

I Mina' Trentai Dos Na Liheslaturan Guåhan

Resolutions Log Sheet

Resolution No.	Sponsor	Title	Date Intro	Date of Presentation	Date Referred	Committee / Ofc Referred	Date Adopted
138-32 (COR)	R. J. Respicio T.C. Ada V. Anthony Ada	Relative to requesting that the Honorable Madeleine Z. Bordallo, Guam's Delegate to Congress, support modifications to the antiquated and restrictive "Merchant Marine Act of 1920," more commonly known as the "Jones Act," which continues to have an adverse effect on certain noncontiguous domestic jurisdictions of the United States, including Alaska, Hawaii, Puerto Rico, and the Territory of Guam.	5/14/13 2:47 p.m.	06/04/13 9:00 a.m.	5/15/2013	Sponsor	Public Hearing: 06/04/13, 9:00 a.m.

SENATOR RORY J. RESPICIO  
MAJORITY LEADER


CHAIRPERSON  
COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;  
HUMAN & NATURAL RESOURCES; AND ELECTION REFORM



*I Mina'trentai Dos na Libeslaturan Guåhan*  
THIRTY-SECOND GUAM LEGISLATURE

May 30, 2013

MEMORANDUM

To: All Members  
From: Majority Leader Rory J. Respicio   
Subject: Second Notice of Public Hearing – Tuesday, June 4, 2013

*Håfa Adai!* Please be advised that the Committee on Rules; Federal, Foreign & Micronesia Affairs; and Human & Natural Resources will be conducting a **Public Hearing on Tuesday, June 4, 2013 beginning at 9:00 A.M.**, in the Legislature's Public Hearing Room on the following:

9:00 A.M.

1. **Bill No. 108-32 (COR)** – “An act to amend §§ 44103, 44105, 44108, 44114, and 44115 of Chapter 44, Title 10, Guam Code Annotated; and to repeal §§ 44106 and 44109 of Chapter 44, Title 10, Guam Code Annotated; and to amend § 45105 of Chapter 45, Title 10, Guam Code Annotated; and to amend § 54104 of Chapter 51, Title 10, Guam Code Annotated, relative to the Guam Beverage Container Recycling Act of 2010 and the power of the Guam Environmental Protection Agency to implement the same.” **Sponsor – Senator T.R. Muña Barnes**
2. **Bill No. 120-32 (LS)** – “An act relative to honoring Guam's men and women who have courageously and selflessly served our island people and our nation in the War on Terror and who have made the ultimate sacrifice, through the establishment of a *Fallen Heroes* Monument; through adding a new subsection §79601.2 to Chapter 79, Article 6, Title 21, Guam Code Annotated.” **Sponsors – Senator F.B. Aguon, Jr., Senator R.J. Respicio, Senator T.C. Ada, Senator A.A. Yamashita, Ph.D., Senator V. A. Ada, Senator D.G. Rodriguez, Jr., Vice-Speaker B.J.F. Cruz, Senator T.R. Muña Barnes, and Speaker J.T. Won Pat, Ed.D.**
3. **Resolution No. 138-32 (COR)** – “Relative to requesting the Honorable Madeleine Z. Bordallo, Guam's Delegate to Congress, support modifications to the antiquated and restrictive “Merchant Marine Act of 1920,” more commonly known as the “Jones Act,” which continues to have an adverse effect on certain noncontiguous domestic jurisdictions of the United States, including Alaska, Hawaii, Puerto Rico, and the Territory of Guam.” **Sponsors – Senator R.J. Respicio, Senator T.C. Ada, and Senator V.A. Ada**

Written testimony should be addressed to Senator Rory J. Respicio, Chairperson, Committee on Rules; Federal, Foreign & Micronesia Affairs, Human & Natural Resources, & Election Reform, and may be submitted via email to [cor@guamlegislature.org](mailto:cor@guamlegislature.org); fax to (671) 472-3547; or hand-delivery/mail to 155 Hesler Place, *Hågatña*, Guam 96910. Should special assistance or accommodations be required, please contact Elaine Tajalle at my office at (671) 472-7679 or by e-mail at [etajalle@guamlegislature.org](mailto:etajalle@guamlegislature.org). *Si Yu'os ma'åse'!*

cc: All Senators  
Clerk of the Legislature  
Legal Counsel  
Sergeant-at-Arms/AV  
MIS



## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
E-mail: [roryforguam@gmail.com](mailto:roryforguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
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Vice-Speaker  
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Legislative Secretary  
Tina Rose Muña Barnes  
Member

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Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

May 15, 2013

### MEMORANDUM

**To: Rennae Meno**  
*Clerk of the Legislature*

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

**From: Senator Rory J. Respicio**  
*Majority Leader & Rules Chair*

**Subject: Referral of Resolution No. 138-32 (COR)**

As Chairperson of the Committee on Rules, I am forwarding my referral of Resolution No. 138-32 (COR). Please ensure that the subject resolution is referred, in my name, to the respective sponsor, as shown on the attachment.

