 fuel department specialists.

23 On the upper level of management, mass transit will need GM, OPS manager, Service and
24 procurement manager, Ticketing, pricing, schedule manager. That's bring employees numbers to
25 1458.

26 On the daily traffic will must have at least 30 to 40 controllers that WILL be inspecting passengers
27 to they have pay ticket and not taking advantage of free rides. That brings employees number to
28 1618.

29 Depending how ticketing is set up , that section will need about 30-100 workers= 1718 employees

30 Now when bus get in accident and need complicated rebuilding, then goes in CM=Central
31 Maintenance where are body workers, paint booth with downdraft and at least three painters,
32 mechanics, electricians, electronic techs, carpenters, fiber glass workers, welders, tire man, inspectors
33 DOT, manager, accountants, time keepers, procurement , supply, ETC=1813 employees.

34 On the end of each day and through the day line inspectors (30 people) will be informed by drivers of
35 problems on the road and will inspect particular problem s , calling to action GPA,GWA,DPW and
36 or any body else whom is included in problem= 1843 employees)

37 If bad condition of the road is cause of damaged vehicle DPW and or GWA,GTA,GPA , or xxx will be
38 responsible to pay for repairs.

1 Mass transit must in advance decide what kind of fuel want to use. Most of Mass transits in the World
2 converting to LPG or NPG .To build just refueling station capable of serving minimum of 6 buses at
3 the same time, and 200 buses in each Depot we talking about \$10M.

4 Now 400 buses of different sizes that run at one of above fuels price are different, depending on the
5 size ,cost of diverting them to the LPG or LNG from D2 will cost about \$7M so it is cheaper to plan
6 properly in advance.

7 **Cost of Green field - Depot project/without permits/= approximately \$3M times two is**
8 **.....\$ 6M.**

9 **LPG, LNG, D2 storage /without permits/=**
10 **.....\$ 10M**

11 **Green field Central Maintenance project / without permits/**
12 **=..... \$ 10M**

13 **Purchase of 400 buses of different sizes and equipped with all necessary**
14 **approximately.....\$ 80M**

15 **Communication infrastructure, radios, digital tachographs,**
16 **ETC.....\$ 10M**

17 **Basic spare parts, tires, filters , lubricants needed for normal**
18 **operations.....\$ 3M**

19 **1843 employees wages, taxes, health insurance, life insurance ,**
20 **ETC.....??????**

21 **Just this estimate on present day prices bring cost of basics to**
22 **.....\$ 119 M.**

23 Cost of 1843 employees I can't calculate, and will leave to somebody from Government to give
24 some estimate.

25 Cost to Guam Government can be decreased if School buses are transferred to Mass transit with their
26 maintenance and drivers. Those buses can be in school off hours used in mass transit on proper lines
27 and or as needed as back up.

28 Also, Legislature must deliver the law that will cover damaged done to the vehicles by passengers if
29 passenger delinquent can't be indentified. Also damaging public bus on purpose must be treated as
30 criminal act and perpetrator as by law must refund damages monetarily or in labor if cant pay, such as
31 cleaning the buses .

32 Law by Legislature must be delivered that will punish drivers inside YELLOW LINE minimum \$300.
33 Exceptions are Fire Tucks, Ambulances, Police, Taxi. Only time the public is allowed within Yellow
34 line is when they turning in business, home, or traffic light.

35 It is so many more things that I didn't mention that are involved.

1 WE must ask : what kind specifications for vehicles we need, typified vehicles by manufacturer,
2 interchangeable parts, tires, rims, engines, transmissions, gear drives, brakes, injectors, safety devices,
3 ETC, ETC...

4 Is Guam ready to find 1000 bus drivers?

5 Is Guam able to establish, run and co-finance mass transit annually without cutting corners?

6 Is that Mass transit able prior start to send needed maintenance personnel on long term training in
7 manufacturer facility?

8 Is that Mass Transit able to send Traffic personnel (drivers, inspectors, controllers, schedule makers
9 ETC to other Mass Transit/ where ewer/ on long term training?

10 Don't get me wrong, I want Public transit on Guam but this time we must do it right from start. Is
11 Guam ready for this kind of commitment?

12 We must be careful from whom we purchase Buses, if not we might end up with outdated on arrival,
13 out of EPA regulations ,fuel guzzlers, parts users, maintenance expensive ,user unfriendly, road non
14 compatible vehicles.

15


16 **Ivan Matek**

17 **477-3169- home**

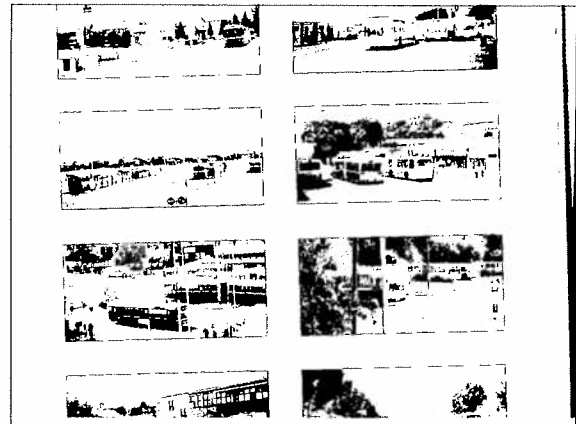
18 **686-3169 – cell**

19 **P.O. Box 8456**

20 **Tamuning 96931, Guam**



Mass Transit
Some communities start long time ago and learn on mistakes. We must learn from best and collect knowledge not to repeat costly mistakes.



Subsidizing

- To start new agency of this kind-
- is a grass field effort
- We must have money, special fund for subsidizing
- To cut funds to projects in hard times- is cost prohibitive

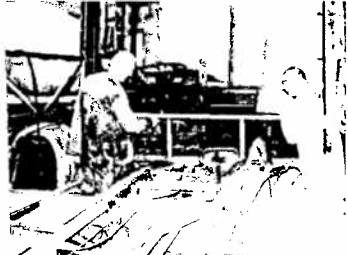
• Dénkvílost nové metróde na djelu su pokazali vlasnici Anigratih centra



• Novo je sredstvo iskusara : predradnica čistilača Marica Vidak

Public private partnership

- Privatization concept does not mean that private sector is the only one who is providing public services. It includes an involving of private sector in the design, ownership, organization, financing and operation of public facilities and service. Shortly, privatization is a public-private partnership in which every sector has its role. The role of public sector is to represent, identify and express the public interest. It has to identify the demand of the community (demand for public services). But it does not need to provide these services directly. The role of the local government is really as a controller, a manager, and a protector of community. Privatization can solve different problems of technology and capital-intensive industries



• Are we ready for business of this kind?
Is Guam ready to support business 24/7/365 for Decades to come?

Set UP of PMC

- Local government sets up the oversight program by contractual agreement between itself and the private sector. Both sides can contract out the independent financial auditing and the quality control. The contract can be structured to enable both sides to takeover full control in the future.
- The private sector has many advantages over the public sector. Its main advantages are providing the means for various social, economic and development needs of the community without activating the additional government fiscal means to finance infrastructure facilities. This means, that local government can use its limited debt capacity for financing other social basic needs.

Damage on BUS –DPW pays for



Reasons for PMC

- There are many reasons for involving private sector in production of public services:
- Reduction of local government outlays and extension of its debt capacity
- Sharing the responsibility between local government and private entrepreneur
- Reduction of costs to taxpayers through private sector efficiencies and savings in construction costs and time, economies of scale etc.
- Increasing the quality level of service without increasing the tax rates or user's fees.

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Cost of LPG refilling station for one Depot with 130 Buses
 2.3-4 Million Euros X \$1.42 at 09/20/2008
 To convert 130 Buses=5-5.5 M Euros x\$1.42

When to privatize

- The privatization of public sector should be optimal solution in next cases:
- when government's operations are not directly related to its central function (legislative, judicial and some other activities)
- when there is direct competition between public and private sector (e.g. media)
- when the costs of public-provided services exceed the government budget
- when the government operation are inefficient and/or the level of provided services is very low and all government's actions give no results.

LPG gas station for BUSES



Replacing D2 with LPG on present prices
 130 Buses=4.06 million liters
 Rate of return of investment is 3.2-3.6 Years

Different options

- Buying the entire service in multiple contracts. Two or more contractors provide the entire services.
- Buying the entire service (owning the capital). The private contractor can provide only the labor force and local government will itself own facilities and equipment.
- Buying the capital (owning the service). This is the opposite from above mentioned. In this case government provides its stuff and contracts only for capital (equipment and facilities) which are in private ownership.
- Incentives to performance. Incentive can be build into contract as the bonus for good work (e.g. bonus for finished the road construction before the end of contract period).
- Cooperation. A city can organize the provision of public service in a way that public and private sectors work side by side. This means, that a local public body will provide a part of service by itself (by its employees and capital) and a part of service is going to be provided by a private sector.



Depot safety inspection section

After repair all vehicles go to safety inspections for quality control.

Different options

- Contracting the management. This is the variation of contract arrangement by which local government buys only the management. For example in providing the public transportation, public sector can secure vehicles, building and employees and buys managerial functions from private sector.
- Contracting the management of support services. Public sector provides the whole service, but the management of support services leaves to the private sector. E.g. at a hospital private sector can provide the management of technical support services. The purpose of this arrangement is raising the level of cost efficiency of the support services.



Safety inspection 160 BUS's from 1600 hrs to 0200

Safety inspection starts at 1600 in the afternoon and 160 BRIS's are washed, inspected, sanitized, oiled, lubricated, brake fluid, windshield washing fluid, checked, monitored from air tanks, adjusted brakes, clutch, inspected tires, sent to service or on parking. All bus finish next day at 0200 in the morning when all buses are going back on line at 0400.

Advantage's

- Advantages are:
- the market competition arising from including the private sector reduces the costs and/or improves service quality
- limitation of the growth of government administration
- possibility of engagement persons with specialized skills as needed
- the scale of new services can be introduced without large initial capital outlays
- realization of the economies of scales
- adjustment of the project size and structure to the necessity of community
- the full cost of a service becomes more visible
- local government can devote all its efforts to the planning and monitoring of service provision - that can affect to the quality level of service
- responsibility, risk and costs of non successful project are borne by private entrepreneur, not by taxpayers
- improvement of information system



U novom prostoru dovoljno je mjesta i za opremu, i za dva Marijana, šefa odjeka Rostuhara i kontrolora Lackovića



Disadvantages

- Disadvantages are:
- contractor's profit and monitoring costs can make services more expensive rather than less so,
- profit and cost-cutting motives can influence on the quality level of service (it can be reduced)
- market competition to obtain contract can raise the corruption and bribery,
- if the private firm (the provider of service) declares bankruptcy, or goes out of business in any way (strikes, etc.), the further delivery of service can be disrupted,
- it is very difficult to clearly define the contents of the contractual service - very often this requires cost-plus-fixed-fee provisions that give no incentive for efficiency
- local governmental accountability and control is reduced
- public policy objectives such as objectives of employment policy (employment of invalids, war veterans etc.) can be undermined
- contract constrains can slow down or even make impossible responding quickly to major changes in services needs
- ensuring the contract compliance has to be done by close monitoring of contractor's activities
- contractor can require undue political power
- contracting can have negative influence on non-profit organizations - it can cause them to downplay their role as a social conscience
- it is important



Google earth helps

With help of Google earth new line is determined prior to driving with official SUV for line inspection.

Icy road

- It is important to know that certain forms of privatization of public services are not appropriate for all areas. Privatization can reduce the tax burden to taxpayers, but its importance is in reducing public expenses by making new market competition to public sector. The considerable significance of privatization is that under the privatization process government is forced to reduce costs of public services.
- During the selection phase, local government has to evaluate all tenders (including private public sector). Certain capacities should stay in public ownership. Local government should ensure that the contracting is not the only form of privatization of public service. Not only the price, but also the quality of service should be considered, because the less expensive bid does not mean the highest level of quality.

Political aspects of privatization

- Privatization of public sector is also a political decision depending on public will (will of voters). The privatization promoters have to analyze several issues:
- Community analysis. It is very important to obtain public opinion about the privatization. Citizen support will bring more votes in favor to privatization plan than the best professional consultant report.
- Present the privatization issue. When presenting the privatization programme to the public it is necessary to specify all advantages and possible disadvantages of private providing the public service, especially the structure of costs. Besides, generalization is not recommendable, the public has to be informed about real facts of every projects.
- Analysis of interest groups. Defining the service users is very useful for privatization promoters. By this analysis they are going to determine groups whose position is going to improve afterward and the ones who are going to be in worse condition than before. The attention has to be paid to certain social groups (oligarchies) which may not approve the privatization. The connection between the privatization and interest groups has to be determined. It is necessary to work out the strategy of best presentation of privatization to obtain the support of different interest groups. During the privatization process it is very important to include public employees because their knowledge and experience can be very useful to new provider of service. The influence of public employees' union has to be taken into account. Also the significance of groups who would be opposed to the privatization on political or some other ground (philosophical, etc.). Attention has to be given to the opposition. Refusing to discuss to the opposition may seen as the weakness of privatization programme.



LNG OR LPG BUS question is now ?

Should we purchase old or new technology?
Quieter, cleaner, less maintenance, power is the same. Savings are not

Before privatization

- Before public authorities decide to privatize certain public service, a several issues should be considered:



New BUS arrive with mechanic and electronic tech

Buses are ordered before two years. Two mechanics and electronic techs were send in factory for training when buses are ordered. Certified by Manufacturer they tend to new BUS

Loss of economies of scale

- **Loss of economies of scale.** Reducing the state monopoly by private companies can cause the lost of economies of scale. The main advantages of small firms is efficiency as the result of market competition. But, the main argument of large public enterprises is economies of scale.

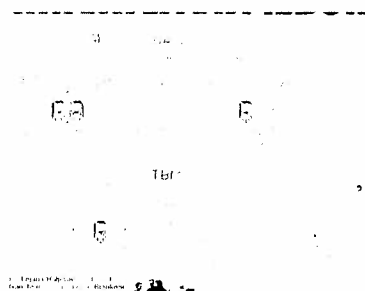


Almost 1 M euro's or 1.42 M\$ in repairs annually

Cost of failure

- **The costs of failure.** It is possible that the private provider makes big failures in the provision of service. In that case government has to cancel the contract and return the service to the public sector or to bear transition costs as the service is transferred to another private contractor.

Eventually will come to this



EFFORT TO DO AGAIN

- Two Bills were presented recently in effort to start MASS TRANSIT again
- First by Hon. Senator Ishizaki
- Second By Hon. Senator T.R.M. Barnes
- I will like to give you insider vive in problems of Mass Transit.

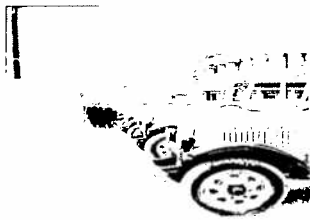


Buick BUS in Zagreb ,Croatia 1927

We can not afford to purchase out dated buses on arrival. We must be responsible with funds we were given and do it right. After three time, I don't think to Federal Government will have any doubt to we are bunch of irresponsible people that know only how to say give me some money.

Different ways

- It is many different ways of transporting Public such as:
- Tramway- hard to run due need for overhead power lines- Typhoons
- Trolleybus-hard to run due need for overhead power lines- Typhoons
- Metro- expensive to build but most convenient on long run
- Monorail-expensive to build, expensive to maintain
- Railway- expensive to build, expensive to maintain
- BUS with LPG or LNG for fuel best solution for the island.
- And or combination of all or some of above.



Guam Must find reliable, renown Mass Transit Buss manufacturer

Failure to do so will increase cost of maintenance and burden on People of Guam.

No Time to wait/make mistakes

- As prices of Crude will reach (my prediction) \$200 for barrel, and US Gall of gas \$ 8 to \$10 if we are lucky, it is the time to start seriously thinking about proper public transportation. Other ways Guam will find it self in standstill, where population on minimum wages wont be able to commute to work.
- Because of permanent increase of price of D2 I think for Guam will be a benefit if:
- Inside mostly populated communities we build some kind of electrically propelled means of transportation and

Options

- In less populated areas of Island establish Bus mass transit that will serve as feeder to electrically propelled transportation.
- This really does not leave many choices, BUS for remote and Trolley, Tramway, Metro or Subway.
- They all use electricity for propulsion and are able to transport mass off humanity at same time in same direction.
- Having in mind World political and environmental situation:

Rules for Mass Transit

- For the Bus system is rule:
- -reliability
- -not more than 15 min intervals between Buses during work days
- -night service in areas of importance such as Hospital, Police, Power generation, Military installations
- -rowing service
- -daily safety inspection & 24/7 maintenance
- - Enough drivers and STDBY drivers to cover all needs



LPG autobus pokirali smo na našem stajalištu

Primjer Beča

Glavni grad Austrije Beč sa svojih 1.6 milijuna stanovnika u 23 gradske četvrti na površini od 415 km² ima je najmoderniju i najbržu vozila javnoga gradskog prijevoza. Beč je poznat po svojoj bogatoj kulturnoj baštini, a gradski prijevoz je ključna komponenta života u ovom gradu. Beč je poznat po svojoj bogatoj kulturnoj baštini, a gradski prijevoz je ključna komponenta života u ovom gradu.

• U Beču postoji autobusna vozila na plin • Autobuse može prebiti za 5 minuta • Potrošnja 105 l/1000 km • Novi MAN 273 najvećih autobusa na svijetu, bolji i od onih koji koriste trenutni stlačen plin • Sigurnost putnika i vozila neupitna • Za održavanje autobusa troškovi manji i do 35 posto • LPG-ovi autobusi na LPG ili CNG?

