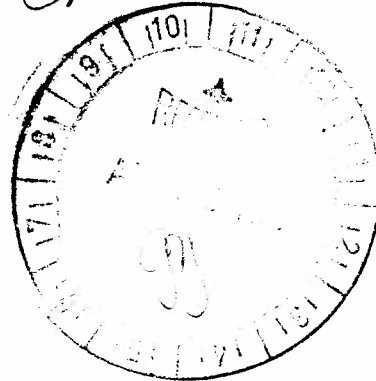


Territory of Guam  
Territorio de Guam

RECEIVED  
GOVERNOR'S OFFICE  
AGANA, GUAM  
APR 19 1991



The Honorable Joe T. San Agustin  
Speaker, Twenty-First Guam Legislature  
155 Hessler Street  
Agana, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 98, which I have signed into law this date as Public Law 21-10.

Sincerely,

*Joseph F. Ada*  
JOSEPH F. ADA  
Governor

Attachment

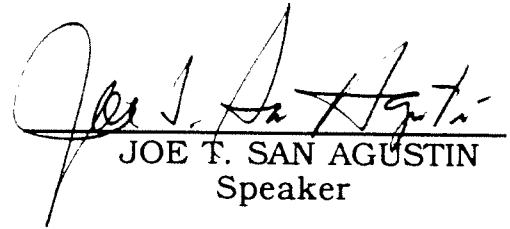
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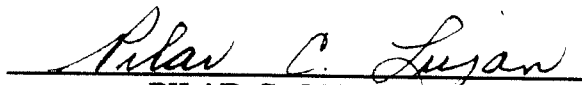
TWENTY-FIRST GUAM LEGISLATURE  
1991 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR


This is to certify that Substitute Bill No. 98 (LS), "AN ACT TO ADD \$45200 TO TITLE 10, GUAM CODE ANNOTATED, TO CREATE A GUAM ENVIRONMENTAL TRUST FUND TO CLEAN UP HAZARDOUS MATERIALS AND RESTORE DAMAGED LAND, WATERWAYS, AND REEFS BY ESTABLISHING A TWO PERCENT (2%) ASSESSMENT ON LIABILITY INSURANCE PREMIUMS, AND MAKING AN INITIAL APPROPRIATION TO THE FUND," was on the 3rd day of April, 1991, duly and regularly passed.

  
JOE T. SAN AGUSTIN  
Speaker

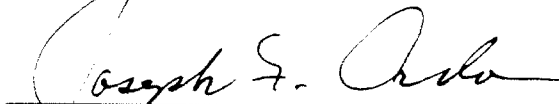
Attested:

  
PILAR C. LUJAN  
Senator and Legislative Secretary

-----  
This Act was received by the Governor this 9th day of April, 1991, at 3:15 o'clock P.m.

  
Assistant Staff Officer  
Governor's Office

APPROVED:

  
JOSEPH F. ADA  
Governor of Guam

Date: APR 19 1991

Public Law No. 21-10

TWENTY-FIRST GUAM LEGISLATURE  
1991 (FIRST) Regular Session

Bill No. 98 (LS)  
As substituted by the  
Committee on Ways &  
Means

Introduced by:

J. G. Bamba  
C. T. C. Gutierrez  
M. D. A. Manibusan  
A. C. Blaz  
J. P. Aguon  
E. P. Arriola  
D. F. Brooks  
H. D. Dierking  
E. R. Duenas  
E. M. Espaldon  
P. C. Lujan  
G. Mailloux  
D. Parkinson  
M. J. Reidy  
M. C. Ruth  
J. T. San Agustin  
F. R. Santos  
D. L. G. Shimizu  
T. V. C. Tanaka

AN ACT TO ADD §45200 TO TITLE 10, GUAM CODE ANNOTATED, TO CREATE A GUAM ENVIRONMENTAL TRUST FUND TO CLEAN UP HAZARDOUS MATERIALS AND RESTORE DAMAGED LAND, WATERWAYS, AND REEFS BY ESTABLISHING A TWO PERCENT (2%) ASSESSMENT ON LIABILITY INSURANCE PREMIUMS, AND MAKING AN INITIAL APPROPRIATION TO THE FUND.

