

I MINA' BENTE NUEBI NA LIHESLATURAN GUÅHAN
2007 (FIRST) REGULAR SESSION

Bill No. 149 (EC)

Introduced by:

v.c. pangelinan
E.B. Calvo

AN ACT TO AUTHORIZE TEN MILLION DOLLARS
IN PROMISSORY NOTES FROM GTA SALE
PROCEEDS TO PAY FOR COLA JUDGMENT
AWARD PURSUANT TO SP0206-93 AND PUBLIC
LAW 28-151.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. *I Liheslaturan Guahan* finds
3 that of the One Hundred-fifty Million Dollars (\$150,000,000) in proceeds from
4 the sale of GTA to TeleGuam, Ten Million Dollars (\$10,000,000) is in the form
5 of a promissory note that matures on January 1, 2013 at a rate of 5.25%. *I*
6 *Liheslatura* also finds that GTA continues to pay interest until the maturity
7 date.

8 *I Liheslatura* further finds that the government of Guam has incurred
9 debt obligations. Among them, a court judgment which was handed down in
10 *Rios v. Camacho*, Superior Court Case No. 0206-93 relative to Cost of Living
11 Allowances. Although Public Law 28-151 already authorized partial payment
12 for COLA awards, COLA class recipients have yet to receive any form of
13 payment. Funds that were certified and intended to go toward COLA class
14 recipients have since gone elsewhere.

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1 Therefore, it is the intent of *I Liheslatura* to demonstrate the
2 government's commitment to pay down obligations by authorizing the Ten
3 Million Dollars in promissory notes as a result of the GTA sale for immediate
4 partial payment to the COLA class.

5 **Section 2. Fund Authorized for COLA Settlement Payment.** The
6 promissory note contained in the GTA purchase agreement executed between
7 the Government of Guam and TeleGuam Holdings, LLC. as part of the
8 payment for the purchase of the Guam Telephone Authority by TeleGuam
9 Holdings, LLC is hereby irrevocably assigned to the retiree class eligible for
10 Cost of Living Allowance (COLA) awards pursuant to *Rios, et al. v. Camacho, et*
11 *al.*, Superior Court of Guam Case No. SP0206-93 as partial payment of the
12 award. The assignment of the note shall allow the COLA class to sell, pledge,
13 assign, transfer or otherwise liquidate the note to another party for the
14 purpose of distributing cash payments to eligible recipients of the class
15 pursuant to the following order of priority:

- 16 1) Payments shall first be made to a recipient who is eligible for COLA
17 award payment of between One Dollar and Ten Thousand Dollars.
18 Payment in this category shall be made for the full award owing to
19 each recipient.
- 20 2) A partial payment of Two Thousand Five Hundred Dollars to a
21 recipient who is eligible for COLA award payment of between Ten
22 Thousand Dollars and One Cent and Twenty Thousand Dollars.
- 23 3) Any remaining amount after the above distribution is made shall be
24 equally divided among all remaining eligible recipients.

1 **Section 3. Attorney General to Represent Government.** The Attorney
2 General shall prepare all legal documents necessary to implement this act and
3 shall use all powers necessary to secure the signatures required for its
4 implementation.

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