Village system & City System

- For Guam Population I suggest to be established Local or village system. It will connect neighboring communities; all these buses will circulate through village main through fare main points such as (gas station, grocery store, church, community center, mayor's office, etc)
- On all points passengers will be able to embark/disembark on established stations not more than half mile distant or as needed. One village will be for example Zone #1. First station will be by Town House and last on convenient place in Sinajana. On Last station commuters from Town house will get out and new to Town house will embark. Depending on length of line and number of stations will be printed schedule for each station and transparently displayed.
- For more frequent lines such as Hagatna – Dededo, University of Guam and Tumon/Tamuning and or Hospital some rail system is needed in the future.
- For more details specialists are needed to research, plan, schedule, lines and frequencies on lines. For rail is no other option for us but to go underground and this will benefit us on many ways: -safe way, uninterrupted during storms, easy access

Public private cooperation

- Considering Guam need I propose to in each village participants chose :
 - Most convenient thoroughfare
 - Second on community meeting in Majors office decide what the needs of that community is: early morning, start time, end of the day time, frequency of buses, and stations. It make sense to in the morning and evening to and from work. Busses are more frequent than in rest of the day, and confirmed by test rides of normal size vehicles.
 - In confirmation of routes and ability of buses to negotiate village roads, will participate volunteers from village's and Major office's, as well as Public transportation experts. Some speed bumps will have to be removed. They will have to count passengers, throughout the day and time. This will allowed PTS experts to establish Route schedule.
 - On village level I propose to Government of Guam in cooperation with Fed Gov. establish program (such as MED-Minority economic development) by president Reagan), and that will :
 - Offer no interest loan on Vans and mini BUS'es for those interested to participate in Public transportation
 - If all participants form cooperative , willing to expand business and take risks, offer them again-- no interest loans for upgrades to MID size buses and on the end to city size buses.
 - Also mechanics hired to work in garages/service must be trained on this vehicles by manufacturer of such vehicle.
 - Mechanics might form cooperative that will run such depot, and must guarantee: vehicle safety inspection every 24 hrs and after repairs, maintenance

Depot with service
Necessary, vital, can't survive without

Things we must have prior start

- Establish in each garage/Service , not only repairs and maintenance, but cleaning and washing stations
- Each vehicle participating in Mass transit must have installed "tachograf" - road version of black box that will record performance of the engine, vehicle and a driver, and connected with dispatch for North and/or South. This "black boxes" if properly used deliver to the management insight on weight of driver foot on throttle and brakes, and also on handling of vehicle in areas known to have bad road conditions affecting suspension and direction of vehicle. This is also very helpful device for drivers in case of accident, confirming to they were handling vehicle in law allowed way. Also each "Black box" permanently transferring GPS position of vehicle allowing dispatcher inside viva in traffic conditions, congestion, traffic jams and accidents at real time. This is important to back ups, rowers, ETC be dispatched on timely basis.
- Each driver must record in vehicle record driver book things as- bald tires, discrepancies, malfunctions, breakage.
- When vehicle come in for repair or at the days end, inspectors will take drivers book and verify the problems, troubleshoot if possible, and send to mechanics to fix the problems. After repairs inspections will be done again.
- In safety inspection stations must be brake rollers and trench after cleaning station (less than 10 minutes) where inspectors will visually inspect in less than 10 minutes undercarriage, passenger space, outside, liquids, oils, ETC

COST up front

- With estimated growth of Guam population to 231 000 in Year 2015, my estimate is to Guam Mass Transit will need about 300 to 400 Buses of different sizes and function.
- If average value of VAN – 6-8 passengers is in or about \$ 90 000.00 EACH, and Guam will need for each small village at least six (6) = \$ 360 000.00 per village.
- If average value of mini bus – 10-20 passengers is in or about \$ 120,000.00 EACH, and Guam will need for each larger village at least eight (8) = \$ 960,000.00 per village
- Hagatna, Tamuning, Tumon, Dededo, Harmon will need City Buses of 80-140 passengers' capacity at least, to support need of increasingly immobile population. Each village will need at least twenty (20) Buses in or about \$ 200 000.00 EACH and that makes \$ 4,000,000.00 per village. Guam have 15 villages
- Necessary infrastructure
- Infrastructure such as Depot's North and South capable to maintain approximately 200 buses of different types and sizes with all necessary, to comply with EPA regulations, safety inspections, work shops, tools and equipment such as service vehicles –rowers and towing/lifting cost today at least \$ 2,000,000.00 and that is without expenses for utilities and land, design. If we include LPG refueling, this cost will most likely, in time of start of a operations come to, and I underline that most likely to cost of \$ 4,000,000.00.
- Each station/shelter might cost at time of installation about \$ 10 000.00 and Guam will need hundreds of them. So if we go with number of shelters at about 1,000 that cost come to

This must not happen on GUAM

- Just as on Guam
- DPW paying the Bills for repair of Road and BUS



Work force

- Drivers
- To support 400 buses operating on average 20 hrs a day, Guam will need about 1,000 bus drivers, and that will include necessary stand by drivers to cover for people on sick or annual leave.
- Support
- To support such large operations, will be needed to develop and build computerized dispatch center's with GPS locator ability, at least twenty people that will maintain GPS, PC's, software and hardware and that will probably cost at time of delivery one freely estimated sum of \$ 3,000,000.00
- Initial supply
- Initial supply of spare parts such as air-conditioner's, alternators, starter's, light bulbs internal and external, brake shoes and suspension spring and air, that will cost in free estimate for 400 Buses about \$ 1,000,000.00 and that if management succeed to be contract with suppliers, on discount prices.
- Depots
- Manpower for depots is about 40 people per shift, and this is three shifts a day
- And one shift OFF
- Shift Personnel include: at least 10 mechanics, 8 electronic techs, at least 2 tire man, 10 suspension men, 6 safety inspectors certified by DOT and responsible to DOT at Federal and local level, 5 people on refueling station, 10 people to clean and sanitize buses inside, 3 people on rotary brush BUS wash, 1 tools man and 1 machinist, at least 1 welder, 1 Shift Supervisor and 4 Group Leaders and the number is 62 per shift

Drivers must be protected and

- Must be without Cash
- Protected by law
- As police officers



Still needed is Central Maintenance

- Multiply that by 4 shifts and we come to 248 plus 1 Depot Superintendent Multiply that by two for two Depots and we come to 596 people that will work on maintenance. In this number are not included sheet metal workers and or fiberglass workers for repairs after accidents.
- Central Maintenance
- Central Maintenance is separated section where vehicle are send after major accidents for repair of undercarriage, drive train, transmissions and engines, painting, floors and seals, glass repair. These personnel will decrease or increase depending at results of the first year, with expectations to as buses getting older maintenance will increase. This section is also important so largest number of Buses can be kept in traffic rolling in good conditions even when exceed age limit to be used, as often is a case, company must wait on new buses between year and two, and that is if permanent financing for rejuvenation of buses is at hand. That mean to new buses must be ordered annually and paid at delivery, or line of credit must be established so manufacturers KNOW to they will be paid, as Guam has BAD RAP.
- So My free estimate is to in Central Maintenance shop will work about 40 people of different trades.
- Total employment of just necessary personnel on the ground, without CEO, CFO, Book keepers and time keepers, supply, bean counters of different levels, grant search and acquisition specialist –in this case that person is of vital importance for cheapest possible run for local Government and/or community as whole.

Tally on the beggining

- So for the end conclusion of Needs of BUS transport it will be

Drivers.....	1 000	
Maintenance personnel.....	636	
Upper management and engineers.....	80	
\$		
Vans per village		360 000 00
Mini buses per village \$.....		960 000 00
City buses per village \$.....		4 000 000 00
Two Depots \$.....		8 000 000 00
1 000 shelters \$.....		10 000 000 00
Central maintenance \$.....		6 000 000 00
Office space building/buildings, licketing \$.....		2 500 000 00

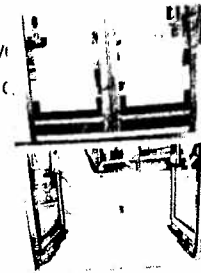
Total without fuel, lubricants, energy, supply, parts & wages come to a		
STAGERING = \$ 32 000 000 00		

Requirements for BUS's

- In Mass transportation is some very important requirements we must ask manufacturer or provider of mass transportation to secure.
- Unified types of buses to allow for cheaper maintenance and inter-changeable parts-meaning same manufacturer (example: air dryers, brake shoes, outside and inside panels, passenger seats, air filters, air conditioners to name just few)
- X number of Guam buses must be designed for mountain passages down south and they will serve only in that community, daily use of regular buses will cause extra expenses on transmission maintenance
- On each line must be at least 50% buses with wheel chair lift capability and special space by the door for passengers in wheel chair equipped with wheel blockage and safety belts.
- Life span of Bus must be at least 15 years after that is not feasible to run it any more, manufacturer and supplier must count at Guam's salty air and provide best corrosion protection available.
- Buses must be easy accessible for passengers of all ages, that means low floor, few steps
- Buses must be provided with enough seating and standing spaces with holding bars for comfortable and safe transportation of human cargo
- Buses must have at least two four section doors with pneumatic or hydraulic devices for opening of the same
- Buses must have "Black box"
- Buses Must have GPS communication
- Buses must have voice communication with passengers and dispatch

Easy in/out

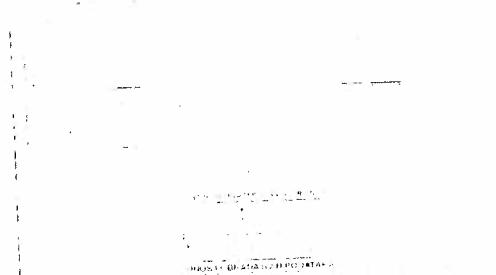
- We must specify what,
- Where why and when w
- Want otherwise manufac
- turer will sell us whatever



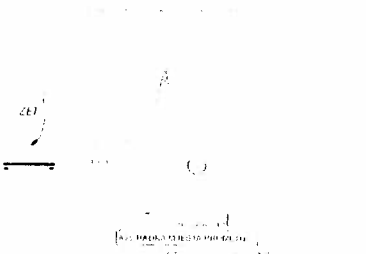
BUS order specifics

- Buses must have diesel engine converted to LPG or NG
- Buses must have low laying engine to provide for maximum usable passenger space
- Engine and air conditioner must be sound isolated to prevent internal and external sound pollution
- Buses must have suspension designed to survive Guam roads with plenty of potholes, by experience the with brakes will become one of major money sink holes
- Buses must have bicycle racks
- Buses must have driver separated from passengers
- Buses must have air conditioner
- Buses must have ABS brake system
- Buses must have their exhaust at rear and upright so exhaust gasses won't affect drivers behind
- Buses must be able to negotiate city, village and mountain roads
- Buses must be able to drive 24 hrs on one refueling
- Buses must be able to negotiate narrow village streets- improved steering system
- Buses must have minimum blind spaces
- Buses must have rear view camera with monitor by the driver side
- Buses must have camera to record driving situations as well as traffic behind, this will help resolve sometime cumbersome court cases
- Buses must have push button for passenger bell inside and out of the bus doors
- Bus must have doors that will jam/lock bus if passengers keep doors open or not entirely closed
- Bus driver must be able to see doors by the right hand side mirrors and/or station mirror installed on place to driver can easily monitor exit and entrance of passengers

Communication 1



BUS, station, dispatch ETC



BUS order specifics

- Buses must be equipped with cashless ticketing system - meaning passengers must purchase ticket in advance or over SMS or present to driver annual, retiree or student pass with picture, or monthly, weekly or daily ticket
- Ticketing system must be wirelessly connected with main office to allow easy tracking of passenger numbers on each line
- Buses must be most advanced on market so their condition will jump start us for next ten years. (Guam can not afford to purchase outdated on arrival buses and inspect them to serve minimum of 10 years.)
- Buses must be designed to in case of natural disasters can be easily converted in mobile ambulances or mini hospitals on wheels, and able to hook up stretchers in three or four elevations
- Buses must have on under carriage minimum of six points so can be chained down on their parking spots in case of typhoon. This mean, parking lots must have -build in for each bus six para- eyes, so buses won't be turned or moved by winds and damaged at that way. These points must survive winds of at least 200 miles an hour.
- Outside body work must be designed to parts damaged can be changed in maximum of 30 minutes for flat and 60 minutes for curbed.
- REST OF REQUIREMENTS WILL BE BY U S A DEPARTMENT OF TRANSPORTATION



Do Guam have \$\$\$\$ for this kind of sidewalk

In same level from BUS to side walk, easy with child in the stroller

How to set Management

- In mass transit, it is mine opinion; Government of Guam shall be involved just as overseer, auditor, regulator and/or as shareholder. By no means Gov Guam, shall be in Management position, for multiple reasons.
- Political appointees 90% of the time have no clue what they suppose to do
- Gov. Guam Rules and Regulations and Code of Conduct are obstruction in work process
- Gov. Guam rules are obstruction in supply pipeline
- Politics must be weeded out of business- Mass transit is business of vital importance for Guam
- Company that will run Mass transit will be contracted on performance based contract that must stipulate at least:
 - Mass transit is not for profit organization
 - Safety record
 - Maintenance record of vehicles and their availability
 - Public satisfaction
 - Improvements ,renewal and updating
 - Private Management Company (PMC) contracts shall be negotiated as is normal in the world of business.
- PMC can be established with Gov Guam buces and infrastructure, or
- PMC can be entity that will run with their funds and infrastructure
- Both ways have own hold backs and benefits. But on this world nothing is ewer ideal
- Third way is to start with federal Receivership and than work our way out. In that case we must be careful not to fall in the hands of some kind of "Halliburton" company as they will milk us to the death
- I believe to someplace in USA is qualified Guamanian people that are willing to come home for a right price and be able to run all segments of Mass Transportation at right way

Just thank you

- Just Thank you for a patience in bearing with me .
- But for benefit of all of us we must do our school work prior jumping in.
- Thanks again.

TESTIMONY
BEFORE
THE COMMITTEE ON UTILITIES, TRANSPORTATION, PUBLIC WORKS,
AND VETERANS AFFAIRS
30th GUAM LEGISLATURE
FRIDAY, FEBRUARY 6, 2009
LEGISLATIVE HEARING ROOM

Good afternoon, Mr. Chairman and Members of the Committee:

My name is Manuel Q. Cruz. I am currently the Executive Director of the Guam Developmental Disabilities Council and a member of the Guam Transportation Commission. I come before you to testify in favor of Bill No. 37 (COR), an act to re-enact Chapter 6 of Title 12 GCA, and to amend Section 4105 of Chapter 4 of Title 4 GCA relative to re-establishing the Guam Mass Transit Authority.

The abolishment of the original Guam Mass Transit Authority in 2002 by the 26th Guam Legislature was a mistake, a bad deal, almost as bad as the abolishment of the Guam Department of Commerce. As intended, Public Law 26-76 did not result in making certain GovGuam agencies more efficient, responsive, costs-saving, and reliable. On the contrary, these same agencies lost needed financial resources and personnel, since the money did not follow the work. Services were strained or no longer provided. Employee morale was at its lowest. People were very upset.

What was actually needed at the time was the creation or establishment of a reliable and efficient mass transit system that will best serve the island and the people of Guam. In fact, what was actually needed was the creation or establishment of an autonomous mass transit agency, like the Guam Power Authority and the Guam Waterworks Authority. By providing a high quality comprehensive transportation system, this would have become a benchmark for economic competitiveness for the island. For decades, Guam had been focusing almost exclusively on roads and highways alone, and not on the development of a transportation system. Guam could boost its economy by making major investments in a first class transit system, including bus, trolley, para-transit, and other forms of public transit. Many of our people want to live, work, shop, and play near convenient public transit. Consequently, transit investments could spur private development, create jobs, increase property values, and provide greater access to employment, education, and medical and social services. Transit also helps alleviate traffic congestion, air pollution, and climate change.

We all know that the Guam Department of Public Works recently completed its Transportation Master Plan, better known as the 2030 Guam Transportation Plan. An important component of this master plan is the creation of a Guam Mass Transit Authority, that will enable the organization to own

property, receive federal funds, enter into contracts, and to engage in a wide variety of procurement methods to form a public private partnership. See attachments. It is well noted that the management and governance of such a public transit operation requires the establishment of a dedicated organization, such as a Guam Mass Transit Authority.

The intent and purpose of Bill No. 37 is to create or establish a Guam Mass Transit Authority. Unlike the former Guam Mass Transit Authority, the new Guam Mass Transit Authority will be established as a public corporation with a Board of Directors and an Executive Manager. It will have the exclusive franchise for providing a public transportation program on Guam. The powers of the Authority are well spelled out in Article 1 of the bill.

In Article 2 of the bill, I have some mixed feelings. I will like to recommend that the membership of the Board of Directors in Section 6201 be re-considered and possibly amended. P.L. 26-76 had created a Guam Transportation Commission consisting of five (5) directors appointed by the Governor with the advice and consent of the Legislature. The Governor also appoints the chairman and vice-chairman of the Commission.

Since the general membership of the Commission is required by the law to be represented by individuals with special needs, as well as agency representatives, the Commission was mostly engaged and occupied in addressing the issues and concerns raised by individuals with disabilities and by a few riders of the transit buses. In this regard, the current transit system is definitely not sufficient to serve the general public on Guam and is mainly designed to serve the disabled portion of the island community.

Section 6201 of the bill definitely needs to be amended. In addition to increasing the number of directors from five to seven or nine, new members are needed who are knowledgeable of mass transit systems, of finance, of marketing and procurement, of contracting, etc. The new Authority has to be ready and able to meet the demands of the current transportation deficiencies and the proposed 2030 Guam Transportation Plan.

As in any autonomous agency in the Government of Guam, the Board of Directors will appoint the Executive Manager, who will be the Authority's chief executive officer (CEO). His or her duties and responsibilities are listed in Section 6202 in the bill.

On the matter of the Guam Mass Transit Authority Fund (Section 6204), I understand that federal agencies have committed \$25 million for the development of a more effective and efficient mass transit system to accommodate a projected surge in Guam's population due to the proposed military buildup on Guam. The Federal Highway Administration (FHA) will initially pay for a revamped mass transit system, and then the Federal Transportation Administration (FTA) will make reimbursements. Both agencies are under the U.S. Department of Transportation (DOT).

It is also my understanding that Guam would use \$5 million each year from the liquid fuel tax – which gasoline and diesel retailers help pay for mass transit.

In conclusion, I will be remiss if I do not put a pitch for the people and organizations that I represent. As a representative of the Guam Developmental Disabilities Council, it is my duty and responsibility to address, advocate, and promote the transportation needs and requirements of the Americans with Disabilities Act (ADA). The lack of accessible, available, affordable transportation is frequently identified as one of the major barriers to employment and inclusive community living for individuals with developmental disabilities. Lack of transportation restricts independence, self-sufficiency, participation, and freedom of choice. Lack of access to transportation , when it is needed, is a major barrier to independence, inclusion, and self-sufficiency.

The Guam DD Council recognizes that individuals with developmental disabilities often must depend on public transportation to get to work, maintain social relationships, and participate in other aspects of normal community living. The Council supports the expansion of an affordable, available, accessible transportation system that recognizes and provides for the different accommodations that are needed by a wide range of persons, including those with developmental disabilities, in all areas of the island.

We have been assured by the developers and planners of the 2030 Guam Transportation Plan that the interests and needs of all the individuals with developmental disabilities on Guam will be addressed and met.

I want to thank you, Mr. Chairman, and members of the Committee, for giving me this opportunity to present this testimony. I will now answer any questions that you may have.

Thank you and Si Yu'os Ma'ase.