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

2 **Section 1. Legislative findings.** It is the finding of the Legislature that  
3 the cleaning up of hazardous materials and the repair of damage done to the  
4 environment are not short term problems for Guam, but ones that are  
5 continuing in nature. Funds must be immediately accessible for emergency  
6 situations, as well as for the continued restoration of damaged areas, regardless  
7 of when and by whom the hazardous site was caused, and until the courts

1 determine liability. The Congress of the United States ten years ago created  
2 the Super-Fund program for the clean-up of waste sites deemed hazardous.  
3 Currently, one thousand two hundred of the most dangerous sites in the United  
4 States have been selected and given priority, but sites in Guam are not  
5 included. Although billions of dollars have been spent under the program,  
6 relatively few sites have been cleaned up, *i.e.*, only forty-five out of the original  
7 one thousand two hundred. The Legislature therefore finds that a local solution  
8 must be found and that one solution is to create a trust fund for environmental  
9 clean up and restoration by collecting an assessment fee of a percentage of the  
10 commercial and industrial liability insurance premiums paid for such coverage  
11 on Guam. A readily available fund can thereby be financed without using tax  
12 money. Such a proposal could also help avoid expensive and time-consuming  
13 litigation which attempts to assign responsibility instead of solving the clean-up  
14 problem, but such a fund would not obviate the issue of liability for creating the  
15 hazardous condition, which issue would be left to the parties and the court.  
16 The primary concern of the Legislature is to provide funds for immediate  
17 action to ameliorate hazardous and life-threatening situations.

18 **Section 2.** §45200 is hereby added to Title 10, Guam Code Annotated,  
19 to read:

20 "§45200. **Guam Environmental Trust Fund.** (a) There is  
21 hereby created the Guam Environmental Trust Fund (the "Fund") to  
22 be used by the Administrator of the Guam Environmental  
23 Protection Agency (the "Administrator") to clean up hazardous  
24 materials and restore and repair damage done to the Guam  
25 environment.

26 (b) The Fund shall be financed by the collection of a two  
27 percent (2%) assessment fee on all commercial and industrial  
28 liability insurance premiums paid in Guam for the coverage of  
29 companies or individuals. Such fees shall be collected from the  
30 insurance companies providing such coverage on Guam.

31 (c) For purposes of this section, "commercial and industrial  
32 liability insurance" is defined as liability or indemnity insurance  
33 against injury to third persons, with the insured being engaged in  
34 commercial or industrial activities within Guam, such activities

1 being included in the definition of "business and engaging in  
2 business" defined in §26101 (a), Title 11, Guam Code Annotated.

3 (d) The Department of Revenue and Taxation (the  
4 "Department") shall collect such fees and transmit them to the  
5 Treasurer of Guam for deposit in the Fund. The Department shall:

6 (i) Develop the necessary forms and instructions to  
7 be sent to all insurance companies issuing commercial and  
8 industrial liability insurance. Such forms and instructions  
9 shall direct these insurance companies to pay the two  
10 percent (2%) assessment as a condition of continuing to do  
11 business of Guam;

12 (ii) Act as the repository for the Fund for use by the  
13 Administrator in carrying out the purpose of the Fund.

14 (e) The Administrator shall be the disbursing and certifying  
15 officer for the Fund, and shall comply with the provisions of  
16 Chapter 14 of Title 46, Guam Code Annotated. The Director of  
17 Administration shall maintain appropriate records of the Fund and  
18 shall provide accounting and auditing services for the Fund."

19 **Section 3.** One Hundred Thousand Dollars (\$100,000) are  
20 appropriated from the General Fund to the Department for the initial  
21 administrative costs of establishing and collecting the Fund.

