

MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN  
TWENTY-NINTH GUAM LEGISLATURE  
2008 (SECOND) Regular Session

BILL NO. 310 (EC)  
INTRODUCED BY:

  
A. B. PALACIOS, SR.

AN ACT RELATIVE TO EMPOWERING THE PEOPLE OF  
GUAM TO VOTE ON THE QUESTION OF WHETHER THE  
CONSOLIDATED COMMISSION ON UTILITIES SHOULD  
BE ABOLISHED, AND ON RESTORING THE AUTHORITY  
FOR ESTABLISHING POWER AND WATER RATES TO I  
LIHESLATURAN GUÅHAN, THUS PROVIDING  
SAFEGUARDS ON ANY UNNECESSARY OR EXCESSIVE  
RATE INCREASES THAT SIGNIFICANTLY AFFECT THE  
LIVELIHOOD OF THE PEOPLE OF GUAM

BE IT ENACTED BY THE PEOPLE OF GUAM:

1       Section 1. Legislative Findings and Intent.

2       *I Liheslaturan Guåhan* finds that over the course of the past several years  
3 the island community has been assessed significant increases in both power  
4 and water/wastewater rates by the Consolidated Commission on Utilities  
5 which have placed tremendous burden on the people of Guam to reasonably  
6 adjust to such rate increases while trying to provide for the basic requirements  
7 of their livelihood. *I Liheslaturan Guåhan* further finds many of our people  
8 understand that rate adjustments over reasonable periods of time may be  
9 necessary to offset increases in operational costs, to include fuel, but recent  
10 efforts by members of the Consolidated Commission on Utilities to more  
11 regularly increase power and water rates, while not recognizing the  
12 continuous concerns of the community on the ever-increasing costs of these

2008 JUN -4 PM 2:00



1 services and the impact it is having on their ability to meet such obligations.  
2 A recent example of this situation was the approval and implementation of  
3 rate increases within the past three months, and yet again further efforts are  
4 being pursued by the Commission to pursue another rate increase. The  
5 frequency and regularity of these rate increase proposals highlight the lack of  
6 sensitivity of the Commission to strongly consider the concerns of the public  
7 and the people's ability to pay. This situation is further exacerbated due to  
8 the increasing cost of living on Guam making it even more difficult for the  
9 people of Guam to afford frequent and excessive rate increases by the  
10 Consolidated Commission on Utilities.

11 I Liheslaturan Guahan further finds that many of our people have  
12 expressed serious concerns and have questioned the recent decision by the  
13 Commission to impose a rate increase on its good-paying customers to offset  
14 the outstanding utility obligations due by government of Guam agencies.  
15 These ratepayers have emphasized that these debts should be rightfully paid  
16 by the government and not by the general rate-paying public.

17 As a result of these concerns and questions raised by many residents of  
18 Guam over the course of the past several months to members of I Liheslaturan  
19 Guahan, people have suggested that the Consolidated Commission on  
20 Utilities be abolished and that any future rate-setting authority be returned to  
21 the Guam Legislature. Thus, this provision would allow for the people of  
22 Guam to vote on whether the Consolidated Commission on Utilities should be  
23 abolished or not in the upcoming General Election, and if the rate-setting

1 should be placed in the hands of the primary policy-making body on the  
2 island, the Guam Legislature.

3 **Section 2. Legislative Submission to the People of Guam on the**  
4 **Question of the Abolishment of the Consolidated Commission on Utilities**  
5 **and Restoring the Rate-setting Authority to I Liheslaturan Guahan.**

6 The Guam Election Commission shall cause to present the following  
7 question on the abolishment of the Consolidated Commission on Utilities to  
8 the people of Guam on the ballot in the General Election to be conducted  
9 subsequent to the passage of this legislation and shall read as follows:

10 **“Should the Consolidated Commission on Utilities be**  
11 **abolished and the rate-setting authority for the Guam**  
12 **Power Authority and the Guam Waterworks Authority be**  
13 **restored to the Guam Legislature (I Liheslaturan Guahan)?”**

14 The Guam Election Commission shall include, in its public notices and  
15 in the dissemination of election materials, general information to the Guam  
16 electorate on the aforementioned question that will be voted upon by the  
17 people of Guam.

18 **Section 3. Legislative Amendments to Existing Mandates.**

19 Should the question on the abolishment of the Consolidated  
20 Commission on Utilities presented to the people of Guam in Section 2 of this  
21 Act be approved, I Liheslaturan Guahan shall immediately enact legislation to  
22 amend existing laws and mandates to be consistent with the decision of the  
23 people. Said changes may include the re-establishment of a Joint Utilities

1 Board that will be charged with policy-making authority for both the Guam  
2 Power Authority and the Guam Waterworks Authority, with members to be  
3 appointed by the Chief Executive of Guam to be subject to the consent of I  
4 Liheslaturan Guahan, and restricted from any rate-setting authority as  
5 provided for through the mandate of the people of Guam. In such  
6 circumstance, the Liheslaturan Guahan shall retain policy-making authority  
7 and oversight for the Guam Power Authority and Guam Waterworks  
8 Authority in the interim until such time the Joint Utilities Board is officially  
9 established and functioning.

10 **Section 4. Effective Date of the Provision.**

11 Should the question presented herein in Section 2 of this Act be adopted  
12 by the people of Guam in accordance with the requirements of Guam law, the  
13 provisions contained therein shall become effective no later than Thirty (30)  
14 days upon the certification of the results by the Guam Election Commission.

15 The Guam Power Authority and the Guam Waterworks Authority shall  
16 provide the support necessary for the timely and smooth implementation of  
17 the newly established law.

18 **Section 5. Severability Clause.**

19 If any of the provisions of this Act or the application thereof to any  
20 person or circumstance is held invalid, such invalidity shall not affect any  
21 other provision or application of this Act which can be given effect without  
22 the invalid provision or application, and to this end the provisions of this Act  
23 are severable.