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I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FIRST) Regular Session

Bill No. 227-31 (LS)

Introduced by:

Judith P. Guthertz, DPA
Sam Mabini, Ph.D.
B.J.F. Cruz
R. J. P. ...
H. B. ...

AN ACT TO REPEAL ARTICLE 2 OF CHAPTER 50, TITLE 12, GUAM CODE ANNOTATED, AND TO ENACT A NEW ARTICLE 2 TO CHAPTER 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A TASK FORCE ON THE GUAM PRODUCT SEAL UNDER THE AUSPICES OF THE OFFICE OF THE LIEUTENANT GOVERNOR OF GUAM.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslatura* finds that
3 Guam is marketed as a popular tourist destination, and as a result tourism is the largest
4 industry in Guam, yet there are few mechanisms available to assure visitors that they
5 are indeed witnessing and receiving an authentic Guam experience. Recent efforts by
6 the Guam Visitors Bureau have focused on the “Branding” of Guam. Currently, the
7 Bureau is in the midst of an on-going branding campaign which incorporates village
8 happenings into the equation of an authentic Guam experience via the “We Are
9 Guam” village initiative. *I Liheslaturan* envisions the incorporation in some form of
10 the “Made in Guam” label with the visitor industry’s branding of Guam. It is obvious
11 and recognized that – a normal part of a traveler’s to-do list is souvenir shopping for
12 self, friends, family and associates. This fact necessitates a need to assure visitors, in
13 fact all consumers that they are purchasing a product that was genuinely made in
14 Guam.

1 In 1986, the 18th Guam Legislature recognized that identification and
2 protectionist measures needed to be instituted to protect products made in Guam, and
3 offer the pride and proof that comes with boasting of an authentic product of Guam.
4 The creation of the Guam Product Seal permit program was intended to address this
5 concern and provide island pride in Guam made products. The enabling legislation
6 that provided for a Guam Product Seal program was contained in Public Law 18-42.

7 Originally established as a Division under the oversight of the Department of
8 Commerce, the Guam Product Seal Law was designed to promote Guam made
9 products so that consumers would be able to readily and easily identify whether the
10 item or goods they had just purchased were manufactured in Guam, or are mass-
11 produced mementos made in foreign lands. Today, the Guam Product Seal mandate is
12 an orphan law, although it exists in form and function.

13 Legislation in 26th Guam Legislature, specifically, Public Law 26-76,
14 transferred the GPS program and its components to the Guam Economic Development
15 Authority. A subsequent Executive Order, EO No. 2002-14, further reassigned the
16 support of the Guam Product Seal Program in its entirety, including its assigned
17 personnel, to the Department of Revenue and Taxation. Consequently, the current
18 construction of the GPS statute, administrative rules and regulations and original
19 intent are lacking in program funding, compliance, enforcement and promotion.

20 It is *I Liheslatura's* intent to reenergize the Guam Product Seal concept and
21 revisit, some twenty-five (25) years later, the mandate and its accompanying
22 administrative rules, in order to provide incentives for permit holders, ensure
23 compliance and enforcement by stakeholders and the retail industry in Guam and to
24 actively engage in the promotion of the Guam brand by emphasizing the
25 distinctiveness of offerings that proudly carry the "Made in Guam" label.

1 *I Liheslaturan Guåhan* finds that this can be accomplished by elevating the
2 program to the highest levels of the government of Guam and raising awareness of the
3 importance of taking pride in items manufactured locally.

4 *I Liheslaturan Guåhan* hereby creates a Task Force on the Guam Product Seal
5 to be chaired by the Office of the Lieutenant Governor of Guam.

6 The composition of the Task Force shall be as follows:

7 (a) The Lt. Governor of Guam, who shall serve as the Chairperson of the
8 Task Force, the Lt. Governor of Guam is the keeper of the Official Seal of Guam,
9 which the GPS logo incorporates components of;

10 (b) The designated Program Coordinator of the current Guam Product Seal
11 Permit program from the Department of Revenue and Taxation (DRT), who shall also
12 serve as Vice Chair or Co-Chair, as this person shall possesses institutional knowledge
13 of the GPS program and its components, and is aware of the program’s strengths,
14 deficiencies and full-potential;

15 (c) The Director of the Customs and Quarantine Agency of Guam, or his
16 assigned representative, C&Q serves as the first line of defense in compliance and
17 enforcement;