22 **Section 4.** The Attorney General shall take all necessary action to  
23 recover damages from the parties responsible for environmental damages to  
24 government property. Any damages collected as a result shall, after deducting  
25 legal costs, be deposited in the Fund.

26 **Section 5.** The provisions of Section 2 of this Act shall take effect one  
27 hundred twenty (120) days after enactment.

Bill No. 98

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

Date: 4/13/91

	Ayes	Noes	NOT Voting	Absent
1. AGUON, John Perez	✓			
2. ARRIOLA, Elizabeth Perez	✓			
3. BAMBA, J. George	✓			
4. BLAZ, Anthony Crisostomo	✓			
5. BROOKS, Doris Flores	✓			
6. DIERKING, Herminia Duenas	✓			
7. DUENAS, Edward Ramirez				✓
8. ESPALDON, Ernesto M. (M.D.)	✓			
9. GUTIERREZ, Carl T. C.	✓			
10. LUJAN, Pilar Cruz	✓			
11. MAILLOUX, Gordon	✓			
12. MANIBUSAN, Marilyn D. A.	✓			
13. PARKINSON, Don	✓			
14. REIDY, Michael	✓			
15. RUTH, Martha Cruz	✓			
16. SAN AGUSTIN, Joe Taitano	✓			
17. SANTOS, Francisco Rivera	✓			
18. SHIMIZU, David L. G. (M.D.)	✓			
19. TANAKA, Thomas V. C.	✓			
20. UNPINGCO, Antonio Reyes	✓			

19

1

# Twenty-First Guam Legislature

155 Hesler Street  
Pacific Arcade  
Agana, Guam 96910  
Telephone: (671) 472-3407/8/9  
FAX: (671) 477-3161



Chairman, Committee  
on Ways & Means  
  
Vice-Chairman, Committee  
on Tourism & Transportation

**CARL T. C. GUTIERREZ**  
Senator

April 3, 1991

Honorable Speaker Joe T. San Agustin  
Speaker, Twentieth Guam Legislature  
163 Chalan Santo Papa  
Agana, Guam 96910

Dear Mr. Speaker:


The Committee on Ways & Means wishes to report out its findings on **BILL NO. 98** to the full Legislature with the recommendation to do Pass as Substituted.

The Committee Voting Record is as follows:

TO PASS:	<u>11</u>
NOT TO PASS:	<u>0</u>
ABSTENTIONS:	<u>          </u>
REPORT OUT ONLY:	<u>1</u>
OFF-ISLAND:	<u>          </u>

Copies of the Committee Report and all pertinent documents are attached for your information.

Sincerely,

  
**CARL T. C. GUTIERREZ**  
Chairman, Committee on  
Ways & Means

21st Guam Legislature  
Committee on Ways & Means  
**VOTING SHEET**

BILL NO. 98

	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>TO REPORT OUT ONLY</u>	<u>TO PLACE IN INACTIVE FILE</u>
--	--------------------	------------------------	-------------------------------	--------------------------------------

<i>[Signature]</i> _____ Senator Carl T. C. GUTIERREZ Chairman	✓			
---	---	--	--	--

<i>[Signature]</i> _____ Senator Herminia D. DIERKING Vice-Chairman	✓			
--	---	--	--	--

<i>[Signature]</i> _____ Senator John P. AGUON Member	✓			
--	---	--	--	--

<i>[Signature]</i> _____ Senator George BAMBA Member	✓			
---	---	--	--	--

<i>[Signature]</i> _____ Senator Anthony BLAZ Member	✓			
---	---	--	--	--

<i>[Signature]</i> _____ Senator Doris BROOKS Member			✓	
---	--	--	---	--

<i>[Signature]</i> _____ Senator Ernesto ESPALDON Member	✓			
---	---	--	--	--

<i>[Signature]</i> _____ Senator Marilyn MANIBUSAN Member	✓			
--	---	--	--	--

<i>[Signature]</i> _____ Senator Don PARKINSON Member	✓			
--	---	--	--	--

<i>[Signature]</i> _____ Senator Michael REIDY Member	✓			
--	---	--	--	--

<i>[Signature]</i> _____ Senator Martha C. RUTH Member	<i>[Signature]</i> 4/2/91			
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<i>[Signature]</i> _____ Senator David SHIMIZU Member	✓			
--	---	--	--	--