I also request that the same be forwarded to all Senators of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os ma'åse!*

*(1) Attachments*

*I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN*  
*(FIRST) REGULAR SESSION*

Rules Resolution No. 138-32 (COR)

Introduced by:

R. J. Respicio  
T.C. Ada  
V. Anthony Ada

2013 MAY 14 PM 2:47

Relative to requesting that the Honorable Madeleine Z. Bordallo, Guam's Delegate to Congress, support modifications to the antiquated and restrictive "Merchant Marine Act of 1920," more commonly known as the "Jones Act," which continues to have an adverse effect on certain noncontiguous domestic jurisdictions of the United States, including Alaska, Hawaii, Puerto Rico, and the Territory of Guam.

BE IT RESOLVED BY THE COMMITTEE ON RULES OF *I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN*:

WHEREAS, interstate ocean shipping is a vital economic link between the seven (7) noncontiguous domestic jurisdictions of the United States and the contiguous forty-eight (48) mainland states of the union; and

WHEREAS, The "Merchant Marine Act of 1920," more commonly known as the "Jones Act," requires that all goods shipped from the U.S. mainland to the non-contiguous areas of the United States, including Guam, must be shipped on board U.S. flag carriers using U.S.-made vessels; must be owned by U.S. companies; and must be operated by U.S. crews; and

1           **WHEREAS**, the coastwise laws of the U.S. including the Jones Act  
2 encompass four (4) of the seven (7) noncontiguous domestic jurisdictions,  
3 specifically, the State of Alaska, the Territory of Guam, the State of Hawaii  
4 and the Commonwealth of Puerto Rico; and

5           **WHEREAS**, while the Territory of American Samoa, the  
6 Commonwealth of the Northern Mariana Islands, and the Territory of the  
7 United States Virgin Islands are fully exempt from the Jones Act, the  
8 continued imposition of the Act is unnecessarily restrictive and costly for  
9 affected jurisdictions, and Guam is the U.S. insular area for which the Jones  
10 Act has the greatest impact because of our small size, and great distance  
11 from other U.S. ports; and

12           **WHEREAS**, although an exemption from the U.S.-build requirement  
13 of the Jones Act for all commercial vessels engaged in the domestic Guam  
14 trade exists (46 U.S.C. § 12111), and is known as the “Guam Exemption,”  
15 the Exemption is of limited usefulness if the Territory of Hawaii is not  
16 included, because the natural westbound trade lane from the U.S. West  
17 Coast to Guam passes through Hawaii, making it difficult for the ocean  
18 common carriers to mount financially viable voyages without carrying  
19 cargo to both Hawaii and Guam, unfairly shackling Guam’s interstate trade  
20 to the U.S.-build requirement; and

1           **WHEREAS**, this “Guam Exemption” is really a “non-exemption” and  
2 is especially problematic for Guam, the largest of the Marianas Islands,  
3 because the Commonwealth of the Northern Marianas Islands is just 56  
4 miles from Guam, and encompasses the remaining Marianas Islands,  
5 which enjoys a full exemption from very costly Jones Act requirements;  
6 and

7           **WHEREAS**, in addition to Guam, the three (3) noncontiguous  
8 jurisdictions included in the coastwise laws, namely Alaska, Hawaii and  
9 Puerto Rico, are also seeking a similar but more limited exemption for large  
10 oceangoing ships engaged in their domestic trades, and the jurisdictions  
11 support each others’ efforts; and

12           **WHEREAS**, the Jones Act was implemented nearly 100 years ago  
13 when strict regulations protecting our country’s economy, America’s  
14 shipping, shipbuilding industries, and national defense, made a great deal  
15 of sense, ensuring that seagoing transportation for military supplies,  
16 equipment and personnel were readily available; and

17           **WHEREAS**, in the 21<sup>st</sup> century, the provisions of the Jones Act have  
18 become onerous, placing unfair, unequal, unnecessary and unexpected  
19 restrictions on many thousands of American households that are outside  
20 the continental United States; and

1           **WHEREAS**, Guam, along with each of the other noncontiguous  
2 jurisdictions of Alaska, Hawaii, and Puerto Rico, have all expressed  
3 support for the modifying of existing laws to secure economic fairness for  
4 all affected areas; and

5           **WHEREAS**, the Jones Act generally restricts competition in the  
6 domestic ocean shipping industry, and has led to monopoly-like shipping  
7 markets for interstate ocean common carrier transportation in the coastwise  
8 noncontiguous domestic trades; and

9           **WHEREAS**, the noncontiguous jurisdictions are completely  
10 dependent on ocean shipping, their geography precluding access to  
11 alternatives such as interstate railroad, highway and pipeline  
12 transportation that are readily available and provide competitive carriage  
13 within the contiguous United States; and