18 (d) The Director of the Department of Revenue and Taxation (DRT), or his
19 assigned representative, DRT is empowered to collect levies and fines from
20 companies found in violation of the law;

21 (e) The President of the Department of Chamorro Affairs (DCA), or his
22 assigned representative, DCA can offer insight into the uniqueness of the Guam brand
23 and the importance of protecting aspects of the *Chamorro* culture and heritage;

24 (f) The General Manager of the Guam Visitors Bureau (GVB), or his
25 assigned representative, GVB is tasked with promoting the Guam brand in its entirety;

1 (g) The Administrator of the Guam Economic Development Authority
2 (GEDA), or his assigned representative; GEDA offers programs and opportunities for
3 economic development;

4 (h) The President of the Mayors Council of Guam (MCOG) or its assigned
5 member representative; mayors represent the interest of the people and are closely
6 held and highly regarded in all aspects of village happenings;

7 (i) A representative from the Office of the Attorney General of Guam,
8 designated by the Attorney General, who may appoint himself; the AGO can provide
9 guidance on intellectual property rights relative to the Guam brand;

10 (j) Two (2) currently licensed holders of the Guam Product
11 Seal permit appointed by the Governor, GPS permit holders as current practitioners of
12 the Guam Product Seal, are experts in industry;

13 (k) A member from the Guam Chamber of Commerce as designated by the
14 Chamber; the Chamber is a stakeholder that bridges the business community with
15 issues affecting all consumers;

16 (l) Two (2) at-large residents from the island community appointed
17 by the Governor; public participation and input is a mainstay of governmental
18 processes and operations.

19 **Section 2.** A new Article 2 is hereby *added* to Chapter 2 of Title 5 Guam
20 Code Annotated to read:

21 “Article 2, Chapter 2

22 The Guam Product Seal Task Force Act

23 § 2201 Short Title.

24 § 2202. Guam Product Seal Task Force, established.

25 § 2203. Convening of the Guam Product Seal Task Force.

1 **§ 2204.** Composition of Guam Product Seal Task Force.

2 **§ 2205.** Duties of Task Force.

3 **§ 2206.** Conduct of Meetings.

4 **§ 2201. Short Title.** This Chapter shall be known as *The Guam*
5 *Product Seal Task Force Act.*

6 **§ 2202. Guam Product Seal Task Force, established.** The Guam
7 Product Seal Task Force is established for the special purpose of protecting the Guam
8 brand by restricting and or limiting the use of the word “Guam” or “*Chamorro*” or a
9 derivation of such words on consumable commodities *not* made in Guam in order to
10 promote and enhance the “Made in Guam” label and experience.

11 The Task Force shall provide policy direction and recommendations relative to
12 coordination, planning, implementation, administration, promotion, compliance and
13 enforcement of the Guam Product Seal Permit program and accompanying
14 administrative rules and regulations.

15 **§ 2203. Convening of the Guam Product Seal Task Force.** The Guam
16 Product Seal Task Force shall be under the direction of the Office of the Lt. Governor
17 and convened pursuant to provisions of this Act.

18 **§ 2204. Composition of Guam Product Seal Task Force.** The
19 composition of the Guam Products Seal Task Force shall be as follows: The
20 Lieutenant Governor of Guam, who shall also serve as the Chairperson; the designated
21 Program Coordinator of the current Guam Product Seal Permit program, from
22 the Department of Revenue and Taxation (DRT), who shall also serve as Vice Chair;
23 and the following Department Directors or their assigned representative from the
24 Customs and Quarantine Agency of Guam (CQA), The Department of Revenue and
25 Taxation (DRT), the Department of *Chamorro* Affairs (DCA), the Guam Visitors

1 Bureau (GVB), the Guam Economic Development Authority (GEDA); the President
2 of the Mayors Council of Guam (MCOG) or its assigned member representative, A
3 representative from the Office of the Attorney General of Guam, designated by the
4 Attorney General, who may appoint himself; two (2) currently licensed holders of the
5 Guam Product Seal appointed by the Governor; a member from the Guam Chamber
6 of Commerce as designated by the Chamber, and two (2) at-large residents from the
7 island community appointed by the Governor.

8 (a) The Task Force may invite additional public and private sector members
9 to serve on sub-committees, provided that they possess significant background,
10 knowledge and experience with locally produced products; and the Task Force may
11 prescribe special procedures for their participation.

12 (b) The Office of the Lt. Governor shall support the administrative needs of
13 the Task Force.