**AN ACT TO CREATE A GUAM ENVIRONMENTAL TRUST  
FUND TO CLEAN UP HAZARDOUS MATERIALS  
AND RESTORE DAMAGED LAND, WATERWAYS, AND  
REEFS BY ESTABLISHING A TWO PERCENT (2%)  
ASSESSMENT ON LIABILITY INSURANCE PREMIUMS  
TO PROVIDE FOR THIS FUND.**

The Committee on Ways and Means held a public hearing on Wednesday, February 13, 1991 at 8 a.m. chaired by the Chairman, Senator Carl T.C. Gutierrez. Senators present were Anthony Blaz, Michael Reidy, Doris Brooks, Ernesto Espaldon, Martha Ruth, and Herminia Dierking for the purpose of receiving testimony concerning Bill 98.

**BACKGROUND**

Guam has never been a recipient of national superfund monies, in fact federal money may never be applied to the island because of low priority status. Initially 1200 sites were chosen around the country (not including Guam) and after ten years only 45 have been cleaned up. This act provides for a local fund to address toxic waste clean-up problems on Guam. Money from the fund can also be used to restore damage to reefs or other concerns under the direction of the Administrator of the Guam Environmental Protection Agency (GEPA). The fund allows GEPA to respond rapidly with adequate funds to any threats impacting our island's ecology or the health of our people. The Guam Environmental Trust Fund is not funded by any new taxes. The money comes from an assessment on commercial and industrial insurance premiums. The institution of the fund will mandate that businesses on Guam have an environmental consciousness. An environmental consciousness is important to the people of Guam consequently a two percent blanket increase for businesses cannot be viewed as an excessive fee. The bill was first introduced in the 20th Guam Legislature as Bill 1704. Testimony was heard during a public hearing in December of 1990. At this public hearing input was given from the Guam Environmental Protection Agency and the Department of Revenue and Taxation, and corresponding revisions were made to reflect the concerns of those agencies. These revisions and recommendations are incorporated in Bill 98.

**TESTIMONY**

John Camacho, a representative of the Department of Revenue and Taxation mentioned that the cost of the Environmental Trust Fund might be passed to the consumer, but he stated no objection to this possibility. Robert Leonard a representative of Guam Fire, Casualty, Marine Insurance Association stated that he was against the bill but he had no prepared testimony.

### COMMITTEE FINDINGS AND RECOMMENDATIONS

A member of an insurance group on Guam was present at the hearing to testify against Bill 98. However, the essence of this bill was adopted from the recommendation of M.R. Greenberg, who is Chairman of the American International Group (AIG). AIG is the largest underwriter of commercial and industrial insurance in the United States, and a world leader in the insurance industry. The initial concerns of GEPA and the Department of Revenue and Taxation have been met with revisions to Bill 98. It is therefore recommended by the Committee on Ways and Means that Bill 98 be passed by the Twenty-First Guam Legislature.

TWENTY-FIRST GUAM LEGISLATURE  
1991 (FIRST) REGULAR SESSION

Bill No. 98  
introduced by:

J.G. Bamba  
C. Gutierrez  
M. Manibusan  
A. Blaz

AN ACT TO CREATE A GUAM ENVIRONMENTAL TRUST  
FUND TO CLEAN UP HAZARDOUS MATERIALS  
AND RESTORE DAMAGED LAND, WATERWAYS, AND  
REEFS BY ESTABLISHING A TWO PERCENT (2%)  
ASSESSMENT ON LIABILITY INSURANCE PREMIUMS  
TO PROVIDE FOR THIS FUND.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:  
2 Section 1. Legislative Finding. It is the finding of  
3 this Legislature that the cleaning up of hazardous materials  
4 and the repair of damage done to the environment is not a  
5 short term problem for Guam, but one that is continuing in  
6 nature. Funds must be immediately accessible for emergency  
7 situations, as well as the continued restoration of damaged  
8 areas regardless of when and by whom the hazardous site was  
9 caused and until the courts determine liability. The  
10 Congress of the United States ten years ago created the  
11 Super-fund program for clean-ups of waste sites deemed  
12 hazardous. Currently, 1200 of the most dangerous sites  
13 have been selected and given priority: Guam is not one of  
14 them. Billions of dollars have been spent in the States,  
15 and few sites have been cleaned up: in fact, only 45 of the  
16 original 1200. To fill this void the Legislature finds  
17 that a local solution must be found and that one alternative  
18 is to create a trust fund for the purpose of environmental  
1 clean up and restoration by collecting an assessment fee of

1 clean up and restoration by collecting an assessment fee of  
2 two percent (2%) of the commercial and industrial liability  
3 insurance premiums paid for coverage on Guam. In this  
4 manner, a ready fund can be financed without using tax  
5 money. Such a proposal could also help avoid expensive and  
6 time consuming litigation which attempts to assign  
7 responsibility instead of solving the clean-up problem.  
8 This in no way is meant to ignore the issue of liability for  
9 creating the hazardous condition, leaving that to the  
10 parties and or the court. The primary concern of the  
11 Legislature is to provide funds for immediate action to  
12 ameliorate a hazardous and life threatening situation.

13 Section 2. New Sections 45200, 45250 and 45300 are  
14 added to 10 GCA Chapter 45 as follows:

15 "Section 45200. Guam Environmental Trust Fund.  
16 The Guam Environmental Trust Fund is established to be used  
17 by the Administrator of the Guam Environmental Protection  
18 Agency for the specific purpose of cleaning up hazardous  
19 materials and for the restoration and repair of damage  
20 done to the environment.

21 Section 45250. Financing of the Fund. (a) The  
22 Guam Environmental Trust Fund shall be financed by the  
23 collection of a two percent (2%) assessment fee on all  
24 commercial and industrial liability insurance premiums paid  
25 for the coverage of companies and or individuals here on  
26 Guam. Such fees are to be collected from the insurance  
27 companies providing coverage on Guam.

1           (b) For purposes of this Act "Commercial and  
2 Industrial Liability Insurance" is defined as: Liability or  
3 indemnity insurance against injury to third persons; the  
4 insured being engaged in commercial and/or industrial  
5 activities within the jurisdiction of the territory of Guam,  
6 such activities include "business and engaging in business"  
7 as defined in Section 26101 (a) of 11 GCA Chapter 26.

8           Section 45300. Collection Responsibility. The  
9 Department of Revenue and Taxation is the agency responsible  
10 for collecting these assessment fees and then transmits  
11 to The Treasurer of Guam for deposit to GETF and shall be  
12 the repository for the Fund. Revenue and Taxation shall:

13           A. Develop the necessary forms and instructions  
14 to be sent to all insurance companies providing commercial  
15 and industrial liability insurance. Such forms and  
16 instructions shall direct these insurance companies of the  
17 requirement to pay the two percent (2%) assessment as a  
18 condition of continuing to do business of Guam.

19           B. Act as the repository for the Guam  
20 Environmental Trust Fund for use by the Administrator of the  
21 Guam Environmental Protection Agency in carrying out the  
22 purpose of the Fund.

23           C. "Fees collected by the department shall be  
24 transmitted to the Treasury of Guam for deposit to the Guam  
25 Environmental Trust Fund."

26           Section 3. A new Section 45305 is added to 10 GCA  
27 Chapter 45 as follows:

1           "Section 45035. Control and Accounting Responsibility."