Attachments (2030 Guam Transportation Plan)

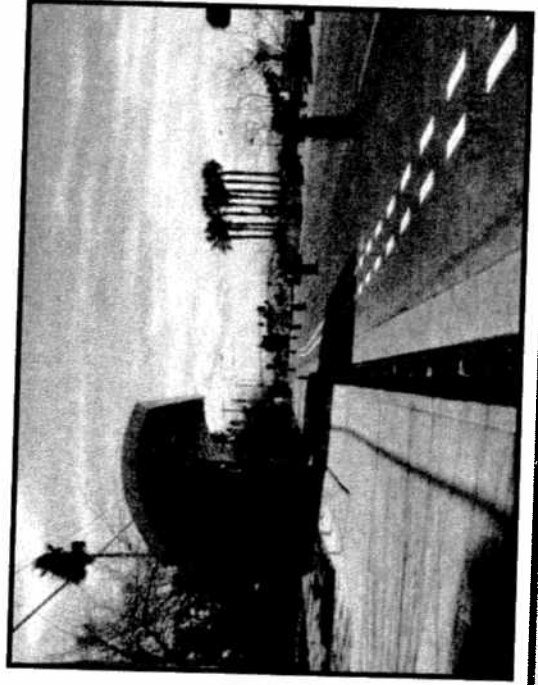
Existing Service vs. 2030 GTP

Existing Service

- Poor schedule adherence and service reliability
- Old vehicles
- Low ridership= 270,000
- Poor connectivity to employment centers
- Poor coordination between public services, military services and tourist services
- High maintenance costs

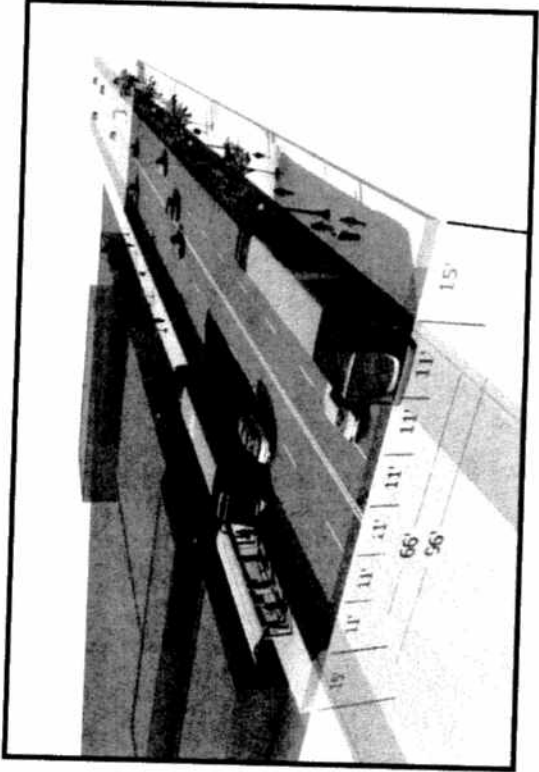
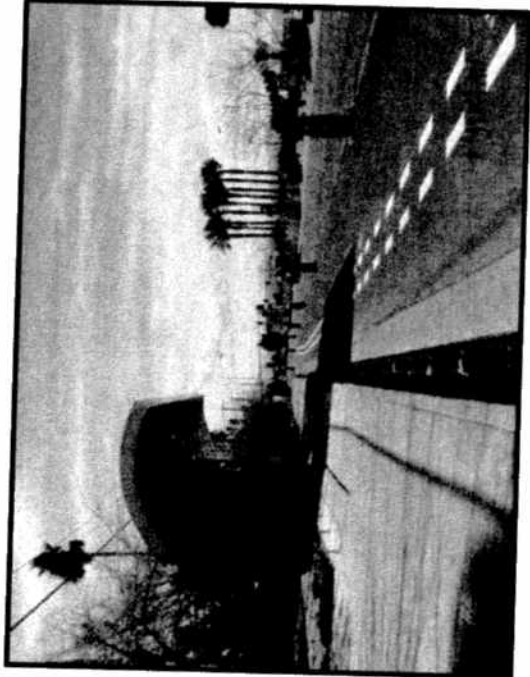
2030 GTP Mass Transit

- More service- 156,000 service hours and 18 hour per day service span
- 50 new low floor hybrid vehicles
- Consolidated maintenance facility
- Maximize public private partnerships
- Expected ridership= 1.5 million to 1.8 million per year
- Integrate demand responsive and fixed route services to promote feeder services and meet rural needs

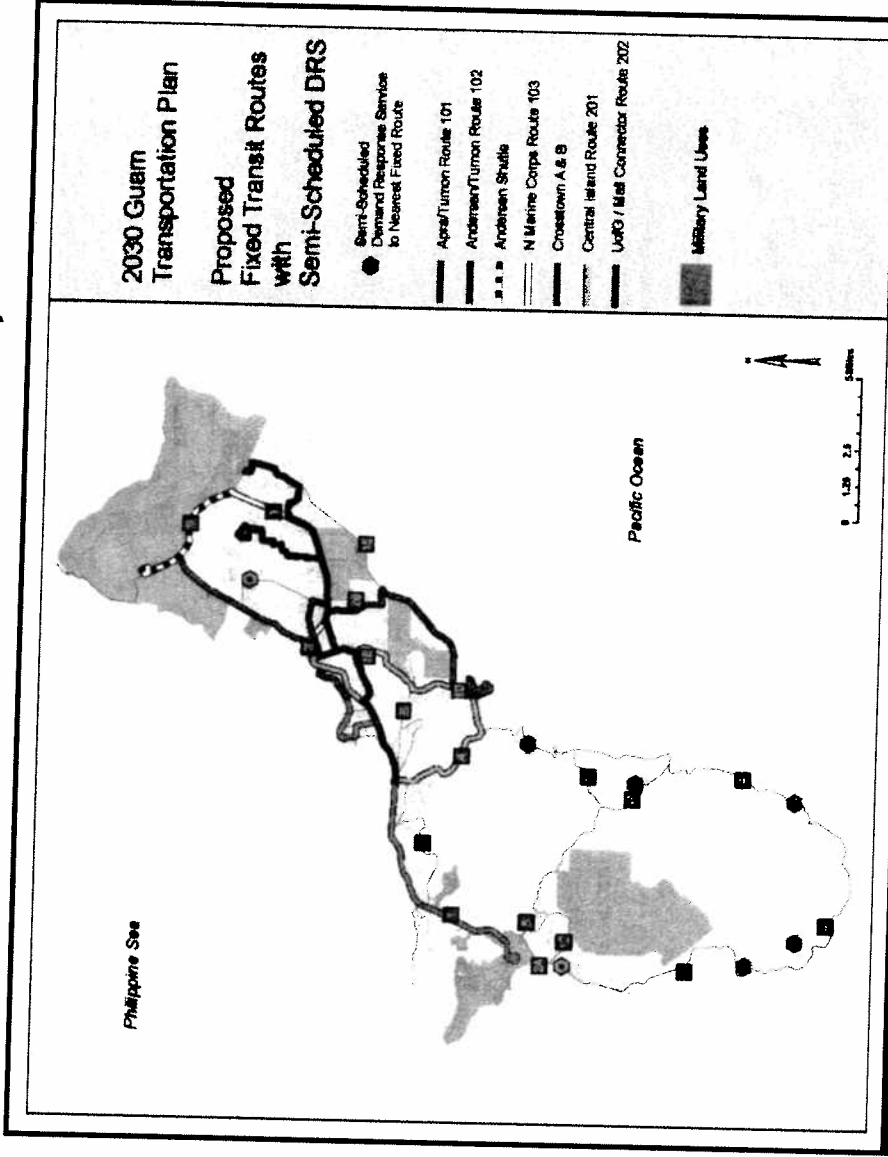


Recommended Transit Improvements

- Partner with the military for shuttle services
- Consider high capacity concepts for Marine Corps Drive to enhance service and connectivity to the Tamuning/Tumon Bay area



Recommended Transit Improvements



The fixed route system provides much greater connectivity and more frequent service to Guam's major residential and employment centers

Mass Transit Tentative Implementation Schedule

- Request for Interest – January 2009
- Invitation to Bid – March 2009
- Select Turnkey Operator – June 2009
- Order 50 new vehicles – August 2009
- Develop maintenance facility – January 2011
- Arrival of new vehicles –
January 2011



February 6, 2009

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Senator Thomas C. Ada , Chairperson
Committee on Utilities, Transportation, Public Works and Veteran's Affairs
30th Guam Legislature
Ada Plaza Center, Ste. 207
173 Aspinall Avenue
Hagåtña, Guam 96910

Dear Senator Ada,

I am Ginger S. Porter from Asan. As Chair of the Mobility Planning Team, I represent the transportation research and technical assistance function for the Guam Center for Developmental Disabilities Education Research and Service. Since March 2005, the Mobility Planning Team, which originated out of an Easter Seals Project Action Mobility Planning Institute, has provided research and technical assistance to the Guam Transportation Commission.

My involvement in local transit issues began in August 2004. Between that date and May 2005, I chaired the Community Based Transportation Task Force, which was called together by Senator Lou Leon Guerrero of the 28th Guam Legislature. The Task Force explored the underlying problematic issues of our present transit system and prepared *Recommendations for the Guam Public Transit System*, which was submitted to the Legislature and the Governor on June 10, 2005.

In April 2006, Guam CEDDERS brought in technical assistance through Project Action, a federally funded program designed to improve accessibility of transit systems. Mr. Auturo Jackson, Manager of Houston Metro-Lift provided three days of technical assistance to our transit personnel, our leaders, and contracted providers. There was hope that the court case tying up procurement of transit services would soon be resolved, and transit could put much of the information garnered from Mr. Jackson to work. By June 2006, the procurement battle in court was resolved; however, procurement continued to drag out and be stalled in government offices.

By January 2007, community members provided input to the Opinion page of the Pacific Daily News regarding public perspective on the continuing transit problems. A year later, we were addressing the same issues on the same forum, this time from the perspective of the need for action and the introduction of two transit authority bills to the 29th Guam Legislature. I was surprised to receive an inquiry from the FTA Office of Civil Rights regarding my article, finding out that Washington is indeed interested in our progress towards doing the right thing.

In August 2007, another Guam team representing transit, labor, senior citizens, and persons with disabilities participated in the Institute for Transportation Coordination. This provided Guam with yet another year long resource of expertise provided through the Community Transportation Association of America, a project funded by the FTA.

Early in 2008, I was asked, "Do we need to reinitiate a mass transit authority?" I finally concurred that there would be tremendous benefit to improving transit operations by doing so. The Transportation Commission also concurred, and together, Commission members, DOA's Division of Public Transportation Services employees, and Mobility Planning Team members, upon invitation, worked collaboratively with Senator Ishizaki's office for 2 months reviewing legislation and crafting recommendations for legislation.

Through this process, we were guided by national leaders and technical assistance providers of national projects funded by the Federal Transit Administration: Mr. Art

Jackson, Houston Metro Lift Manager; Mr. David Cyra, our Community Transportation Association (CTAA) United We Ride Ambassador, and the multiple resources of Project Action and CTAA. We were also guided by the local experience of Mr. Ray Aflague, who successfully ran the SPIMA transportation system for years, and transit riders who have spanned many years of Guam public transportation options.

As our legislative work group pressed forward with written work and thoughts, we found that our research efforts and ideas were validated by others with extensive transit expertise: specifically, Mr. Dan Wagner, FTA reviewer and Lee Gibson, a planning professional who works as consultant to the Department of Public Works Parsons and Brinkerhoff contract, incorporating transit planning into the 2030 Master Plan for Highway Development.

The point of this historical perspective is to advise you, our lawmakers, that along with others, I have done my homework and understand the system far better than I did in 2004. The recommendations I provide today, come from research, study and advisement by many.

Representing the Mobility Planning Team in 2008, I spoke at public hearings in favor of Bill 203 and in opposition to Bill 304. Both bills addressed the re-establishment of a transit authority, neither of which progressed into law.

Now, I appear again to comment on Bills 37 and 38, which propose to establish a transit authority. Bill 37 closely resembles Bill 203, which the Mobility Planning Team supported during Public Hearing, and Bill 38 is a reintroduction of Bill 304, a bill which I opposed in Public Hearing. There are many common elements in both bills which may be combined; however, I wish to focus on the recommendations of features that are necessary and prudent for management, growth, and improvement of public transportation services.

We need

- A mass transit authority with a governing Board. The federal government is about to commit millions of dollars to the capital improvement of our system. The assurance of the existence of a transit authority, a common structure for the delivery of transit services, would, I think, be most reassuring to the FTA. Aside from that particular consideration, we need it for ourselves and the development of Guam's public transportation.
- A governing board representative of the entire community which includes riders, a representative of the Mayor's Council, and other community members with backgrounds and experience which may include marketing, business, finance, transit issues, accessibility, employment, or social services. A board of 9 members as proposed in Bill 37 is a good approach; however, there should be a mechanism for the public to provide nominations to the Governor for appointment consideration. The alternating terms of appointment is a good plan for continuity within the Board. Bill 37, as written, requires some wording correction to reflect nine, not seven, directors in regards to the initial terms of appointment and the establishment of five directors to constitute a quorum.
- A General or Executive Manager with a degree in a relevant field and preferred transit knowledge and experience. I would prefer to see some guidance regarding minimum qualifications for this position.
- The retention of the exclusive franchise for the furnishing of public transportation within Guam and on its roads and highways and public parking, as detailed in Bill 37. The government should be in a position to regulate public transportation, either publicly or privately-owned, which provides to the public, general or special service on a regular and continuing basis. Any passenger boarding transportation used by the public, which picks up passengers on public roads, is boarding public transportation or mass transit.
- Retention of the authority to establish schedules and fares to control the operation and to coordinate with other human service transportation providers.
- Retention of the authority to schedule and dispatch vehicles, which are effective integrated components of customer service responsibilities.

- The transfer of existing employees and their expertise without loss of their accumulated benefits of leave or retirement service. To leave the five remaining individuals who retain the history, connections, knowledge and information of transit operations and requirements out of the picture of a new authority would be a grave mistake.
- The freedom to manage the direction of transit without legislated constraints or design. A good basic structure for the authority can serve Guam's public transportation needs across the unexpected and unanticipated dynamics of our community. We must be able to trust the wisdom of the Board members and their choice of Executive or General Manager to guide, direct, and make good choices about the development of our transit system. None of us sitting here today should support a legislated design of our public transportation system, we simply do not have the expertise or informational tools to do so.
- The retention of all present funding sources, including the Mass Transit Automotive Surcharge. Attention needs to be paid to the amount of funding to support a new authority to ensure that personnel numbers are sufficient but not excessive. As appealing as neighborhood transportation dispatch might be, we do not need excessive numbers of personnel to conduct scheduling and dispatch. It can actually be done with technology and a small group of personnel, who could even manage and coordinate the scheduling of senior citizen transportation. Bill 37, although identifying the Guam Highway Fund for initial funding, does not define the level of funding required, a detail which I think requires attention.

In addition, I have recommendations for some details that may be added to Bill 37, which are in part a choice of form.

- Add to Bill 37, Section 5 a statement regarding the designation as State Agency.
Example: b) For the purposes of receiving federal funding for the operations of the mass transit system, the designation of State Agency is hereby designated to be within the Guam Mass Transit Authority.

- Consider whether you need to add to Bill 37, a statement of Transportation Contracts.
Example: “Notwithstanding any other provisions of law, all contracts to be entered into that deal with the operations of the mass transit system shall continue.”
- Consider whether you need to add to Bill 37, a statement of Transfer of Duties.
Example: “Except as otherwise specifically provided, the new GMTA shall hereby assume all the powers, duties and responsibilities of DOA-DPTS as set out in this Act, and any other section of law. Any regulation or other action adopted, prescribed, taken or performed by the former DOA-DPTS or by any of its employees in the administration of a program, the performance of a power, duty or responsibility, or the exercise of any function transferred by PL 26-76, shall remain in effect and shall be deemed to be a regulation or action of GMTA or of any of its officers to whom the program, power, duty, responsibility or function is transferred.”
- The removal of reference to former GMTA, which does not exist. The appropriate reference is the Department of Administration, Division of Public Transportation Services. The removal of reference to “consumers,” who in actuality are either customers or passengers.

I appreciate this opportunity to provide input once again on legislation intended to re-establish a mass transit authority, an administrative structure which will provide the necessary leadership and focus for the development of our public transportation services.

Sincerely,

Ginger S. Porter, M.Ed.
Training Associate, Transportation and Employment



Felix P. Camacho
Governor
Michael W. Cruz
Lieutenant Governor

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Lourdes M. Perez
Director
Joseph C. Manibusan
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February 6, 2009

Senator Thomas C. Ada, Chairman
Committee on Utilities, Transportation, Public Works, and Veterans Affairs
30th Guam Legislature

Re: Testimony on Bills 37(COR) and 38(LS)

Hafa Adai Senator Ada, and members of the committee.

My testimony today will begin with a brief history of the Guam Mass Transit Authority from its inception up through the present day, followed by my comments on both Bills 37 and 38.

Brief History of the GMTA

About thirty years ago, a public transit system was created under the Department of Public Works through the efforts of young and enthusiastic planners. Shortly thereafter, the Guam Mass Transit Authority (GMTA), was established as an autonomous government of Guam agency through Public Law 15-92. Its purpose was to "establish, develop, promote and/or operate public transportation systems within the territory of Guam...". Through the years the agency grew and was developing its organizational structure, services and capabilities, as provided in the enabling legislation. Facilities, assets, and resources were obtained and deployed as it carried out its mandated mission.

In 2001, the GMTA rules and regulations were adopted and enacted through Public Law 26-57. These policies are still in place and being followed.

On or around 2001 GMTA started experiencing difficulties which resulted in serious management errors, which in turn adversely affected services and operations. This resulted in the Twenty Sixth Guam Legislature taking swift action by abolishing the GMTA as provided in PL26-76. Upon abolishing the former GMTA, "... All powers, duties, responsibilities, and jurisdiction of the former GMTA are hereby transferred to the Department of Administration(DOA)". In 2002, DOA took over all of GMTA's responsibilities. Thus, a new division was created within DOA. Only four of the original GMTA employees remained on with the DOA public transit division. All others moved on to other opportunities. It is said that at the time the former GMTA was abolished there were about twenty GMTA employees.

In 2003, a Request For Proposal (RFP) was issued to award a new long term contract to a private provider. Protests were filed resulting from disputes with the procurement process and elements of the RFP. The protests mounted and law suits ensued. The protests and litigation carried on for about three years, until 2006 when the Guam Supreme Court issued its final ruling. During the litigation, the transit system operated under month-to-month emergency procurements. This created much confusion and hardship for the riders, because it was unpredictable which contractor would be the provider for the next month. The Guam Supreme Court ruled that the RFP process used by DOA was invalid and the pending contract is cancelled. The court also ruled that the appropriate procurement process to use is the Multi-Step Bid. Up to this day DOA is still using the month-to-month procurement for services, due to lack of a long term contract.

In 2005, the Twenty Eighth Guam Legislature passed Bill 29, which became PL28-08. This legislation transferred the GMTA building in Hagatna to the Mayor of Hagatna, for the relocation of the mayor's office and for a recreational center for the youth and other community needs. This resulted in DOA having to move the GMTA staff and materials to the GSA building in Piti. Again this caused hardship for the riders because the location of the transit office at GSA was not convenient and not easily accessed. A few months later in 2006, DOA once again move the transit staff to the Chamorro Village. This was a better location for the public but very small and cramped office conditions for the staff. Then in 2008, the mass transit staff again moved, this time to the Manuel FL Guerrero building in Hagatna, where it is now located. All these moves caused much hardship for the riders.

