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Office of the Speaker
Judith T. Won Pat, Ed. D.
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Special Report of the Receiver

Government of Guam
Request for an Extension of Time

Civil Case No. 02-00022

United States of America v. Government of Guam
Guam Solid Waste Management Division

2009 JAN 23 PM 3:57

Prepared for:



U.S. District Court of Guam

Submitted by:



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United States of America v Government of Guam

Solid Waste Management Division

Our apologies to the Court for submitting this a few minutes past the 10:00 a.m. deadline, however, we responded as soon as possible after receiving the Court's Order. We ask that the Court consider our report in this matter.

The Court has requested our comment on the request of the Government of Guam for an extension of time to file its response to our request that the Court order a payment schedule. The Receiver defers to the Court with respect to a decision in this matter; however, we would like to share with the Court our views on the discussions and communications that have occurred since the Hearing before the Court on January 14, 2009.

As noted in the "Request for Extension of Time to file Response to Receiver's Proposed Financing Plan" filed with the Court on January 21, 2009 by the Office of the Attorney General, a meeting occurred on January 16, 2009 in which the Receiver participated along with members of the Guam Legislature, the Governor's Office, the Office of the Attorney General, Bank of America and the Guam Economic Development Agency. The meeting was a milestone, in that it was the first time the Receiver has been included in a serious discussion of financing alternatives with both the Executive and Legislative Branches of the Government of Guam.

During this meeting current and prospective market conditions were discussed and it was confirmed by Bank of America officials that a Section 30 backed Revenue Bond could successfully address the financing needs of the Consent Decree even in the current challenging market situation. The Bank of America officials also reported that market conditions are gradually improving. These reports are consistent with our understanding of the market.

The meeting was also very encouraging given the constructive participation of all parties present and the general agreement to submit legislation that would mirror that of its December 1, 2008 proposal authorizing Section 30 backed revenue bonds and adding to the proposed legislation authority for the Government of Guam to enter into a lease-back arrangement with a private entity if such an arrangement could be concluded in a manner that is both consistent with the Consent Decree and the timetable adopted by the Court for the construction of the new landfill at the Government's selected and approved site at Layon.

The Governor's Office has since provided the Receiver with a copy of the proposed legislation in draft form for review. We have reviewed it and suggested minor changes but otherwise feel that if this legislation is submitted and approved by the Guam Legislature, it will provide a sound basis for financing of the Consent Decree projects.

It is important to reemphasize that the Receiver continues to believe, for all of the reasons stated at the January 14, 2009 Hearing and in prior hearings, that certainty of capital funding is a fundamental and essential requirement of compliance with the Consent Decree and we stand by our recommendations to the Court for a cash payment plan. However, we have always preferred and clearly stated our belief

that a financing plan based on Section 30 backed revenue bonds is the best approach and the approach that is least disruptive to the Government of Guam and in the best interests of the people of Guam. We have also consistently stated our willingness to explore other alternatives with the Government of Guam as long as such alternatives do not detrimentally affect the construction schedule already adopted by the Court.

In conclusion, we do not oppose the request of the Attorney General for more time but would urge the Court to clearly limit the extension of time to the purpose of exploring financing alternatives for the closure of the Ordot Dump and the opening of the new landfill at Layon, but exclude any consideration of other potential sites for the new landfill and other technologies for waste disposal.

We appreciate the Court's consideration of our views in this matter.