2           A. The Administrator of the Guam Environmental  
3 Protection Agency is designated as the disbursing and  
4 certifying officer for the Guam Environmental Trust Fund,  
5 and shall comply with Chapter 14 of 46 GCA.

6           B. The Director of Administration shall maintain  
7 appropriate records and provide accounting and auditing of  
8 the fund."

9           Section 4. There is appropriated from the General Fund  
10 One Hundred Thousand Dollars (\$100,000.00) to the Department  
11 of Revenue and Taxation to cover the initial administrative  
12 costs of establishing and collecting this fund.

13           Section 5. The Attorney General shall take all  
14 necessary action to recover damages from the responsible  
15 parties. Any collection made pursuant to this section  
16 shall, after deducting all legal costs, be deposited in the  
17 Trust Fund created pursuant to Section 2.

18           Section 6. The provisions under section 2 above shall  
19 take effect one hundred and twenty (120) days after being  
20 enacted into law.



DEPARTMENT OF

# REVENUE & TAXATION

GOVERNMENT OF GUAM

JOSEPH F. ADA  
Governor

FRANK F. BLAS  
Lieutenant Governor

JOAQUIN G. BLAZ, Director • V.M. CONCEPCION, Deputy Director

SEP 12 1990

Dear Mr. Chairman and Members of the Committee:

My name is JOAQUIN G. BLAZ, I am the Insurance Commissioner and would like to take this opportunity to submit my comments regarding Bill No. 1704.

**AN ACT TO CREATE A GUAM ENVIRONMENTAL TRUST FUND TO CLEAN UP HAZARDOUS MATERIALS AND RESTORE DAMAGED LAND, WATERWAYS AND REEFS BY ESTABLISHING A TWO PERCENT (2%) ASSESSMENT ON LIABILITY INSURANCE PREMIUMS TO PROVIDE FOR THIS FUND.**

The concept of establishing a Guam Environmental Trust Fund to rid our Island of Hazardous Material and to restore damaged land waterways and reefs is a tribute to the vision of our Legislative body which is committed to improving the quality of life on our Island.

Like any other resident of Guam, I fully support this concept. As the Director of Revenue and Taxation, I fully accept the responsibility of collecting the assessment fees proposed in this bill.

Currently, Title XXXIX of the Government Code of Guam, §43300-43309 defines the classes of insurance that any duly licensed insurer may write in our Territory. These classes of insurance are **Fire, Marine, Life, Accident, Sickness, Health, Property Damage and Liability, Fidelity and Surety, Motor Vehicle, Title, Worker's Compensation and Miscellaneous insurance.**

The Department of Revenue and Taxation compiles statistical data based on the classes of insurance existing in our statutes. For the year ended December 31, 1989, the total premiums written on **Auto Liability** is **\$11.8 Million** and on **Property Damage Liability** is **\$5.8 Million**, respectively. It must be pointed out that these figures combine both personal and commercial liability insurance.

Assuming that a two percent (2%) assessment fee is imposed on the insurance premium paid on these classes of liability coverage, a trust fund of around \$350,000 will be collected every year.

In order that the Department of Revenue and Taxation can effectively collect the assessment fee as proposed in this bill, it is respectfully suggested that the term "Commercial and Industrial Liability Insurance" be defined and be included in the classes of insurance to be written by duly licensed insurers in Guam.



JOAQUIN G. BLAZ  
Insurance Commissioner





# GUAM ENVIRONMENTAL PROTECTION AGENCY

AHENSIAN PRUTEKSION LINA'LA GUAHAN

D-107 Harmon Plaza, 130 Rojas St., Harmon, Guam 96911 Tel. No. 646-8863/5 FAX: 646-9402

DEC 12 1990

Honorable Madeleine Z. Bordallo  
Chairperson, Committee on Health, Welfare and  
Ecology  
Twentieth Guam Legislature  
163 Chalan Santo Papa  
Agana, Guam 96910

Dear Senator Bordallo:

I have reviewed Bill No. 1704 proposing to create an environmental trust fund to clean up hazardous materials in the environment and repair the damage caused by hazardous materials through environmental restoration. Although we are supportive of the concept of an environmental trust fund, we feel that there are some basic problems with these proposed statutes.