In November 2008, the Federal Transit Administration (FTA) conducted a State Management Review of the current Guam Public Transit System. Areas such as Program Management, Grant Management, Maintenance, Title VI, American with Disabilities Act (ADA), Drug and Alcohol Testing, just to name a few, were reviewed and evaluated by the FTA. Out of the nineteen areas reviewed, deficiencies were cited in six areas. We are currently taking the recommended corrective actions and submitting the required reports and deliverables to the FTA Region-9 office in San Francisco, California. Overall Guam did well in this round of reviews.

In December 2008 DOA initiated the long awaited and much anticipated Multi-Step Bid for the operations, management, and maintenance of bus services. DOA is currently responding to questions submitted by the bidders during a pre-bid conference completed in January 2009. It is DOA's goal to award a contract in the coming months, which will end the long, agonizing month-to-month process and bring more stability to the system.

This brings us to the present day. The Guam Public Transit System, administered by DOA and a staff of five, is outsourced to a private contractor. The transit system operates three categories of services: fixed routes, demand response, and paratransit services. On a daily basis these services are supported with a fleet of fifteen vehicles. It is required that all vehicles be ADA compliant.

As for ridership trends, in Fiscal Year 2005, the average monthly boardings is 18,919 or 227,026 total for that year. Then in Fiscal Year 2008 this monthly average increased to 22,707 or 272,485 for that year. For the current Fiscal Year 2009, we are tracking a monthly average of 26,182. This is a 38% estimated increase in the average monthly rides from 2005 to 2009. The demand for services and ridership is continuously increasing however, the system has not

grown and expanded to meet the needs of the community. Lack of funding, staffing, and resources contributes to the inability to provide effective and efficient services.

Introduction

The Guam Public Transit System is in need of a major overhaul. The current system cannot continue as it is. It needs proper funding, management and staffing, facilities, assets, and resources. It needs an organization structure with adequate and appropriate authority, powers, and jurisdiction to carry out its mission. It is critical at this point in time to position our mass transit system to take Guam to the next level of mass transportation and mobility services to support our community's growth, regardless of what is feeding that growth.

We are here today to testify on two pieces of legislation which offer two different approaches and two different solutions to Guam's mass transit challenges. There is no single solution, and there is no single approach to Guam's mass transit challenges. But there can only be one starting point. And I think we can all agree that the starting point has come. The question now is how do we proceed from here. It is up to us as a community to define that starting point. This starting point is just that, a starting point. This mass transit organization, when it is created, however it is defined, should and must grow and evolve to meet the changing needs of our community.

I recently participated in a group tour of the transit agencies and systems in the counties of Honolulu and Maui, in the state of Hawaii. Their respective agencies and systems are very well organized and operated. Their government agencies are fairly small but adequate for their needs. Their systems and services are administered by government but are contracted out to a private provider. This is very much like what our goals are here on Guam. I personally saw that the things they do and the things they experience there are similar to what we do and experience here on Guam. They have a successful model we can learn from.

We are at the threshold of opportunities never seen before to develop, implement, and maintain a transit system well into our island's future. This opportunity brings funding and technical support from the Federal High Way Administration (FHWA) and the Federal Transit Administration (FTA). Such Federal funding and support brings requirements which hinges upon a state agency for transportation that has all the appropriate authority, powers, structure, and resources to administer a transit system. This opportunity is in the DPW 2030 Guam Transportation Plan (GTP). In that plan is a component for a new mass transit system.

I will now turn the floor over to Mr. Lee Gibson, a key member of the Parsons Brinkerhoff consulting team, who has developed the DPW 2030 GTP. He has a presentation with information and recommendations that would help us towards our goal of creating a mass transit agency for Guam.

Bill 37

I believe that Bill 37 offers an approach that would work for Guam. It defines the agency, its organizational structure, authority, powers, and other necessary elements to create a mass transit agency as we would like to start with. It allows the mass transit agency flexibility in structure, management, and resources to do its job and leaving room for growth and improvement.

In the transportation business, the focus must be on the customers. Responsiveness and service delivery is based on policy. This level of responsiveness, service, and policy is best left with the mass transit management. Such policies include but are not limited to: operations, procurement, introduction of new services, fare schedule, route coverage, service areas, hours of operations, service frequencies, bus stop placement, performance requirements, quantity and types of vehicles, etc. I believe the framework of Bill 37 supports this practice.

My full support is with Bill 37.

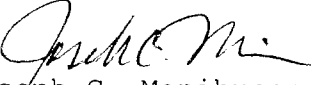
Bill 38

This bill has commonalities with Bill 37. It does however, present solutions and objectives which are vastly different, and in my opinion can be more effectively attained at a later stage after the mass transit agency and system has grown, matured, and stabilized a little more. The solutions offered in Bill 38, are most effective when it is integrated into an existing primary or core system that is efficient, effective, stable, and consistent. Therefore, Bill 38's solutions in my opinion are best addressed in the future as enhancements. I think the village based shuttle system presented in Bill 38, certainly is a good idea, and quite honestly, I like it. However the design and approach of the village based system needs to be carefully looked at. Integration and coordination are critical factors in its design.

Closing

Thank you for this opportunity to present my testimony before this committee. I look forward to contributing to the creation of a transit agency we all agree to and that we all will support, and most importantly one that will serve our island well for years to come.

Si Yu'os Ma'ase.


Joseph C. Manibusan, Deputy Director
Department of Administration
Government of Guam

February 6, 2009

Michael J. Terlaje, President
Guam Transportation Commission
c/o Department of Administration, Government of Guam
Hagatna, Guam

Senator Tom Ada, Chair
Committee on Utilities, Transportation, Public Works and Veterans Affairs
30th Guam Legislature
Hagatna, Guam 96910

Hafa Adai Senator Ada,

On behalf the Guam Transportation Commission, I am writing to address both Bill 37 and Bill 38.

The Transportation Commission has just recently completed its three year term as required under P.L. 26-57. Under this term, the Commission has assisted the Department of Administration in an advisory capacity, providing guidance and addressing transit issues. Through the past three years, the commission has gained valuable insight in and experience of the troubling problems of Guam's public transportation system. I believe we have helped make some changes for the betterment of the people; however, major hurdles have slowed progress, and we are strongly pleading that our leaders will expedite the core intentions of both of these bills.

We believe the core intent of both these bills addresses the top priority of providing a safe, reliable (accountable), accessible, and dynamic public transportation system for the people of Guam; all of which can be achieved by creating an autonomous agency for the sole function of public transportation.

An Autonomous Agency – creates an *Authority*, for lack of a better word, that provides for a qualified group of staff that has the time, expertise, and dedication to improve public transit. Two key elements discussed in both bills are the creation of a governing Board and a General Manager. A governing Board made up of community members, helps create community interest. It strengthens public-private partnership, thus providing more resources for the system to grow and change. By focusing on its exclusive franchise powers, the authority can create an additional source of funding, complimentary to the use of Federal and Local funds. A General Manager provides full-time, qualified, knowledge to make command decisions and guide the authority staff through the future. This position of leadership will provide direction and strengthen the Government's accountability to the people.

Lastly, the creation of the authority replaces P.L. 26-76 and returns the necessary powers to an authority; the powers needed to evolve and make changes to items such as day-to-day operations, policies, and procedures. These items are currently set in law form, thus restricting the ability of transit leadership to adopt and lead as time and need changes. This ability is an understated KEY element of successful management, as public transportation must be dynamic. The future is uncontrollable; finances, budgets, expenses such as fuel, population growth, including the goals of mission statements, are forever changing. There is NO single design solution or model for Guam, thus the creation of an authority, with the sole purpose to research, adopt best practices, guide and mold our system, would be a lasting legacy of good legislation. It requires time, patience, coordination, and a willingness to learn from mistakes, to see what works and what doesn't.

This Commission is grateful to you senators, for your strong and passionate desire to address the transportation needs of our people. We support the creation of an autonomous agency, but do not support the creation of a specifically designed system/model which is placed in law form.

Thank you, I appreciate the opportunity to provide input from the viewpoint of the
Transportation Commission.

Yours,

Michael J. Terlaje, President

Guam Transportation Commission

**Committee on Utilities, Transportation, Public Works, and Veterans Affairs of I
Mina' Trenta na Liheslaturan Guåhan.**

**Submitted by: Lee Gibson, AICP- Vice President and Senior Professional
Associate; Parsons Brinckerhoff**

The purpose of this written testimony is to provide recommendations on the actions necessary to implement new transit services on Guam. The testimony specifically presents recommendations on the governing structure, organizational framework, and legal powers necessary for transit service and transit improvements to be planned, designed, constructed and operated consistent with the requirements of the U.S. Federal Transit Administration. This testimony is informational and designed to assist the committee in its deliberations pertaining to Bill 37 and Bill 38.

A total of seven organizational models were reviewed for applicability to Guam. They include: 1) the total privatized model exemplified by the Foothill Transit Zone in Covina, California; 2) the semi-privatized operation as followed by the Regional Transportation District of Denver, Colorado; 3) the privatized model with government oversight-the model of the Regional Transportation Commission of Southern Nevada; 4) the permanent non-profit entity overseen by a government entity which is the model of the City and County of Oahu, Hawaii; 5) the competitively selected single operator as followed by Maui County, Hawaii; 6) the contracted management option followed by the Regional Transit Authority of New Orleans, Louisiana and 7) Regional Transportation Commission of Washoe County.

The characteristics of these organizations are worth noting. First, in every case, each organization is a stand-alone entity legally enabled to own, operate, and manage public transportation. All are enabled to own property, lease property, and enter into contracts. Each entity can set fares, collect fares, and is required to use fare revenue for the benefit of public transit services. No agency uses fares to offset costs of other programs. Each agency is also the exclusive operator of transit.

In all but one case, the government agency hires staff to oversee the performance of contractors. The Foothill Transit Zone is the sole exception. The governing board of the Foothill Transit Zone retains the services of a program manager who performs all management, finance, procurement, and human resources activities related to the oversight of transit. The other agencies hire and retain public agency staff to perform oversight of the contractors' performance. All public agencies own the physical assets such as maintenance facilities and vehicles. This is part to meet the Federal Transit Administration's continuing control requirements. Continuing control means that the public entity must ensure that the asset purchased with Federal funds is used for the purposes allowed for under the law.

The procurement and finance activities are important functions worth reviewing. Each of the transit agencies conducts its' independent procurements. For example, the City and County of Honolulu Transit Division prepares the specifications for purchases such as technology, vehicles and capital facilities. The program manager for the Foothill Transit Zone prepares plans, specifications and estimates for the selection of operating companies. The program manager is prohibited from bidding on these services. The type of procurement method is also important. In many of the procurements undertaken, the transit agency is allowed to use methods other than low bid. Approaches such as best value or competitive negotiation are used for selecting contractors to build facilities, manufacture vehicles, or provide technology such as communications equipment.

In terms of finance, the revenues dedicated to transit operations are prohibited from being used for purposes other than public transit. All revenues are retained by the agency and are accounted for in their financial statements. This is especially important for public private partnerships where program income must be used for transit purposes in cases where federal funds have been used to pay for the improvements associated with the public private partnership. In contractual arrangements for service, the transit agencies are allowed to make partial payments in advance. On Maui, the County will pay the first four months of operating cost to the contractor. In Las Vegas, the RTC will pay 60 percent of the anticipated monthly service level, and then reconcile the difference at the end of the month. FTA allows a recipient to make progress payments to an equipment manufacturer. In all these cases, the taxpayer and customer are saved the interest cost that the vendor would otherwise include in the price.

Recommended New Organizational Structure

The development of a new transit system in the timeline outlined in this testimony will require changes in Guam law to help enhance the technical, legal and financial capacity of Guam to execute and administer new transit services – especially transit services funded through the FTA. These changes in law were discussed in the 2030 GTP and include the following:

The recommended organizational framework centers on the Guam legislature creating the Guam Regional Transit Authority (GRTA). The GRTA would be legally enabled to plan, design, operate, and maintain mass transit services throughout Guam. The definition of mass transit would be consistent with the federal definition – which is that the service must be regularly available and open to the public. The reason for using the term “Regional” in the title is to reflect the fact that Guam consists of both urbanized and rural areas with varying land use characteristics. The transit services to be provided over time by the entity (GRTA) would be tailored to meet the specific needs of the various areas of Guam. The transit needs of the south island are different from the needs of the more urbanized areas of Tamuning, Hagtna, and Dededo.



Like all of the agencies reviewed, the GRTA would be empowered to:

- 1) Own real and personal property;
- 2) Receive and administer grants from the Federal government and appropriations from the Government of Guam
- 3) Collect revenues associated with the operation and management of public transit including but not limited to fares, advertising, public parking, subscribership's and public private partnerships
- 4) Have procurement and contracting authority for acquiring goods, services, and construction services necessary to plan, design, develop and operate a public transit system
- 5) Full control of revenues generated and appropriations dedicated to mass transit
- 6) Powers of eminent domain
- 7) Retain a professional staff including a General Manager
- 8) Any and all powers granted by PL 26-76 concerning mass transit shall be transferred to the new GRTA


To minimize the growth in public bureaucracy, the General Manager would be assisted by a Program Management Consultant. The PMT would be responsible for providing expertise in the following fields: operations, procurement management, fleet management, customer service, and possibly construction management. The PMT, working under the direction of the General Manager, would develop administer and select an entity to operate the service. The PMT would provide reports to the General Manager on the performance of the contractor operating the service. Under no circumstances can the PMT be the operator.

Guam Transit Business Development Plan


Guam Transit Business Development Plan

Presentation to the Guam Legislature
 Committee on Utilities, Transportation, Public Works, and
 Veterans Affairs
I Mina' Trenta na Liheslaturan Guåhan.



February 6, 2009



Guam Transit Business Development Plan


Overview of Testimony

- Provide an overview of current mass transit conditions on Guam
- Review the findings and recommendations of the 2030 GTP
- Provide recommendations on:
 - Governing Structure
 - Organizational Framework
 - Legal Enablement

Guam Transit Business Development Plan

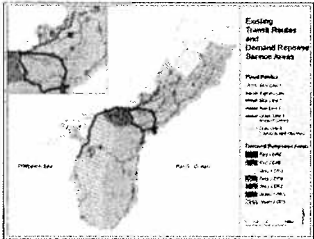
Existing Mass Transit Service

- Mass transit is administered by the Department of Administration-Division of Mass Transit
- Six Fixed Route serve urbanized areas
- Dial-a-ride and paratransit services are also provided
- 2007 total ridership= 261,483



Guam Transit Business Development Plan

Existing Service Map




Current Transit Route Structure

Guam Transit Business Development Plan

Operations and Performance

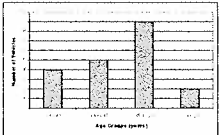

- Schedules and bus travel times are not coordinated
- Headways are long and with unreliable schedules service is unreliable
- Schedules are written into law and do not afford flexibility to perform efficient customer focused service
- Tourist based services are well utilized



Guam Transit Business Development Plan

Fleet Condition

- 21 Fixed route vehicles and 9 paratransit vehicles
- Average age is 15.6 years for fixed route fleet and 8.4 years for paratransit vehicles
- Maximum age is 23 years for the fixed route fleet and 12 years for the paratransit vehicles

Guam Transit Business Development Plan

Summary

- The bus fleet needs to be replaced. Both fixed route and paratransit fleets have far outlived their useful lives
- Current operations practices need improvement
- Existing system is not able to deal with the present demand and anticipated growth in population and employment

Guam Transit Business Development Plan

2030 GTP Summary

- Comprehensive study of Guam's transportation system:
 - Roadway element
 - Primary roads
 - Village Streets
 - Haul Road Network
 - Safety and Operational Improvements
 - Bicycle and Pedestrian Element
 - Mass Transit Element

Guam Transit Business Development Plan

Public Transit Opportunities

- Local Opportunities
 - Strong and vibrant tourist transit services connecting Tumon Bay with the retail shopping malls/Chamorro Village
 - Moderate density and mixed use centers in Tumon Bay and Tamuning
 - Plans by military to construct high density, pedestrian oriented, transit friendly housing for U.S. military personnel





Guam Transit Business Development Plan

Why Mass Transit and Why Now?

- Great potential demand already exists and the military build up will accelerate these trends
- Potential funding sources:
 - \$25.0 million FHWA funds already earmarked for mass transit in the approved Territorial Transportation Improvement Program (TTIP); &/
 - FTA discretionary funding request submitted to U.S. Congress through Congresswoman Bordallo \$25.0 million; &/
 - Opportunities exist now for Stimulus funding, possibly \$34.0 million additional transportation funding (House version).