14           **WHEREAS**, the U.S.-build requirement of the Jones Act in particular  
15 creates substantial barriers to domestic trades, with U.S. deep-draft ship  
16 construction typically costing three or more times greater than similar  
17 vessels built in Japan and South Korea, the high cost and low production of  
18 the U.S. shipbuilding industry resulting in an ageing and inefficient deep-  
19 sea Jones Act fleet that disproportionately imposes a considerable

1 economic cost on, and adversely affects, the noncontiguous jurisdictions;  
2 and

3       **WHEREAS**, in order to create a significant, positive economic impact  
4 for the American citizens and residents of Guam and most of the other  
5 non-contiguous areas of the United States (excluding American Samoa, the  
6 Commonwealth of the Northern Marianas and the United States Virgin  
7 Islands which have Jones Act exemptions), an amendment or exemption of  
8 the U.S. insular areas covered by the Jones Act will lead to increased  
9 economic competition and lower consumer prices, in addition to having  
10 other positive effects on American jurisdictions which economies have  
11 been negatively affected by the imposition of this burdensome act for  
12 nearly a century; and

13       **WHEREAS**, for Guam, such positive impact is likely to promote an  
14 expansion of activities and increase revenues for Guam's Port Authority,  
15 our island's only seaport; and

16       **WHEREAS**, although the Jones Act does provide a significant degree  
17 of protection for U.S. shipyards, domestic carriers, and American merchant  
18 sailors, a recent U.S. International Trade Commission economic study  
19 found that repealing the Jones Act would have an annual positive effect on



1 the overall U.S. economy of \$656 million, and this and other studies make  
2 an economic case for exemption or modification of the Act; and

3       **WHEREAS**, the Congressional Research Service released a report  
4 (RS21566) titled: “The Jones Act: An Overview,” pointing out that “The  
5 American Farm Bureau Federation believes that the Jones Act stands in the  
6 way of shipping feed grains economically from the Great Lakes to  
7 Southeastern U.S. ports ...” contending that “... livestock producers in the  
8 Southeast import feed from foreign suppliers rather than buy from U.S.  
9 suppliers in the Midwest because international ocean rates are lower than  
10 domestic rates;” and

11       **WHEREAS**, arguments have been, and continue to be made on both  
12 sides of the Jones Act issue, with the most affected jurisdictions themselves  
13 speaking most loudly for fairness, and relief from the requirements of the  
14 Jones Act; now, therefore, be it

15       **RESOLVED**, that the Committee on Rules of *I Mina' Trentai Dos na*  
16 *Lihe slaturan Guåhan*, the 32<sup>nd</sup> Guam Legislature, on behalf of the people of  
17 Guam, does hereby respectfully request Guam’s Delegate to the United  
18 States Congress, the Honorable Congresswoman Madeleine Z. Bordallo, to  
19 introduce and/or co-sponsor legislation aimed at either exempting Guam,  
20 Alaska, Hawaii, and Puerto Rico from the U.S. Build provision of the

1 Maritime Shipping Laws (Jones Act); or to propose legislation that would  
2 replace the Jones Act without continuing to restrict the economic  
3 development of America's insular areas; and be it further

4       **RESOLVED**, that the Speaker certify, and the Chairperson of the  
5 Committee on Rules and the Legislative Secretary attest to, the adoption  
6 hereof, and that copies of the same be thereafter transmitted to the  
7 Honorable Congresswoman Madeleine Z. Bordallo of Guam; to the  
8 Honorable Senator Mazie Hirono of Hawaii; to the Honorable Senator  
9 Brian Schatz of Hawaii; to the Honorable Congresswoman Colleen  
10 Hanabusa of Hawaii; to the Honorable Congresswoman Tulsi Gabbard of  
11 Hawaii; to the Honorable Senator Lisa Murkowski of Alaska; to the  
12 Honorable Senator Mark Begich of Alaska; to the Honorable Congressman  
13 Don Young of Alaska; to the Honorable Congressman Eni Faleomavaega of  
14 American Samoa; to the Honorable Congressman Gregorio Kilili Sablan of  
15 the Northern Mariana Islands; to the Honorable Congressman Pedro R.  
16 Pierluisi of the Commonwealth of Puerto Rico; and to the Honorable  
17 Edward Baza Calvo, Governor of Guam *I Maga'lahaen Guåhan*

**DULY AND REGULARLY ADOPTED BY THE COMMITTEE ON  
RULES OF I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN ON  
THE \_\_\_\_\_ DAY OF MAY, 2013.**

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**JUDITH T. WON PAT**  
Speaker

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**RORY J. RESPICIO**  
Chairperson, Committee on Rules

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**TINA ROSE MUÑA BARNES**  
Legislative Secretary