14 § 2205. **Duties of Task Force.** The Task Force shall work collaboratively
15 to create recommendations that will develop a comprehensive Guam Product Seal
16 Permit Program with the overall goal of enhancing and better promoting products
17 “Made in Guam.”

18 Its function shall include, but are not limited to recommending policy and
19 adoption of a comprehensive Guam Product Seal Program that promotes the Guam
20 brand in products manufactured in Guam or “Made in Guam”. The Task Force shall
21 address the following in its findings and recommendations:

22 (a) Create a Mission statement and objective of the Guam Product Seal
23 Program;

24 (b) the assignment of the administrative functions of the Guam Product Seal
25 (GPS) Program - i.e., which Agency shall have administrative oversight over the

1 Program; the Office of the Lt. Governor may decide to retain administrative functions
2 of the program;

3 (c) address intellectual property rights and concerns relative to the term
4 ‘Guam,’ ‘Chamorro,’ or derivations of either Guam or Chamorro;

5 (d) develop a feasible program funding and continuity plan, a budgetary
6 proposal;

7 (e) evaluate the design of the current GPS label, recommission if necessary;

8 (f) clearly mark the delineation and assignment of the compliance and
9 enforcement responsibilities and authorities of respective regulatory and enforcement
10 agencies relative to provisions in the GPS program; i.e. complaints, investigations
11 and enforcement requirements;

12 (g) identify and record all Guam Product Seal Holders, and businesses that
13 manufacture commodities for sale in the tourism industry;

14 (h) identify incentives and advantages that encourage participation in the
15 program;

16 (i) review the structure of fines and penalties to ensure maximum
17 deterrence for violating the GPS mandate;

18 (j) make appropriate recommendations for legislation to improve the Guam
19 Product Seal Permit Program; recommendations shall include the following:

20 (aa) Address country of origin label concerns;

21 (bb) address the use of the word ‘Guam’ and ‘*Chamorro*’ and
22 derivations of;

23 (cc) develop minimum standards, font size, and location of product
24 origin on consumable goods sold in Guam;

1 (dd) develop retail partnership and community buy-in for Guam
2 products;

3 (ee) propose “Made in Guam” incentives/programs;

4 (ff) strengthen compliance and enforcement schedules and guidelines;

5 (gg) commission an exit survey with the GVB that ask visiting
6 consumers the following, or similarly fashioned question/s:

- 7 • When you purchase souvenir items with the word “Guam”
8 or “*Chamorro*” on the packaging, do you believe that the
9 product was made in Guam?

10 Or,

- 11 • Are you concerned about the country of origin on the labels
12 of perishable food products that have the word “Guam” or
13 “*Chamorro*” on the packaging?

- 14 • Does this affect your decision to purchase the item.

15 (1) Yes

16 (2) No

17 (3) Doesn’t matter

18 (k) formulate an updated version of the Guam Product Seal Permit Program.
19 Such plan shall be submitted to *I Liheslaturan Guåhan* no later than sixty (60)
20 calendar days from the date of enactment of this Act, and shall be subject to legislative
21 approval; and

22 (l) perform all functions necessary to effectuate the mission of the Task
23 Force as adopted.

24 § 2206. **Conduct of Meetings, Quorum.** The Task Force shall meet *no*
25 *less than* every twenty (20) days to discuss and assess progress and recommendations.

1 A simple majority of members of the council shall constitute a quorum to do
2 business; any action taken by the council shall be by a simple majority of the
3 members.

4 **Section 4. Effective Date.** Provisions of this Act shall take effect upon
5 enactment into law. The first meeting of the Guam Product Seal Task Force shall take
6 place no later than twenty (20) days after enactment. If the twentieth (20th) day of the
7 first meeting and subsequent meetings fall on a Saturday, Sunday or a government of
8 Guam holiday, then the first meeting of the Task Force shall take place on the next
9 available business day.

10 **Section 5. Sunset Provision.** The Guam Product Seal Task Force shall
11 remain in effect until the adoption of recommendations of the Guam Product Seal
12 Task Force are approved by *I Liheslaturan Guåhan*.

13 **Section 6. Severability Clause.** If any provisions of this Act or the
14 application thereof to any person or circumstance is held invalid, such validity shall
15 not affect other provisions or applications of the Act which can be given effect
16 without the invalid provision or application, and to this end the provisions of this Act
17 are severable.