Guam Transit Business Development Plan

Potential for Transit on Guam

- Peer city comparison conducted to ascertain potential market
- 22 transit systems reviewed
- Geographic coverage ranged from 65 square miles to 800 square miles
- Population ranged from 100,000 to 200,000

Guam Transit Business Development Plan



Selected Transit System Facts

- Guam:
 - 175,000 persons, 212 square miles and 261,583 passengers
- Similar sized population:
 - Bellingham WA
 - 177,130 persons- 3.4 million transit passengers
 - Tallahassee, FL
 - 162,310 persons- 4.6 million passengers
- Similar sized land area:
 - Chattanooga, TN
 - 289 square miles- 2.1 million passengers
 - Rochester, MN
 - 147 square miles- 1.3 million passengers
- Maui, HI
 - 140,000 persons, 727 square miles and 850,000 passengers

Guam Transit Business Development Plan

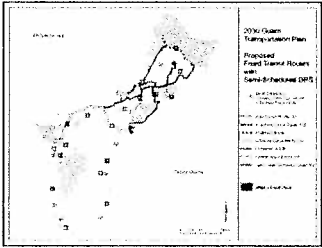
Recommended Transit Improvements

- Core system includes
 - 6 new fixed routes and demand responsive service
 - Increased service during peak hours
 - 50 new vehicles
- Develop new maintenance facility
 - Accommodate 125 vehicles
 - Use as basis for public private partnership
- Install public bus stops

Guam Transit Business Development Plan

Recommended Transit Improvements


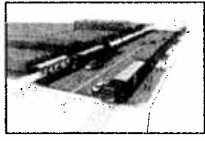


The fixed route system provides much greater connectivity and more frequent service to Guam's major residential and employment centers

Guam Transit Business Development Plan

Recommended Transit Improvements

- Partner with the military for shuttle services
- Consider high capacity concepts for Marine Corps Drive to enhance service and connectivity to the Tamuning/Tumon Bay area

Guam Transit Business Development Plan

Capital and Operating Needs

- Competitively procure turnkey operator to plan, design, construct, and operate expanded service
- Plan, design, and construct new maintenance facility
- Move forward with acquisition of 50 new vehicles
- Leverage Stimulus Package funding
- Enact legislation to create Guam Regional Transit Authority



Guam Transit Business Development Plan


Organizational Recommendations

- Scanning Tours
- Governing Structure
- Organizational Framework
- Powers and Authorities

Guam Transit Business Development Plan

U.S. DOT Scanning Tours

- Seven transit systems reviewed
 - Foothill Transit Zone of West Covina, CA
 - RTC of Southern Nevada-Las Vegas, NV
 - RTC of Washoe County- Reno, NV
 - RTD of Denver, CO
 - RTA of New Orleans, LA
 - Maui County, HI
 - Oahu County HI



Guam Transit Business Development Plan

Scanning Tour Highlights

- All systems use contractors in the provision of services
- Use and role of contractors varies:
 - Complete turnkey,
 - Public agency oversight with contracted operations
 - Non-profit entities-
 - RTC of Washoe County
 - Oahu Transit Services
- Each transit agency is governed by an independent board and employs a General Manager

Guam Transit Business Development Plan

Scanning Tour Highlights (continued)

- Revenues dedicated to transit and collected by the transit system must be used for transit
- Partial payments in advance are used often to pay contractors for services to be delivered

Guam Transit Business Development Plan

Lessons Learned

- Many disciplines are needed to operate transit
 - Accounting
 - Planning/engineering
 - Fleet management/facilities management
 - Operations
 - Human resources
 - Law/risk management
- Private contractors allow for fast delivery, efficient operation and flexibility
- Government oversight is mandatory
- To administer grants certain legal powers and authorities are important

Guam Transit Business Development Plan

Legislative Recommendation

- Establish Guam Regional Transit Authority with powers to own, operate and engage in all necessary functions to plan, design, and operate mass transit services which are *open to the public and regularly available* including but not limited to:
 - Own real and personal property
 - Receive and administer grants from the Federal Government, appropriations from the Government of Guam
 - Collect revenues associated with the operation and management of public transit including but not limited to fares, advertising, public parking, subscriber's and public private partnerships
 - Procurement and contracting authority for acquiring goods, services, and construction services necessary to plan, design, develop and operate a public transit system
 - Full control of revenues generated and appropriations dedicated to mass transit
 - Powers of eminent domain
 - Retain a professional staff including a General Manager
 - Any and all powers granted by PL 26-76 concerning mass transit shall be transferred to the new GRTA



**CATHOLIC SOCIAL SERVICE
COMMUNITY HABILITATION PROGRAM
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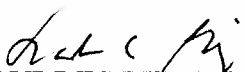
February 6, , 2009

I, Lourdes Bitanga, representing Catholic Social Service, a Non-Profit organization, is in support of re-establishing the Guam Mass Transit Authority (GMTA) to provide transportation services for the people of Guam. As a Non-Profit service agency providing services to all individuals in the community, the organization's clientele utilize the public transportation service to visit the organization's main office for their needs and appointments, as well as many of our persons with disabilities consumers access the service to get to work, appointments, training programs or to participate in leisure activities in the community.

Re-establishing the GMTA with its proposed Board of Directors will enable the agency to oversee the provision of transportation services in the community. Many of our clientele and consumers do not own or operate a vehicle, therefore the public transportation is their only means of getting around the island.

If re-established the agency will need to re-visit the Transport Care Attendant law which requires care attendants in the bus especially for those riding the Para transit bus services to ensure the safety of its riders.

As the demand for bus service for persons with disabilities grows, GMTA needs to increase the fleet of buses to accommodate the growing demand.


LOURDES BITANGA
Program Director,
Community Habilitation and Day Program (CHDP)
Catholic Social Service

Bill #37 B

February 5, 2009

Lisa C. Ogo
PO Box 26407
Barrigada, Guam 96921

Senator Thomas C. Ada, Chair,
Committee on Utilities, Transportation, Public Works and Veterans Affairs
30th Guam Legislature
Ada Plaza Center, Ste. 207
173 Aspinall Avenue
Hagatna, Guam 96910

Dear Senator Tom Ada,

My name is Lisa C. Ogo, and I am a resident of Mangilao. I have been a transit rider since 2003, and I regularly attend the Transportation Commission meetings. I have also been involved in training some of the transit operators in the area of Passenger Assistance.

I am in support of Bill 37, which provides an authority with the sole control over transit issues. It does not continue the assignment of these duties to another government agency nor does it put a strain on mayors to perform the duties required to run a public transportation system. I think a single authority with the power to manage and develop public transportation will provide better service to the community.

I recommend that all reference to "consumers" be changed to reflect appropriate naming of passengers.

I also recommend that the authority be responsible for the scheduling of services as well as the dispatch of services. From my experience, as a rider and as a volunteer, it is important to coordinate scheduling, dispatch, and customer service for effective operations and good customer service.

I also feel that the existing DOA employees assigned to the Division of Public Transportation Services, should be transferred to the authority. These employees have the knowledge and experience in transit which is of value to the new authority.

From my experience, I know that transit services improve when people running the service are skilled and knowledgeable. Bill 38 has the potential to remove the trained personnel and place the control in the hands of mayors, who have no experience in transit and its operations. There is more to transit than just providing the ride.

In summary, there are more positive points in Bill 37 than in Bill 38. I fully support Bill 37 with consideration for the above mentioned changes I have recommended.

Sincerely,

Lisa C. Ogo

Honorable Senators:

I hereby humbly submit some remarks in reference to Bills 37 and 38 of the 30th Guam Legislature.

With careful consideration I personally support the following bill:

Bill No. 38 (LS)

Aturidat Isla Transitu - An act to authorize chapter 6 of title 12 GCA, and the amend 5405 of chapter 4 of title 4 CGA relative to the establishment of (Isla Transit Authority), A Public corporation for the purpose of providing affordable, reliable, and sustainable modalities of public transportation on the island of Guam.

I will provide testimony on a few different points regarding issues raised in both Bills 37 & 38.

Introduction:

In these hard economic times, we have to do our best to ensure that local monies enrich the local economy. We have the brainpower and resources on island to fulfill this mission of providing affordable, reliable, and sustainable modalities of public transportation on the island of Guam. Outside consultants and contractors are not required for something that we can do ourselves. If we do not change our attitudes towards empowering ourselves and utilizing local human and material resources for the development of our island, we will never develop a viable economy, nor ever relieve of creative potential as a people.

We are an island consisting of village municipalities, not just a capital a key transit points. Our people require a transportation system that does not just provide for than in an abstract capacity, and provides them a tangible and expedient means of traveling anyplace that they desire on this island. This can only be achieved through the use of vans and mini-buses, by virtue of the diversity of locations that our people travel to on a daily basis. The system that I propose is based on the very viable and successful model used in Puerto Rico, an island territory that like ours consists of both urban and rural destinations for its customers.

We are not a state – we are an island community, and it is time that we start to design services that actually benefit our specific needs, rather than continuing to copy models that do not apply to our specific circumstance. We have to stop being parrots and mimicking others, we have to sit down and devise projects and services that best serve us.

One of the main problems on the island is that there is not realistic and comprehensive planning – either we do not plan at all and scatter resources everything in an unorganized fashion; or we devise grandiose plans that should really be good as dreams but do not apply to our reality of 2 years, 5 years, 10 years from now. We have to realize that we are important in our own lives, and we need to take the time to stop “reacting” and grow

things properly. We have to till the ground, plant seeds, water and fertilize them, and then harvest them. We can just continue to import ready-made solutions that do not fit our particular circumstances. Guam is a special place, and we are a specific people. We deserve specific solutions that benefit OUR island in particular. We do not deserve to just be an off-island company's easy opportunity to make money on who they believe to be a naïve population. Maybe in the past we drank the koolaid, but we realize our worth and our strength as a people, and from today, we are going to nurture our own economy and braintrust and cultivate homegrown solutions to our problems. Until we decide to trust our own abilities, we will never grow as an island. We will always be subject to the whims of others. It is time that we trust that we know what is in our own interest...

The existing public transportation model is inadequate, wastes financial resources, and mispends human and natural resources, pollutes the natural environment, and does not provide for our immediate needs, for little or no return on investments. A new model of transportation is required to deliver access to remote areas with unpaved roads and low ridership for inclusion in transportation programs on Guam, and the region. For this region, we feel that the government must establish and ensure a village-based transportation system that is integrated into a core fixed route bus system.

Additionally it is found that Mayors should play a key role in establishing routes and transportation services needs for their villages and surrounding areas. With support from the ITA mayoral offices can also operate dispatch of vehicles, customer service, and data & revenue collection and provide such data and collections to the Isla Transit Authority.

Aturudat Islan Transitu – a village-based system using 15-passenger vans which shall be in addition to an integrated bus network that meets the needs of business and workers of Guam; and in doing so in a manner that contributes to, and promotes, environmentally friendly and low carbon footprint policies, including prioritizes zero-emission goals. There is no reason to “reestablish GMTA” to receive federal funds - Aturudat Islan Transitu serves in the same capacity as public entity capable of administering local and federal funds.

This model is very successfully implemented in Puerto Rico. It benefits the local economy and provides jobs for many people. We have changed it to fit the particular needs of Guam residents and our village layout.

We are an island or villages, not cities, and our transportation system must reflect this.

In terms of future planning, the best that we can do is have the infrastructure in place that can support the resident as well as the military buildup. A 2030 plan is not realistic, not possible. We do not even know what 2014 will look like – this will impact us beyond our current imagination.

A 2030 plan is plan based in a US mainland model not based on a Guam reality.

We have to marry tradition with development; not dispose of our tradition and way of life in order to mimic others who do not live on an island, and whom will not have to face the consequences of hasty development. We love our village way of life and need to guard against those who wish to turn Guam into a concrete jungle. Development that is based outside of maintaining our island way of life is development for those who are moving here, not for those who live here...

Because we live on island sustainability and flexibility for growth have to be of utmost importance.

- supporting local braintrust
- supporting local vendors
- supporting village economies
- empowering our mayors
- showing our children that we can develop our own solutions to our problems, otherwise we will continue to educate them for export, rather than utilizing their intellectual and creative potential

It may sound like I am making do much a big deal about cultivating local intellectual and economic capacity, but we are at a crossroads – we are facing tough economic times, and the possible increase of our population by 50% within 10 years. If we do not make ourselves important on our island, we and our way of life will cease to be of any importance on this island. If we do not change our patterns and begin to believe in Guam and its ability to decide its own future, we will become nonessential to own island and become guests in our own homes.

This is the only island that we have. At this time, diesel buses are used to transport local residents and tourists, for us not to endure the long-term consequences of unending air pollution from these vehicles, we have placed into this bill the short-term eventuality of fazing out of diesel vehicles in to electric zero emission vehicles, which local vendors can provide. This authority will not only meet the transportation needs of the population, but also change the trend on the kind of vehicles used on our island. We will promote the idea that our environment is precious and that we all should be more environmentally conscious in all of our daily activities including how we traverse the island.

In terms of long-term planning for the system, the Special Assistant for Integrates Resource, within the Authority, will coordinate within ITA Local and Federal efforts as much as is feasible and allowable by law, including but not limited to the Department of Defense, Department of Energy, Department of Transportation, Department of Interior, the Federal Highway Authority, Department of Public Works, and any agencies, government, and private offices involved in the development and planning of mass transit, public transportation, and policy on transportation and energy consumption on Guam.

By 2015 a completely zero-emission fleet – using electric vehicles and fuel cell technology application where and when feasible.

It is very clear from the state of our public services, economy, youth, that the further we go away from thinking about our interests, and not planning accordingly that life becomes harder and harder for our people. We are not serving them by providing them with easy cookie-cutter solutions. We serve them by acknowledging their needs and responding to them. The cost of meeting our people's needs should not be the loss of our way of life, not of denying our own businesses work because we want easy answers from others to questions that we can only answer ourselves.

A few specific points:

Persons With Disabilities:

Bill 38 is woefully inadequate when it comes to full accessibility for persons with disabilities. Proponents of Bill 37 reiterate the need for a "core", i.e. continuing the same processes currently in place with new buses, rather than focusing in the reality that most riders days do not begin and end at the major hubs such as Micronesia Mall and Agana Shopping center, but rather inside the villages often on secondary and tertiary roads. Timely and convenient transport of this sort should be "the core". This is easily achieved with the use of vans and minibuses. To ensure full integration in our community of all persons, Bill 38 can include the provision that all vehicles utilized would be accessible vehicles. A specification easily satisfied and procured from local vendors. In not ensured that all riders have full access to the entire island, it could be argued that a new system, not addressing the needs all riders is out of compliance with the ADA and NTA guidelines. This would be especially egregious being that an entirely new transit authority is being created with full awareness of the actual needs of the community, not those stated by outside consultants applying models that not reflect the social and geographical realities of Guam.

Públicos (Vans)

Misconception of "public cars": Like in the Puerto Rican transit system which is similar to the one proposed in Bill 38, *públicos* (public cars), are not actually "cars", but rather 17-passenger vans.

Core System:

The core bus aspect of Bill 37 can be incorporated into Bill 38, but it will need to within the framework of Bill 38, so that it does not cost an inordinate amount of money to run and is integrated into the realities of the riders, rather than arbitrary models

Puerto Rican Model:

Puerto Rico, which is culturally and geographically (in terms of having both urban and rural population to service) utilizes a transportation system consisting of the following: mass transit bus, public cars (vans), taxis, rented cars, trains, tour buses. Because of our present population, we do not currently have to implement large buses and trains, but there can be projects that the authority considers in its large terms planning; and Bill 38 allows for improvements with the needs of the riders and greater community-at-large.

If comparison is required, Puerto Rico offers a better solution that relates to Guam's city/village urban/rural reality. Right now we essentially have no mass transit system. Let

us be honest about this. It should be designed properly from the beginning, not building on a weak foundation. Even the survival of our tourism sector depends on the authenticity of the island experience. Mass transit should be the mechanism of the reinforcement of community relations rather than simply being personnel carriers.

Timeframe:

Bill 38, if funds are allocated can be in operation by the end of 2009, while Bill 37 is planned to begin in Late 2011 or the beginning of 2012. The question is, what will the people do until then? Also, to think that one can make a 2030 plan in 2009, when it is entirely uncertain what 2012 will look like, is a naïve endeavor. The reason for the system as stated in Bill 38 is to allow flexibility for what ever comes into fruition. For the present moment, the great majority of riders would be best served by a *público*-type system. If there is large population surge, that larger people carriers can be deployed, but to not integrate change into the island way of life, but rather change the island way of life into what is being imported is a tragedy and borders on cultural crime. If is reasonable to have a system which integrates a larger population into village life, but to force the people of Guam to fit into a cookie-cutter mode of development simply because a consultancy does not find it prudent to take into consideration the quality of life of the local population, does not mina that in the implementation of a new transportation model that these careless oversights are gives credence.

View of Rider:

Bill 37 – “consumers”

Bill 38 – “community riders”

Bill 37 “de-villageafies” Guam. What do we want Guam to look like in the future? – Tennessee, Ohio, New York, Guam...?

Bill 38 builds upon what is good about Guam, not changing Guam as an attempt to copy the mainland.

Pres. Remengasau of Palau once remarked on development and Palau role. He said that because of its size it could never compete in global economic and financial prowess, because it would never be a winner in this game, but when it come to maintaining its environment and culture it could be a world leader in this. Nations should place their efforts into promoting their strengths and share those with the world. No matter how much Guam desires to mimic others, it with never be anything other than Guam, It is better to build on and promote what makes Guam special in the world, rather to copying others.

Culture:

Guam is not a “mass transit” community. There is no present stigma in the use of *públicos*. There is cultural taboo at this point against both being seen walking and taking the bus. Vans are a new parading – therefore no class stigma associated with it. With a good PR campaign, the approach can be convenience, reliability, access, environmental and cultural revitalization.

Depending on revenues from parking meters are another community destroyer. People on Guam are not children. They do not need every aspect of life regulated. Things like parking meters are a micromanagement of the population that is not necessary leads to more avoidance and distrust of government rather than integrating and making the best of the what the community has to offer. On a simple level, do we want to further burdens the people of Guam; and so we want to lose the informal nature of our island.

The White Elephant:

The White Elephant in the room is that answer to question is why, besides the long waits, do people not want to utilize public transit. The reason is that like being seen walking, taking the bus is seen as evidence of being impoverished, as opposed to in other places where it is simply seen as a means of transportation. This social stigma against bus riding is one of the greatest arguments against Bill 37, because it assumes that out of nowhere that the population will somehow change social constitution simply because more buses appear on the roads. This is not true. One argument for the village based system detailed in Bill 38 is that it will be a new paradigm, without social, historical, and cultural baggage. Meaning that one could utilize it without carrying the stigma of “being poor”, in the same way that one riding the tourist buses is not seen as evidence of being impoverished. Giving the consultants credit for not being oblivious to the social dimension of the area that are supposed to be studying, I would have to surmise from this that the manner in which they have planned the transit system is not actually for the people of Guam, but rather for the US mainlanders that they anticipate moving to the island within the next 5-10 years. Local people, under this type of urban planning are slowly pushed to the margins and will assume a position of non-importance in the same way that Chamorros were during the Japanese occupation of Saipan. Okinawan workers were brought in to do labor for the Japanese government, while the people lived their lives in the background. In conversations with manamko in Saipan, I have learned that many actually people enjoyed those times and had very good relations, but they were just bystanders watching outsiders use their island.

Privatization:

Bill 37, with the creation of GMTA in this privatized model will focus on compliance with the contract rather than being flexible to responding to needs of the community. While Bill 38 creates a flexible mass transit infrastructure that can adjusted to reflect the actual needs of the population, including the possibility of massive population influx, and can serve as core for any long-term planning. It is time that Guam's development be based on what is good for Guam, rather than continuing the cycle of taking the advice of people outside who do not have to live with the consequences of their recommendations.

The privatization model does not work – it ultimate cost more money, because the need for profit supersedes the need to maintain and improve on infrastructure. This is proven case worldwide. Transportation policy and operation also have to be integrated. The reason why government has to ultimately determine and implement public transportation is because government does not have a profit motive. Certain inefficiencies are needed for the ultimate public good.

I will conclude with some comments between Hawaiian and Puerto Rican planners, in regard to the development of transportation policy in Hawaii. I am providing this because it gives some perspective to the merits of the *público* system and how in how “just because you build it, they might not come...” (reference to the movie – Field of Dreams)

Lessons for Hawai’i from Puerto Rico

posted in [Transportation](#) |

The Honolulu City Council is determined to spend billions of dollars on a ridiculous rail-transit line in Oahu. State Representative Marilyn Lee happened to visit Puerto Rico and came back gushing about that island’s new *Tren Urbano* in Honolulu’s leading paper.

“There are many similarities between Hawaii and Puerto Rico,” says Representative Lee. “We must proceed with our scheduled plan to build transit — our sister island state has shown it can succeed.”

There are so many fallacies in Representative Lee’s column that it is hard to know where to begin. Needless to say, Puerto Rico is not a state. Further, Honolulu rail proponents have a nasty habit of calling rail transit “transit,” implying that Honolulu doesn’t have mass transit because it doesn’t have rail transit.

In fact, there **are** lessons that Hawai’i can learn from Puerto Rico, just not the ones that the apparently innumerate Representative Lee learned. As Honolulu rail skeptic Cliff Slater has noted, far from showing that rail transit can succeed, the *Tren Urbano* is just one more rail disaster.

Start with the cost. It was supposed to cost \$766 million to build. After more than a decade of planning and construction, it ended up costing \$2.25 billion. Even after adjusting for inflation, Northeastern University researchers found, that was a 113 percent cost overrun.

Next, look at ridership. Representative Lee admitted that “ridership is lower than projected.” And how. The *Tren Urbano* was projected to carry 80,000 people per day. In its first year, it carried less than 25,000 people a day.

In 2005, the Puerto Rican Transportation Authority spent \$43 million operating the *Tren Urbano* and collected slightly less than \$600,000 in fares. Granted, 2005 was the first year of operation, but even in the first year you expect farebox recovery to be a little more than 1.4 percent. The agency collected far more from its bus riders, on whom it spent far less.

Puerto Rico was lucky: most of the cost of building the *Tren Urbano* was paid by U.S. taxpayers. Honolulu plans to impose most of the cost of its rail line on its own residents.

If Hawai'ians want to look at a successful transit system in Puerto Rico, skip the *Tren Urbano* and look for the *públicos*, or public cars, that range up to 17-passenger vans. These are sometimes described as shared taxis and they operate a lot like airport shuttles in other U.S. cities. *Públicos* have fixed routes, but they will deviate from those routes for an extra charge.

In 2005, the *públicos* carried more than 20 times as many passengers (and passenger miles) as the *Tren Urbano*. The *público*'s farebox recovery rate? An amazing (for American transit) 98 percent. That's because they are really a form of private transit that is regulated by the local Department of Transportation.

While Honolulu might benefit from something like *públicos*, it already has (despite the claims of the rail nuts) one of the most heavily used mass transit systems in the U.S. It carries nearly 4 percent of urban travel, more than all other major urban areas except New York, San Francisco, and Washington. It also carries 8.7 percent of commuters, more than Portland, San Diego, or many other regions with supposedly successful rail transit systems.

Plus Honolulu has numerous private bus operators and a competitive taxi system that caters to tourists and really is very close to the *públicos* in many ways. But Honolulu's transit agency does everything it can to hamper its competition, such as forbidding private buses from taking tourists to popular beaches served by the public bus system.

The only reason Honolulu needs a rail transit line is so local politicians can award fat contracts to rail contractors and engineering firms. For transit riders and auto drivers, rail transit can only be bad news, draining away funds from transport systems that really work to feed the egos of local officials.

It is too bad that so many urban planners have jumped on the rail transit bandwagon. To justify their support of rail construction, they have to twist the data, bend their ethics, and betray the taxpayers they are supposed to serve. That's just one more reason to be an antiplanner.

This entry was posted on Wednesday, August 29th, 2007 at 12:00 am and is filed under [Transportation](#). You can follow any responses to this entry through the [RSS 2.0](#) feed. You can [leave a response](#), or [trackback](#) from your own site.

<http://ti.org/antiplanner/?p=229>

Respectfully submitted,

Jaha Cummings

P.S. I apologize for any grammar or spelling errors. I put this together in haste in order to meet the submission deadline.

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session

Bill No. 37 (COR)

As substituted by the Committee
on Utilities, Transportation, Public
Works and Veterans Affairs

Introduced by:

Adolpho B. Palacios, Sr.

**AN ACT TO RE-ENACT CHAPTER 6 OF TITLE 12 GCA,
AND TO AMEND §4105 OF CHAPTER 4, TITLE 4 GCA
RELATIVE TO RE-ESTABLISHING THE GUAM REGIONAL
TRANSIT AUTHORITY.**

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

2 **Section 1. Legislative Findings.** *I Liheslaturan Guåhan* finds that mobility
3 is a basic privilege all in the community should be able to enjoy and appreciate.

4 *I Liheslaturan Guåhan* finds that many households in our community
5 depend on public transit to travel between home, school, work, medical
6 appointments, and various social and cultural activities. On an island where land
7 is limited, traffic congestion caused by a growing population cannot reasonably
8 be addressed by continually expanding roadways. Hence, public transportation
9 provides enhanced mobility within our community while simultaneously
10 relieving traffic congestion. The availability of adequate public transit services
11 may redirect consumer spending from the purchase, operation, maintenance,
12 and insurance of automobiles to savings, investments, and discretionary
13 consumer expenditures in the local economy. With the benefit of a public mass
14 transit service, many in our community will have improved access to jobs,
15 education, health care, social and cultural activities.

1 Authority and as defined by the Civil Service Commission. This
2 definition does not include independent consultants, persons who
3 require legislative confirmation, deputy directors, or elected officials.

4 (f) *Executive Manager* means the person employed by the Board to
5 supervise the administration of the Authority.

6 **§6104. Purposes.** The Authority is created to plan services, establish,
7 develop, coordinate, promote, own and operate facilities and services that
8 support public transportation and public parking within the territory of Guam.

9 **§6105. Powers.** The Authority may:

10 (a) Enter into contracts, leases, concession agreements and permits and
11 to execute all instruments necessary or convenient in the exercise of
12 its purpose and powers, including without limitation, the purchase of
13 liability and casualty insurance for Authority purposes, adopt a seal
14 and sue or be sued in its own corporate name.

15 (b) Plan public transit services, devise and follow schedules, operate
16 facilities and terminals, and otherwise engage in the necessary
17 actions to provide public transit service and public parking
18 management.

19 (c) Acquire personal and real property through negotiation, grant, gift,
20 lease, or permit in accordance with the provisions and subject to the
21 limitations of laws of Guam including Chapter 5, Title 5, GCA, and
22 hold and use any real and personal property necessary, convenient
23 or useful for the carrying out of any of its powers pursuant to the
24 provisions of this Chapter, and to dispose of the same.

25 (d) Receive and disburse Federal funds, submit project grant

1 applications, program of projects to Federal agencies, enter into
2 formal agreements concerning projects with Federal agencies.

3 (e) Employ agents and retain or contract for the services of qualified
4 consultants, specialists or experts, as individuals or as organizations,
5 to advise and assist the Authority and its employees, all of which
6 may be accomplished without regard to the portion of the Personnel
7 Laws relative to compensation.

8 (f) Impose, prescribe, revise policies and collect fees and for the
9 purposes of carrying commercial advertisement on real and personal
10 property owned by the Authority or used in the provision of transit
11 services pursuant to this statute.

12 (g) Adopt such rules and regulations, pursuant to the Administrative
13 Adjudication Law, as may be necessary for the exercise of powers
14 and performance of the duties conferred or imposed upon the
15 Authority or the Board.

16 (h) Employ an attorney, enter into contract for legal services, or enter
17 into contract with the Attorney General to address legal issues.

18 The Authority shall:

19 (i) Operate a system of public transportation

20 (j) Establish routes, schedules, fares and policies consistent with the
21 purpose of the Authority. Such services may be altered or modified
22 only after adequate public notice has been given on proposed
23 changes.

24 (k) Monitor and respond to customer comments in a reasonable and
25 timely manner.

1 (l) Collect, record, store and manage data pertaining to the mass transit
2 services. Such data shall be made available to *I Liheslaturan Guåhan*
3 on a quarterly basis. Such data shall include, but not be limited to:

- 4 (1) the number of consumers utilizing the transit system,
5 (2) the types of services used by consumers.

6 Nothing contained in this Section, or by implication in this Chapter shall
7 be construed to be in any way in derogation or limitation of powers conferred
8 upon or existing in the Authority or in the Board by virtue of the Organic Act
9 and the laws of Guam.

10 **Article 2. Government.**

11 **§6201. Board of Directors.**

12 **§6202. Executive Manager.**

13 **§6203. Personnel.**

14 **§6204. Mass Transit Fund.**

15 **§6205. Limited Liability.**

16 **§6201. Board of Directors.**

17 (a) The Board shall consist of five (5) total directors. Of these five (5)
18 directors, two (2) are appointed by the Governor of Guam, with the advice and
19 consent of *I Liheslatura*; two (2) Directors will be members of, and appointed by,
20 the Mayors' Council of Guam; and one (1) shall be the Director, or his/her
21 designee, of the Department of Integrated Services for Individuals with
22 Disabilities (or its successor). Each director shall serve a term of four (4) years.
23 All vacancies occurring on the Board shall be filled by their respective appointing
24 entity for the balance of the term.

25 (b) Three (3) directors shall constitute a quorum of the Board for the

1 transaction of business. The Board may adopt rules and regulations governing
2 the conduct of its affairs. It shall elect a chairman, vice-chairman and secretary
3 from among its members. The Board may employ one unclassified
4 administrative assistant who shall maintain all records, transactions, and minutes
5 of the Board.

6 (c) Each director shall receive the sum of One Hundred Dollars (\$100.00)
7 for attendance at any one meeting of the Board, but such compensation shall not
8 apply to more than one meeting in any one calendar month. No director shall
9 receive any other compensation for board duties, but shall be reimbursed for
10 actual travel, subsistence and out-of-pocket expenses incurred in the discharge of
11 his responsibilities, including authorized attendance at meetings held away from
12 Guam.

13

14 **§6202. Executive Manager.**

15 (a) The Board shall appoint an Executive Manager, who shall be its chief
16 executive officer. The Executive Manager shall serve at the
17 pleasure of the Board, and the Board shall establish the
18 compensation. The Executive Manager shall, at a minimum,
19 possess the following qualifications:

20 a combined minimum of ten (10) years of documented
21 experience successfully managing a public or private
22 transit system, or business activity similar to or greater in
23 scope and size to the Authority and possess at a minimum,
24 from an accredited institution, a Bachelors degree,
25 preferably in the field of business administration, city

1 planning, urban planning, engineering, engineering
2 technology, public administration or closely related field or
3 discipline.

4 (b) The powers and duties of the Executive Manager include:

- 5 (1) To enforce all rules and regulations of the Authority.
- 6 (2) To attend, unless excused by the Board, all meetings of the
7 Board and to submit reports on the affairs of the Authority as
8 required by the Board.
- 9 (3) To keep the Board advised on the needs of the Authority and
10 to approve demands for payment of obligations within the
11 purposes and amounts authorized by the Board.
- 12 (4) To devote full employment attention to the business of the
13 Authority, to select and appoint the employees of the
14 Authority, except as otherwise provided in this Chapter, and
15 to plan, organize, coordinate and control the services of such
16 employees in the exercise of the powers of the Authority
17 under the general direction of the Board.
- 18 (5) To perform such other and additional duties as the Board may
19 require.

20 **§6203. Personnel.**

21 (a) The Board, pursuant to Chapter 4, Title 4, GCA, shall establish rules
22 and regulations governing the selection, promotion, performance evaluation,
23 demotion, suspension, dismissal and other disciplinary action for employees of
24 the Authority. Until such rules and regulations are established by the Board, the
25 personnel rules and regulations of the Government of Guam shall be followed.

1 (b) The Executive Manager shall be an unclassified employee. All other
2 employees of the Authority shall be classified employees.

3 (c) Each employee of the Authority, and its Board, shall be eligible to
4 become a member of the Government of Guam Retirement Fund pursuant to
5 §8105(d), Title 4, GCA.

6 (d) Each employee of the Authority, and its Board, shall be eligible to
7 participate in Government of Guam health and life insurance plans.

8 (e) The employer's contribution to the Government of Guam
9 Retirement Fund that is assessed by the Fund's Board of Trustees for the benefit
10 of Authority employees who are members of the Fund shall be paid by the
11 Authority.

12 (f) The employer's contribution to the Worker's Compensation Fund
13 that is assessed by the Worker's Compensation Commission for the benefit of
14 Authority employees shall be paid by the Authority.

15 **§6204. Guam Regional Transit Authority Fund.**

16 (a) The Board shall adopt and maintain a system of accounting which is
17 in accordance with generally accepted accounting principles.

18 (b) There is established a fund to be known as the "Guam Regional
19 Transit Authority Fund" which the Authority shall maintain separate and apart
20 from the other funds of the government of Guam, and independent records and
21 accounts shall be maintained in connection therewith. The Guam Regional
22 Transit Authority Fund shall be audited annually by an independent certified
23 public accountant or by the Office of the Public Auditor.

24 (c) All monies received by the Authority from whatever source derived
25 shall be deposited in the Guam Regional Transit Authority Fund and used

1 exclusively for the purposes of this statute

2 (d) All expenditures, except as otherwise provided by law, shall be made
3 from said Guam Regional Transit Authority Fund.

4 (e) The Authority shall present an annual report within one hundred
5 twenty (120) days after the end of each fiscal year and, if requested by the
6 Governor or *I Liheslatura*, the Authority shall present special reports within thirty
7 (30) days after the end of each intervening quarter. The financial information
8 presented in such reports shall be in accordance with the system of accounts
9 adopted by the Board.

10 **§6205. Limited Liability.**

11 (a) To the extent that any liability of the government of Guam or of the
12 Authority is covered by a policy or policies of insurance, the Government waives
13 the limitation of liability found in §6301, Title 5, GCA; provided, that the
14 Government shall not be liable in damages for tort in any amount which exceeds
15 the coverage of insurance and the limitation of liability contained in §6500.13 of
16 the Government Code.

17 (b) All claims made against any policy of insurance purchased by the
18 Authority shall be made in accordance with the procedures and time limitations
19 set forth in the Government Claims Act, except that all claims not in excess of the
20 face amount of the policy shall be presented to the Executive Manager of the
21 Authority, who shall present the same to the insurance carrier, carriers or to
22 their designated agents for processing.

23 (c) If a claim is in excess of the applicable insurance coverage, then the
24 Executive Manager of the Authority shall also present a copy of the claim to the
25 Attorney General, who shall then coordinate the claim as between the

1 Government and the insurance carriers, and who shall represent the
2 Government in the event of a dispute between the Government and the
3 insurance carriers. In the event of said dispute, the Attorney for the Authority
4 shall represent the interests of the Authority.

5 (d) Each policy of insurance written covering the Authority or its interest
6 shall contain a clause waiving any defense of sovereign immunity which may be
7 raised against the payment of the claim by carrier.

8 (e) The Executive Manager shall publish, in a newspaper of general
9 circulation in Guam, within ten (10) days after the effective date of any policy of
10 insurance purchased, a statement indicating the existence of any such policy and
11 a notice informing the public where claims may be filed.”

12 **Section 3.** Subsections (a) and (b) of §4105, Chapter 4, Title 4, Guam Code
13 Annotated, is hereby *amended* to read:

14 “(a) Rules subject to criteria established by this Chapter governing the
15 selection, promotion, performance, evaluation, demotion, suspension and other
16 disciplinary action of classified employees shall be adopted by the Board of
17 Directors of the Antonio B. Won Pat International Airport Authority, Guam; the
18 Board of Directors of the Guam Economic Development and Commerce
19 Authority; the Board of Directors of the Guam Housing Corporation; the Board
20 of Commissioners of the Guam Housing and Urban Renewal Authority; the
21 Guam Judicial Council; the Board of Directors of the Jose D. Leon Guerrero
22 Commercial Port; the Guam Education Policy Board; the Board of Regents of the
23 University of Guam; the Guam Community College Board of Trustees; the
24 Board of Directors of the Guam Regional Transit Authority; the Board of
25 Trustees of the Guam Memorial Hospital Authority; the Board of Directors of the

1 Guam Visitors Bureau; and the Consolidated Commission on Utilities on behalf
2 of the Guam Waterworks Authority and the Guam Power Authority, with
3 respect to personnel matters within their respective Branches, agencies, public
4 corporations or departments, and by the Director of Administration as to all
5 other Executive Branch employment.

6 (b) Such rules shall, to the extent practicable, provide standard
7 conditions for entry into and the other matters concerning the government
8 service. The personnel rules adopted for the Guam Economic Development and
9 Commerce Authority, the Guam Housing Corporation, the Guam Housing and
10 Urban Renewal Authority, the University of Guam, the Guam Community
11 College, the Antonio B. Won Pat International Airport Authority, Guam, the Jose
12 D. Leon Guerrero Commercial Port, the Guam Public School System, the Guam
13 Regional Transit Authority, the Guam Memorial Hospital Authority, the Director
14 of Administration and by the Consolidated Commission on Utilities shall require
15 that all their classified employee appeals, except academic personnel of the Guam
16 Community College and the University of Guam in conformance with Title 4
17 GCA §4403(h), be heard by the Civil Service Commission ("Commission").

18 **Section 4. Transfer of Funds.** The total amount in the Public Transit Fund
19 at the time of this Act's effective date shall be transferred to the Guam Regional
20 Transit Authority Fund.

21 **Section 5. Transfer of Records, Equipment, Designation as State Agency.**

22 (a) Upon the effective date of this Act, the Department of
23 Administration shall transfer all personnel and possession of
24 all books, records, papers, maps, plans, documents, offices,
25 equipment, supplies, money, funds, appropriations, licenses,

1 permits, agreements, contracts, claims, judgments, land, and
2 other property, real or personal, connected with the
3 administration of, or held for the benefit or use of, the former
4 GMTA to the newly reinstated Guam Regional Transit
5 Authority.

6 (b) The Guam Regional Transit Authority is hereby the designated state
7 agency for purposes of receiving and disbursing financial
8 assistance from the U.S. Department of Transportation-
9 Federal Transit Administration

10 **Section 6. Funding Source.** The funding sources for the establishment of
11 the Guam Regional Transit Authority shall include the "Guam Highway Fund",
12 and shall be for the purpose of providing funding for the Guam Regional Transit
13 Authority facilities, personnel and operations. Additional funding sources shall
14 be Federal funds received for purposes of mass transit and the third funding
15 source would be funds generated by the fare box, advertising, and other
16 business activities allowed in this section. Funds obtained from these sources
17 shall be used exclusively for purposes defined in this statute.

18 **Section 7. Severability.** If any provision of this Law or its application to
19 any person or circumstance is found to be invalid or contrary to law, such
20 invalidity shall not affect other provisions or applications of this Law which can
21 be given effect without the invalid provisions or application, and to this end the
22 provisions of this Law are severable.

23 **Section 8. Effective Date.** The Board and its Executive Manager shall be
24 established no later than 180 days following passage of this statute.

1/13
[Signature]

I MINA'TRENTA NA LIHESLATURAN GUAHAN
2009 (FIRST) Regular Session

Bill No. 37(COR)

Introduced by:

Adolpho B. Palacios, Sr. [Signature]

AN ACT TO RE-ENACT CHAPTER 6 OF TITLE 12 GCA,
AND TO AMEND §4105 OF CHAPTER 4, TITLE 4 GCA
RELATIVE TO RE-ESTABLISHING THE GUAM MASS
TRANSIT AUTHORITY.

2009 JAN -7 PM 3: 58

[Signature]

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings. *I Liheslaturan Guåhan* finds that the
3 freedom to move about as one so chooses is a basic freedom that all in the
4 community should be able to enjoy and appreciate. *I Liheslaturan Guåhan* further
5 finds that Public Law 26-76, which abolished the Guam Mass Transit Authority,
6 may have done more to hamper the community's transportation needs than help.

7 *I Liheslaturan Guåhan* finds that the role of the public mass transit service is
8 to provide affordable mobility to enable households in our community who may
9 not be able to afford a privately owned vehicle or cannot drive due to age or
10 some physical disability. It is reasonable to assert that there are many households
11 in our community who depend to public transit to be able to get to/from work,
12 medical appointments, and to various social activities where the growth of

1 healthy community is enhanced. On an island where land is very limited, the
2 traffic congestion caused by a growing population cannot reasonably be
3 addressed by continually expanding roadways which require the dedication of
4 limited land areas. Hence, public mass transit services provide an alternative for
5 mobility within our community while at the same time relieving traffic
6 congestion. The availability of adequate public transit services can also
7 contribute to the redirection of consumer spending from the purchase of
8 automobiles and the cost of operating them to alternative expenditures which
9 may help households to improve their quality of life. Without the benefit of a
10 public mass transit service, many in our community would not have the mobility
11 necessary to adequately achieve the aforementioned pursuits and objectives.

12 *I Liheslaturan Guáhan* finds that the enactment of P.L. 26-76 may not have
13 resulted in any net savings. Instead, the dismantling of the public transit services
14 may have resulted in a greater cost to the community by negatively impacting
15 the mobility in our community, especially among those who can least afford this
16 lessened mobility.

17 *I Liheslaturan Guáhan* finds that the Department of Public works is in the
18 process of completing its Transportation Master Plan. An important component
19 of this Master Plan is the development of a Public Transit Service. *I Liheslatura*
20 finds that the management and governance of a public transit operation requires

1 the establishment of a dedicated organization, i.e. a Mass Transit Authority.
2 Such an organization is normally found in communities where effective mass
3 transit services are available to the general public.

4 Since Public Law 26-76 was enacted into law, the administration of Public
5 Transportation has been conducted by a small staff within the Department of
6 Administration. This staff, working with the most basic understanding of
7 transportation needs and extremely limited resources, has done all that they
8 could to administer the public transit system on Guam. *I Liheslatura* finds that
9 despite the hard work and dedication of the people at the Department of
10 Administration, limitations on resources and capabilities within the law have
11 hampered their ability to meet the growing transportation needs of our island.

12 *I Liheslatura* finds that the outsourcing of certain services such as
13 maintenance and operation of vehicles has its place in mass transit systems;
14 however there are certain operational requirements that should be under the
15 government's control. *I Liheslatura* finds that the government must operate
16 dispatch of vehicles, customer service, and data collection.

17 Therefore, it is the intent of *I Liheslaturan Guåhan* to re-establish the Guam
18 Mass Transit Authority to devote full attention to the transportation needs to the
19 people of Guam.

20 **Section 2.** Chapter 6 of Title 12, Guam Code Annotated, is hereby *re-*

1 *enacted* to read as follows:

2 **“Chapter 6. Guam Mass Transit Authority**

3 **Article 1. General Provisions.**

4 **Article 2. Government.**

5 **Article 1. General Provisions.**

6 **§6101. Title.**

7 **§6102. Creation.**

8 **§6103. Definitions.**

9 **§6104. Purposes.**

10 **§6105. Powers.**

11 **§6101. Title.** This Chapter shall be hereby cited as the Guam Mass Transit
12 Authority Act of 2008.

13 **§6102. Creation.** There is hereby created the Guam Mass Transit
14 Authority, a public corporation. The Guam Mass Transit Authority (GMTA)
15 shall have the exclusive franchise for the furnishing of public transportation
16 within Guam and on its roads and highways. Except for private parking
17 facilities, and for parking facilities maintained and operated by the A. B. Won Pat
18 Guam International Airport Authority, GMTA shall have the exclusive franchise
19 within the government of Guam for the collection of fees for the furnishing of
20 public parking within Guam.

1 **§6103. Definitions.** As used in this Chapter, unless otherwise indicated:

2 (a) *Authority* means the Guam Mass Transit Authority.

3 (b) *Board* means the Board of Directors of the Authority.

4 (c) *Director* means a member of the Board.

5 (d) *Executive Manager* means the person employed by the Board to
6 supervise the administration of the Authority.

7 **§6104. Purposes.** The purposes for which the Authority is created are to
8 establish, develop, promote and/or operate public transportation systems within
9 the territory of Guam together with incidental and related facilities and services
10 in order to provide adequate public transportation for persons residing in or
11 visiting the territory of Guam.

12 **§6105. Powers.** The Authority may:

13 (a) Acquire, construct, reconstruct, purchase, better, extend, improve
14 operate and maintain facilities for the purpose of carrying out its
15 mandate.

16 (b) Acquire by grant, purchase, gift, devise, lease, or permit in
17 accordance with the provisions and subject to the limitations of laws
18 of Guam including Chapter 5, Title 5, GCA, and hold and use any
19 real and personal property necessary, convenient or useful for the
20 carrying out of any of its powers pursuant to the provisions of this

1 Chapter, and to dispose of the same.

2 (c) To enter into contracts, leases, concession agreements and permits
3 and to execute all instruments necessary or convenient in the exercise
4 of its powers, including without limitation, the purchase of liability
5 and casualty insurance for Authority purposes, adopt a seal and sue
6 or be sued in its own corporate name.

7 (d) Employ agents and retain or contract for the services of qualified
8 consultants, specialists or experts, as individuals or as organizations,
9 to advise and assist the Authority and its employees, all of which
10 may be accomplished without regard to the portion of the Personnel
11 Laws relative to compensation.

12 (e) Impose, prescribe, revise and collect fees for the purposes of carrying
13 commercial advertisement on or around Authority property.

14 (f) Establish schedules and fares to control the operation of the
15 Authority and such fares may be altered or modified only after
16 public hearing on any proposed changes, said hearing to comply
17 with the provisions of the Administrative Adjudication Law and
18 other legal requirements of Guam.

19 (g) Adopt such rules and regulations, pursuant to the Administrative
20 Adjudication Law, as may be necessary for the exercise of powers

1 and performance of the duties conferred or imposed upon the
2 Authority or the Board.

3 (h) Do any and all things necessary to exercise the above powers.

4 (i) Employ an attorney, enter into contract for legal services, or enter
5 into contract with the Attorney General to address legal issues.

6 (j) Consider adopting environmentally sound practices such as the
7 procurement and use of zero-emission buses.

8 (k) Consider various route designs when planning and implementing
9 schedules.

10 The Authority shall:

11 (l) Operate the dispatching of vehicles.

12 (m) Monitor customer comments and respond to customer comments in
13 a reasonable and timely manner.

14 (n) Collect and record data pertaining to the consumers of the mass
15 transit services. Such data shall be made available to *I Liheslaturan*
16 *Guåhan* on a quarterly basis. Such data shall include, but not be
17 limited to:

18 (1) the number of consumers utilizing the transit system,

19 (2) the types of services used by consumers.

20 Nothing contained in this Section, or by implication in this Chapter shall

1 be construed to be in any way in derogation or limitation of powers conferred
2 upon or existing in the Authority or in the Board by virtue of the Organic Act
3 and the laws of Guam.

4 **Article 2. Government.**

5 **§6201. Board of Directors.**

6 **§6202. Executive Manager.**

7 **§6203. Personnel.**

8 **§6204. Mass Transit Fund.**

9 **§6205. Limited Liability.**

10 **§6201. Board of Directors.**

11 (a) The Board shall consist of six (6) directors appointed by the Governor
12 of Guam, with the advice and consent of the Legislature and one (1) director
13 appointed by the Mayors' Council of Guam. One (1) of the directors shall be a
14 user of the mass transit service. One (1) of the directors shall be a user of the
15 para-transit service. Initially, three (3) directors shall serve a term of two (2)
16 years from the date of confirmation and four (4) directors shall serve a term of
17 three (3) years from the date of confirmation, thereafter each director shall serve
18 a term of three (3) years from the date of confirmation, unless sooner removed by
19 the Governor. All vacancies occurring in the office of director shall be filled by
20 the Governor in the same manner as for full-term appointments, except for the

1 director appointed by the Mayors' Council.

2 (b) Four (4) directors shall constitute a quorum of the Board for the
3 transaction of business. The Board may adopt rules and regulations governing
4 the conduct of its affairs. It shall elect a chairman and vice-chairman from
5 among its members. It shall employ a secretary who shall maintain all records
6 and minutes of the Board.

7 (c) Each director shall receive the sum of One Hundred Dollars (\$100.00)
8 for his attendance at any meeting of the Board, but such compensation shall not
9 apply to more than two meetings in any one calendar month. No director shall
10 receive any other compensation, but shall be reimbursed for actual travel,
11 subsistence and out-of-pocket expenses incurred in the discharge of his
12 responsibilities, including authorized attendance at meetings held away from
13 Guam.

14 **§6202. Executive Manager.**

15 (a) The Board shall appoint an Executive Manager, who shall be its chief
16 executive officer. The Executive Manager shall serve at the pleasure of the
17 Board, which shall fix his compensation.

18 (b) The powers of the Executive Manager include:

19 (1) To enforce all rules and regulations of the Authority.

20 (2) To attend, unless excused by the Board, all meetings of the

1 Board and to submit reports on the affairs of the Authority as
2 required by the Board.

3 (3) To keep the Board advised on the needs of the Authority and
4 to approve demands for payment of obligations within the
5 purposes and amounts authorized by the Board.

6 (4) To devote his entire time to the business of the Authority, to
7 select and appoint the employees of the Authority, except as
8 otherwise provided in this Chapter, and to plan, organize,
9 coordinate and control the services of such employees in the
10 exercise of the powers of the Authority under the general
11 direction of the Board.

12 (5) To perform such other and additional duties as the Board may
13 require.

14 **§6203. Personnel.**

15 (a) The Board, pursuant to Chapter 4, Title 4, GCA, shall establish rules
16 and regulations governing the selection, promotion, performance evaluation,
17 demotion, suspension, dismissal and other disciplinary action for employees of
18 the Authority.

19 (b) The Executive Manager shall be an unclassified employee. No
20 person employed by the Authority on a limited term contract shall be a classified

1 employee. All other employees of the Authority are classified employees.

2 (c) Each employee of the Authority shall be eligible to become a member
3 of the Government of Guam Retirement Fund pursuant to §8105(d), Title 4, GCA.

4 (d) Each employee of the Authority shall be eligible to participate in any
5 government of Guam health and life insurance plan.

6 (e) The employer's contribution to the Government of Guam Retirement
7 Fund that is assessed by the Fund's Board of Trustees for the benefit of Authority
8 employees who are members of the Fund shall be paid by the Authority.

9 (f) The employer's contribution to the Worker's Compensation Fund
10 that is assessed by the Worker's Compensation Commission for the benefit of
11 Authority employees shall be paid by the Authority.

12 **§6204. Guam Mass Transit Authority Fund.**

13 (a) The Board shall adopt and maintain a system of accounting which is
14 in accordance with generally accepted accounting principles.

15 (b) There is established a fund to be known as the "Guam Mass Transit
16 Authority Fund" which the Authority shall maintain separate and apart from the
17 other funds of the government of Guam, and independent records and accounts
18 shall be maintained in connection therewith. The Guam Mass Transit Authority
19 Fund shall be audited annually by an independent certified public accountant or
20 by the Office of the Public Auditor.

1 (c) All monies received by the Authority from whatever source derived
2 shall be deposited in the Guam Mass Transit Authority Fund.

3 (d) All expenditures, except as otherwise provided by law, shall be made
4 from said Guam Mass Transit Authority Fund.

5 (e) The Authority shall report to the Governor and to the Legislature
6 concerning the administration of the affairs of the Authority. It shall present an
7 annual report within one hundred twenty (120) days after the end of each fiscal
8 year and, if requested by the Governor of the Legislature, shall present special
9 reports within thirty (30) days after the end of each intervening quarter. The
10 financial information presented in such reports shall be in accordance with the
11 system of accounts adopted by the Board.

12 **§6205. Limited Liability.**

13 (a) To the extent that any liability of the government of Guam or of the
14 Authority is covered by a policy or policies of insurance, the Government waives
15 the limitation of liability found in §6301, Title 5, GCA; provided, that the
16 Government shall not be liable in damages for tort in any amount which exceeds
17 the coverage of insurance and the limitation of liability contained in §6500.13 of
18 the Government Code.

19 (b) All claims made against any policy of insurance purchased by the
20 Authority shall be made in accordance with the procedures and time limitations

1 set forth in the Government Claims Act, except that all claims not in excess of the
2 face amount of the policy shall be presented to the Executive Manager of the
3 Authority, who shall present the same to the insurance carrier, carriers or to their
4 designated agents for processing.

5 (c) If a claim is in excess of the applicable insurance coverage, then the
6 Executive Manager of the Authority shall also present a copy of the claim to the
7 Attorney General, who shall then coordinate the claim as between the
8 Government and the insurance carriers, and who shall represent the Government
9 in the event of a dispute between the Government and the insurance carriers. In
10 the event of said dispute, the Attorney for the Authority shall represent the
11 interests of the Authority.

12 (d) Each policy of insurance written covering the Authority or its interest
13 shall contain a clause waiving any defense of sovereign immunity which may be
14 raised against the payment of the claim by carrier.

15 (e) The Executive Manager shall publish, in a newspaper of general
16 circulation in Guam, within ten (10) days after the effective date of any policy of
17 insurance purchased, a statement indicating the existence of any such policy and
18 a notice informing the public where claims may be filed."

19 **Section 3.** Subsections (a) and (b) of §4105, Chapter 4, Title 4, Guam Code
20 Annotated, is hereby *amended* to read:

1 “(a) Rules subject to criteria established by this Chapter governing the
2 selection, promotion, performance, evaluation, demotion, suspension and other
3 disciplinary action of classified employees shall be adopted by the Board of
4 Directors of the Antonio B. Won Pat International Airport Authority, Guam; the
5 Board of Directors of the Guam Economic Development and Commerce
6 Authority; the Board of Directors of the Guam Housing Corporation; the Board
7 of Commissioners of the Guam Housing and Urban Renewal Authority; the
8 Guam Judicial Council; the Board of Directors of the Jose D. Leon Guerrero
9 Commercial Port; the Guam Education Policy Board; the Board of Regents of the
10 University of Guam; the Guam Community College Board of Trustees; the Board
11 of Directors of the Guam Mass Transit Authority; the Board of Trustees of the
12 Guam Memorial Hospital Authority; the Board of Directors of the Guam Visitors
13 Bureau; and the Consolidated Commission on Utilities on behalf of the Guam
14 Waterworks Authority and the Guam Power Authority, with respect to
15 personnel matters within their respective Branches, agencies, public corporations
16 or departments, and by the Director of Administration as to all other Executive
17 Branch employment.

18 (b) Such rules shall, to the extent practicable, provide standard
19 conditions for entry into and the other matters concerning the government
20 service. The personnel rules adopted for the Guam Economic Development and

1 Commerce Authority, the Guam Housing Corporation, the Guam Housing and
2 Urban Renewal Authority, the University of Guam, the Guam Community
3 College, the Antonio B. Won Pat International Airport Authority, Guam, the Jose
4 D. Leon Guerrero Commercial Port, the Guam Public School System, the Guam
5 Mass Transit Authority, the Guam Memorial Hospital Authority, the Director of
6 Administration and by the Consolidated Commission on Utilities shall require
7 that all their classified employee appeals, except academic personnel of the
8 Guam Community College and the University of Guam in conformance with
9 Title 4 GCA §4403(h), be heard by the Civil Service Commission ("Commission").

10 **Section 4. Transfer of Funds.** The total amount in the Public Transit
11 Fund at the time of this Act's effective date shall be transferred to the Guam
12 Mass Transit Authority Fund.

13 **Section 5. Transfer of Records, Equipment, Designation as State**
14 **Agency.**

15 (a) Upon the effective date of this Act, the Department of
16 Administration shall transfer possession of all books, records, papers, maps,
17 plans, documents, offices, equipment, supplies, money, funds, appropriations,
18 licenses, permits, agreements, contracts, claims, judgments, land, and other
19 property, real or personal, connected with the administration of, or held for the
20 benefit or use of, the former GMTA to the newly reinstated Guam Mass Transit

1 Authority.

2 **Section 6. Funding Source.** The funding source for the re-establishment
3 of the Guam Mass Transit Authority shall be the "Guam Highway Fund", and
4 shall be for the purpose of providing initial funding for the Guam Mass Transit
5 Authority facilities, personnel and operations.

6 **Section 7. Severability.** If any provision of this Law or its application to
7 any person or circumstance is found to be invalid or contrary to law, such
8 invalidity shall not affect other provisions or applications of this Law which can
9 be given effect without the invalid provisions or application, and to this end the
10 provisions of this Law are severable.



Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs
30th Guam Legislature • *I Mina' Trenta Na Liheslaturan Guahan*

January 29, 2009

MEMORANDUM

To: Mayor Carol S. Tayama, President, Mayors' Council of Guam

From: Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works and Veterans Affairs

Subject: **Public Hearing Notice: February 6, 2009 at 1:00pm**
Agenda: Bills 37 and 38

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing on Bills 37 and 38 of *I Mina' Trenta Na Liheslaturan Guahan* on February 6, 2009 at 1:00pm. This meeting will take place in the Public Hearing Room of *I Liheslatura*. Your participation in the hearing is welcomed.

On the agenda:

Bill No. 37 (COR) - A.B. Palacios, Sr.

An act to re-enact Chapter 6 of Title 12 GCA, and to amend §4105 of Chapter 4, Title 4 GCA relative to re-establishing the Guam Mass Transit Authority.

Bill No. 38 (LS) - T.R. Muna-Barnes / J.T. Won Pat, Ed.D.

An act to authorize Chapter 6 of Title 12 GCA, and to amend 5405 of Chapter 4 of Title 4 GCA relative to the establishment of the Aturidat Isla Transitu (Isla Transit Authority), a public corporation, for the purpose of providing affordable, reliable, and sustainable modalities of public transportation on the Island of Guam.

Copies of Bills 37 and 38 may be found on the official Guam Legislature website (www.guamlegislature.com). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on January 29, 2009. Please feel free to contact my office with any questions or concerns.

Si Yu'us Ma'ase,

Thomas C. Ada

cc: All Mayors



To Legislature

Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs
30TH Guam Legislature • *I Mina' Trenta Na Liheslaturan Guåhan*

January 29, 2009

MEMORANDUM

To: Speaker Judith T. Won Pat
Senator Rory J. Respicio, Chairman, Committee on Rules

From: Senator Thomas C. Ada
Chairperson, Committee on Utilities, Transportation, Public Works and Veterans Affairs

Subject: **Public Hearing Notice: February 6, 2009 at 1:00pm**
Agenda: Bills 37 and 38

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing on Bills 37 and 38 of *I Mina' Trenta Na Liheslaturan Guåhan* on February 6, 2009 at 1:00pm. This meeting will take place in the Public Hearing Room of *I Liheslatura*.

On the agenda:

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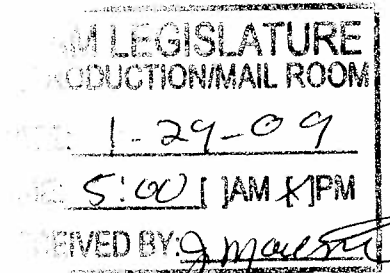
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Si Yu'us Ma'ase,

Thomas C. Ada

cc: All Senators
Clerk of the Legislature
Executive Director of the Legislature
All Media



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SENATOR THOMAS ADA

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Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs
30th Guam Legislature • *I Mina' Trenta Na Liheslaturan Guåhan*

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cc: All Senators
Clerk of the Legislature
Executive Director of the Legislature
All Media

Ada Plaza Center, Ste. 207 • 173 Aspinall Avenue • Hagåtña, Guam 96910
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No.	Doc.	Remote Station	Start Time	Duration	Pages	Mode	Contents	Status
1	0254	671 637 9870	1-29: 5:09PM	16s	1	1	SG3 BC	CP
2	0254	+6714773079	5:09PM	29s	1	1	ECM BC	CP
3	0254	6482007	5:12PM	17s	1	1	SG3 BC	CP
4	0254	671 477 6411	5:12PM	35s	1	1	ECM BC	CP
5	0254	671 4773982	5:15PM	15s	1	1	SG3 BC	CP
6	0254	671 472 7663	5:18PM	15s	1	1	SG3 BC	CP
7	0254	671 922 4614	5:21PM	16s	1	1	SG3 RE	CP

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 RE: Resend MB: Send to Mailbox BC: Broadcast MP: Multi Polling RV: Remote Service
 PG: Polling RB: Relay Broadcast RS: Relay Send BF: Box Fax Forward CP: Completed
 SA: Send Again EH: Engaged AS: Auto Send TM: Terminated

I MINA'TRENTA NA LIHESLATURÁN GUÅHAN
2009 (FIRST) Regular Session

Bill No. 37 (COR)

Introduced by:

Adolpho B. Palacios, Sr. 

AN ACT TO RE-ENACT CHAPTER 6 OF TITLE 12 GCA,
AND TO AMEND §4105 OF CHAPTER 4, TITLE 4 GCA
RELATIVE TO RE-ESTABLISHING THE GUAM MASS
TRANSIT AUTHORITY.

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Amber

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings. *I Liheslaturan Guåhan* finds that the
3 freedom to move about as one so chooses is a basic freedom that all in the
4 community should be able to enjoy and appreciate. *I Liheslaturan Guåhan* further
5 finds that Public Law 26-76, which abolished the Guam Mass Transit Authority,
6 may have done more to hamper the community's transportation needs than help.

7 *I Liheslaturan Guåhan* finds that the role of the public mass transit service is
8 to provide affordable mobility to enable households in our community who may
9 not be able to afford a privately owned vehicle or cannot drive due to age or
10 some physical disability. It is reasonable to assert that there are many households
11 in our community who depend to public transit to be able to get to/from work,
12 medical appointments, and to various social activities where the growth of

1 healthy community is enhanced. On an island where land is very limited, the
2 traffic congestion caused by a growing population cannot reasonably be
3 addressed by continually expanding roadways which require the dedication of
4 limited land areas. Hence, public mass transit services provide an alternative for
5 mobility within our community while at the same time relieving traffic
6 congestion. The availability of adequate public transit services can also
7 contribute to the redirection of consumer spending from the purchase of
8 automobiles and the cost of operating them to alternative expenditures which
9 may help households to improve their quality of life. Without the benefit of a
10 public mass transit service, many in our community would not have the mobility
11 necessary to adequately achieve the aforementioned pursuits and objectives.

12 *I Liheslaturan Guåhan* finds that the enactment of P.L. 26-76 may not have
13 resulted in any net savings. Instead, the dismantling of the public transit services
14 may have resulted in a greater cost to the community by negatively impacting
15 the mobility in our community, especially among those who can least afford this
16 lessened mobility.

17 *I Liheslaturan Guåhan* finds that the Department of Public works is in the
18 process of completing its Transportation Master Plan. An important component
19 of this Master Plan is the development of a Public Transit Service. *I Liheslatura*
20 finds that the management and governance of a public transit operation requires

1 the establishment of a dedicated organization, i.e. a Mass Transit Authority.
2 Such an organization is normally found in communities where effective mass
3 transit services are available to the general public.

4 Since Public Law 26-76 was enacted into law, the administration of Public
5 Transportation has been conducted by a small staff within the Department of
6 Administration. This staff, working with the most basic understanding of
7 transportation needs and extremely limited resources, has done all that they
8 could to administer the public transit system on Guam. *I Liheslatura* finds that
9 despite the hard work and dedication of the people at the Department of
10 Administration, limitations on resources and capabilities within the law have
11 hampered their ability to meet the growing transportation needs of our island.

12 *I Liheslatura* finds that the outsourcing of certain services such as
13 maintenance and operation of vehicles has its place in mass transit systems;
14 however there are certain operational requirements that should be under the
15 government's control. *I Liheslatura* finds that the government must operate
16 dispatch of vehicles, customer service, and data collection.

17 Therefore, it is the intent of *I Liheslaturan Guåhan* to re-establish the Guam
18 Mass Transit Authority to devote full attention to the transportation needs to the
19 people of Guam.

20 **Section 2.** Chapter 6 of Title 12, Guam Code Annotated, is hereby *re-*

1 *enacted* to read as follows:

2 **“Chapter 6. Guam Mass Transit Authority**

3 **Article 1. General Provisions.**

4 **Article 2. Government.**

5 **Article 1. General Provisions.**

6 **§6101. Title.**

7 **§6102. Creation.**

8 **§6103. Definitions.**

9 **§6104. Purposes.**

10 **§6105. Powers.**

11 **§6101. Title.** This Chapter shall be hereby cited as the Guam Mass Transit
12 Authority Act of 2008.

13 **§6102. Creation.** There is hereby created the Guam Mass Transit
14 Authority, a public corporation. The Guam Mass Transit Authority (GMTA)
15 shall have the exclusive franchise for the furnishing of public transportation
16 within Guam and on its roads and highways. Except for private parking
17 facilities, and for parking facilities maintained and operated by the A. B. Won Pat
18 Guam International Airport Authority, GMTA shall have the exclusive franchise
19 within the government of Guam for the collection of fees for the furnishing of
20 public parking within Guam.

1 **§6103. Definitions.** As used in this Chapter, unless otherwise indicated:

2 (a) *Authority* means the Guam Mass Transit Authority.

3 (b) *Board* means the Board of Directors of the Authority.

4 (c) *Director* means a member of the Board.

5 (d) *Executive Manager* means the person employed by the Board to
6 supervise the administration of the Authority.

7 **§6104. Purposes.** The purposes for which the Authority is created are to
8 establish, develop, promote and/or operate public transportation systems within
9 the territory of Guam together with incidental and related facilities and services
10 in order to provide adequate public transportation for persons residing in or
11 visiting the territory of Guam.

12 **§6105. Powers.** The Authority may:

13 (a) Acquire, construct, reconstruct, purchase, better, extend, improve
14 operate and maintain facilities for the purpose of carrying out its
15 mandate.

16 (b) Acquire by grant, purchase, gift, devise, lease, or permit in
17 accordance with the provisions and subject to the limitations of laws
18 of Guam including Chapter 5, Title 5, GCA, and hold and use any
19 real and personal property necessary, convenient or useful for the
20 carrying out of any of its powers pursuant to the provisions of this

Chapter, and to dispose of the same.

(c) To enter into contracts, leases, concession agreements and permits and to execute all instruments necessary or convenient in the exercise of its powers, including without limitation, the purchase of liability and casualty insurance for Authority purposes, adopt a seal and sue or be sued in its own corporate name.

(d) Employ agents and retain or contract for the services of qualified consultants, specialists or experts, as individuals or as organizations, to advise and assist the Authority and its employees, all of which may be accomplished without regard to the portion of the Personnel Laws relative to compensation.

(e) Impose, prescribe, revise and collect fees for the purposes of carrying commercial advertisement on or around Authority property.

(f) Establish schedules and fares to control the operation of the Authority and such fares may be altered or modified only after public hearing on any proposed changes, said hearing to comply with the provisions of the Administrative Adjudication Law and other legal requirements of Guam.

(g) Adopt such rules and regulations, pursuant to the Administrative Adjudication Law, as may be necessary for the exercise of powers

1 and performance of the duties conferred or imposed upon the
2 Authority or the Board.

3 (h) Do any and all things necessary to exercise the above powers.

4 (i) Employ an attorney, enter into contract for legal services, or enter
5 into contract with the Attorney General to address legal issues.

6 (j) Consider adopting environmentally sound practices such as the
7 procurement and use of zero-emission buses.

8 (k) Consider various route designs when planning and implementing
9 schedules.

10 The Authority shall:

11 (l) Operate the dispatching of vehicles.

12 (m) Monitor customer comments and respond to customer comments in
13 a reasonable and timely manner.

14 (n) Collect and record data pertaining to the consumers of the mass
15 transit services. Such data shall be made available to *I Liheslaturan*
16 *Guåhan* on a quarterly basis. Such data shall include, but not be
17 limited to:

18 (1) the number of consumers utilizing the transit system,

19 (2) the types of services used by consumers.

20 Nothing contained in this Section, or by implication in this Chapter shall

1 be construed to be in any way in derogation or limitation of powers conferred
2 upon or existing in the Authority or in the Board by virtue of the Organic Act
3 and the laws of Guam.

4 **Article 2. Government.**

5 **§6201. Board of Directors.**

6 **§6202. Executive Manager.**

7 **§6203. Personnel.**

8 **§6204. Mass Transit Fund.**

9 **§6205. Limited Liability.**

10 **§6201. Board of Directors.**

11 (a) The Board shall consist of six (6) directors appointed by the Governor
12 of Guam, with the advice and consent of the Legislature and one (1) director
13 appointed by the Mayors' Council of Guam. One (1) of the directors shall be a
14 user of the mass transit service. One (1) of the directors shall be a user of the
15 para-transit service. Initially, three (3) directors shall serve a term of two (2)
16 years from the date of confirmation and four (4) directors shall serve a term of
17 three (3) years from the date of confirmation, thereafter each director shall serve
18 a term of three (3) years from the date of confirmation, unless sooner removed by
19 the Governor. All vacancies occurring in the office of director shall be filled by
20 the Governor in the same manner as for full-term appointments, except for the

1 director appointed by the Mayors' Council.

2 (b) Four (4) directors shall constitute a quorum of the Board for the
3 transaction of business. The Board may adopt rules and regulations governing
4 the conduct of its affairs. It shall elect a chairman and vice-chairman from
5 among its members. It shall employ a secretary who shall maintain all records
6 and minutes of the Board.

7 (c) Each director shall receive the sum of One Hundred Dollars (\$100.00)
8 for his attendance at any meeting of the Board, but such compensation shall not
9 apply to more than two meetings in any one calendar month. No director shall
10 receive any other compensation, but shall be reimbursed for actual travel,
11 subsistence and out-of-pocket expenses incurred in the discharge of his
12 responsibilities, including authorized attendance at meetings held away from
13 Guam.

14 **§6202. Executive Manager.**

15 (a) The Board shall appoint an Executive Manager, who shall be its chief
16 executive officer. The Executive Manager shall serve at the pleasure of the
17 Board, which shall fix his compensation.

18 (b) The powers of the Executive Manager include:

19 (1) To enforce all rules and regulations of the Authority.

20 (2) To attend, unless excused by the Board, all meetings of the

1 Board and to submit reports on the affairs of the Authority as
2 required by the Board.

3 (3) To keep the Board advised on the needs of the Authority and
4 to approve demands for payment of obligations within the
5 purposes and amounts authorized by the Board.

6 (4) To devote his entire time to the business of the Authority, to
7 select and appoint the employees of the Authority, except as
8 otherwise provided in this Chapter, and to plan, organize,
9 coordinate and control the services of such employees in the
10 exercise of the powers of the Authority under the general
11 direction of the Board.

12 (5) To perform such other and additional duties as the Board may
13 require.

14 **§6203. Personnel.**

15 (a) The Board, pursuant to Chapter 4, Title 4, GCA, shall establish rules
16 and regulations governing the selection, promotion, performance evaluation,
17 demotion, suspension, dismissal and other disciplinary action for employees of
18 the Authority.

19 (b) The Executive Manager shall be an unclassified employee. No
20 person employed by the Authority on a limited term contract shall be a classified

1 employee. All other employees of the Authority are classified employees.

2 (c) Each employee of the Authority shall be eligible to become a member
3 of the Government of Guam Retirement Fund pursuant to §8105(d), Title 4, GCA.

4 (d) Each employee of the Authority shall be eligible to participate in any
5 government of Guam health and life insurance plan.

6 (e) The employer's contribution to the Government of Guam Retirement
7 Fund that is assessed by the Fund's Board of Trustees for the benefit of Authority
8 employees who are members of the Fund shall be paid by the Authority.

9 (f) The employer's contribution to the Worker's Compensation Fund
10 that is assessed by the Worker's Compensation Commission for the benefit of
11 Authority employees shall be paid by the Authority.

12 **§6204. Guam Mass Transit Authority Fund.**

13 (a) The Board shall adopt and maintain a system of accounting which is
14 in accordance with generally accepted accounting principles.

15 (b) There is established a fund to be known as the "Guam Mass Transit
16 Authority Fund" which the Authority shall maintain separate and apart from the
17 other funds of the government of Guam, and independent records and accounts
18 shall be maintained in connection therewith. The Guam Mass Transit Authority
19 Fund shall be audited annually by an independent certified public accountant or
20 by the Office of the Public Auditor.

1 (c) All monies received by the Authority from whatever source derived
2 shall be deposited in the Guam Mass Transit Authority Fund.

3 (d) All expenditures, except as otherwise provided by law, shall be made
4 from said Guam Mass Transit Authority Fund.

5 (e) The Authority shall report to the Governor and to the Legislature
6 concerning the administration of the affairs of the Authority. It shall present an
7 annual report within one hundred twenty (120) days after the end of each fiscal
8 year and, if requested by the Governor or the Legislature, shall present special
9 reports within thirty (30) days after the end of each intervening quarter. The
10 financial information presented in such reports shall be in accordance with the
11 system of accounts adopted by the Board.

12 **§6205. Limited Liability.**

13 (a) To the extent that any liability of the government of Guam or of the
14 Authority is covered by a policy or policies of insurance, the Government waives
15 the limitation of liability found in §6301, Title 5, GCA; provided, that the
16 Government shall not be liable in damages for tort in any amount which exceeds
17 the coverage of insurance and the limitation of liability contained in §6500.13 of
18 the Government Code.

19 (b) All claims made against any policy of insurance purchased by the
20 Authority shall be made in accordance with the procedures and time limitations

1 set forth in the Government Claims Act, except that all claims not in excess of the
2 face amount of the policy shall be presented to the Executive Manager of the
3 Authority, who shall present the same to the insurance carrier, carriers or to their
4 designated agents for processing.

5 (c) If a claim is in excess of the applicable insurance coverage, then the
6 Executive Manager of the Authority shall also present a copy of the claim to the
7 Attorney General, who shall then coordinate the claim as between the
8 Government and the insurance carriers, and who shall represent the Government
9 in the event of a dispute between the Government and the insurance carriers. In
10 the event of said dispute, the Attorney for the Authority shall represent the
11 interests of the Authority.

12 (d) Each policy of insurance written covering the Authority or its interest
13 shall contain a clause waiving any defense of sovereign immunity which may be
14 raised against the payment of the claim by carrier.

15 (e) The Executive Manager shall publish, in a newspaper of general
16 circulation in Guam, within ten (10) days after the effective date of any policy of
17 insurance purchased, a statement indicating the existence of any such policy and
18 a notice informing the public where claims may be filed."

19 **Section 3.** Subsections (a) and (b) of §4105, Chapter 4, Title 4, Guam Code
20 Annotated, is hereby *amended* to read:

1 “(a) Rules subject to criteria established by this Chapter governing the
2 selection, promotion, performance, evaluation, demotion, suspension and other
3 disciplinary action of classified employees shall be adopted by the Board of
4 Directors of the Antonio B. Won Pat International Airport Authority, Guam; the
5 Board of Directors of the Guam Economic Development and Commerce
6 Authority; the Board of Directors of the Guam Housing Corporation; the Board
7 of Commissioners of the Guam Housing and Urban Renewal Authority; the
8 Guam Judicial Council; the Board of Directors of the Jose D. Leon Guerrero
9 Commercial Port; the Guam Education Policy Board; the Board of Regents of the
10 University of Guam; the Guam Community College Board of Trustees; the Board
11 of Directors of the Guam Mass Transit Authority; the Board of Trustees of the
12 Guam Memorial Hospital Authority; the Board of Directors of the Guam Visitors
13 Bureau; and the Consolidated Commission on Utilities on behalf of the Guam
14 Waterworks Authority and the Guam Power Authority, with respect to
15 personnel matters within their respective Branches, agencies, public corporations
16 or departments, and by the Director of Administration as to all other Executive
17 Branch employment.

18 (b) Such rules shall, to the extent practicable, provide standard
19 conditions for entry into and the other matters concerning the government
20 service. The personnel rules adopted for the Guam Economic Development and

1 Commerce Authority, the Guam Housing Corporation, the Guam Housing and
2 Urban Renewal Authority, the University of Guam, the Guam Community
3 College, the Antonio B. Won Pat International Airport Authority, Guam, the Jose
4 D. Leon Guerrero Commercial Port, the Guam Public School System, the Guam
5 Mass Transit Authority, the Guam Memorial Hospital Authority, the Director of
6 Administration and by the Consolidated Commission on Utilities shall require
7 that all their classified employee appeals, except academic personnel of the
8 Guam Community College and the University of Guam in conformance with
9 Title 4 GCA §4403(h), be heard by the Civil Service Commission ('Commission').

10 **Section 4. Transfer of Funds.** The total amount in the Public Transit
11 Fund at the time of this Act's effective date shall be transferred to the Guam
12 Mass Transit Authority Fund.

13 **Section 5. Transfer of Records, Equipment, Designation as State**
14 **Agency.**

15 (a) Upon the effective date of this Act, the Department of
16 Administration shall transfer possession of all books, records, papers, maps,
17 plans, documents, offices, equipment, supplies, money, funds, appropriations,
18 licenses, permits, agreements, contracts, claims, judgments, land, and other
19 property, real or personal, connected with the administration of, or held for the
20 benefit or use of, the former GMTA to the newly reinstated Guam Mass Transit

1 Authority.

2 **Section 6. Funding Source.** The funding source for the re-establishment
3 of the Guam Mass Transit Authority shall be the “Guam Highway Fund”, and
4 shall be for the purpose of providing initial funding for the Guam Mass Transit
5 Authority facilities, personnel and operations.

6 **Section 7. Severability.** If any provision of this Law or its application to
7 any person or circumstance is found to be invalid or contrary to law, such
8 invalidity shall not affect other provisions or applications of this Law which can
9 be given effect without the invalid provisions or application, and to this end the
10 provisions of this Law are severable.