It is my opinion that Bill No. 1704 is too vague as written to be considered as viable "Superfund" statutes for the Territory of Guam. A major concern is that these proposed statutes do not specifically address the issue of liability for those parties responsible for creating hazardous material contamination in the environment. It is also unclear if these statutes apply to hazardous material sites created by past Federal activities on Guam. Environmental problems of this nature comprise the bulk of the present hazardous material sites on-island. However, the investigation and remediation activities presently undertaken by the responsible Federal departments are sanctioned under Federal Superfund law. It would appear that the implementation of any Territorial Superfund statutes would conflict with the National Superfund Program.

I am supportive of the intent of these proposed statutes if redirected toward hazardous material releases into the environment which are not of a Superfund nature. There are occasions when there are sudden releases of hazardous materials or oil and the responsible parties cannot be identified or are reluctant to take immediate action. We feel that these proposed statutes would be more beneficial in addressing environmental problems in the context of these occurrences.

I appreciate the opportunity afforded to the Guam E.P.A. to review and comment on Bill No. 1704.

Sincerely,

FRED M. CASTRO  
Administrator

"ALL LIVING THINGS OF THE EARTH ARE ONE"



Commonwealth Now.

# Put cleanup first and Environmental Trust Fund.

consultants. And a tragedy for the environment. At some sites, as much as 60% of the money spent goes toward legal expenses in costly and time-consuming efforts to assign liability instead of solving the cleanup problem. An avalanche of lawsuits has resulted, all aimed at getting someone else to pay.

## HERE'S AN IDEA THAT DESERVES EVERYONE'S CONSIDERATION.

At AIG, we think it's high time to find a better approach to the problem of cleaning up old hazardous waste sites. One that encourages prompt cleanup and spreads the cost more broadly. And more equitably.

We propose creating a National Environmental Trust Fund similar to the National Highway Trust Fund. Its resources would be used exclusively for cleaning up old hazardous waste sites. The Fund could be financed by adding a separate fee to commercial and industrial insurance premiums in the United States.

Even a modest assessment, say 2% of premiums and an equivalent amount for self-insurers, would provide about \$40 billion over the next decade, more than enough to deal with the 1,200 highest-priority sites.

A national advisory board of private citizens, industry and public officials could be charged with overseeing the program. We also suggest giving consideration to establishing local technical monitoring committees in each community. These

groups would be composed of local citizens, industry and others who would work with the Environmental Protection Agency and the state on the particular cleanup site, from the very beginning of the cleanup effort.

Just think. A new way to finance Superfund's mission without the need for new taxes, a new government agency or expensive and unproductive lawsuits.

## WHY IS AIG RUNNING ADS LIKE THIS?

*AIG (American International Group) is the largest underwriter of commercial and industrial insurance in America, and the leading U.S.-based international insurance organization. The nature of our business means we deal every day with issues affecting U.S. competitiveness and the future of the world economy.*

*We've started this dialogue to encourage people like you to help shape the future. Perhaps you'll want to keep the ball rolling by contacting your elected officials, or an environmental or trade group. We hope you will. Shouldn't we stop trying to fix the blame and start fixing the problem?*

*If you agree with this idea or have thoughts of your own to share, write to Mr. M.R. Greenberg, Chairman, AIG, 70 Pine Street, New York, NY 10270.*

**AIG** World leaders in insurance  
and financial services.

Introduced

TWENTY-FIRST GUAM LEGISLATURE  
1991 (FIRST) REGULAR SESSION

JAN 23 '91

Bill No. 98 (LS)  
Introduced by:

J.G. Bamba  
C. Gutierrez  
M. Manibusan  
A. Blaz

AN ACT TO CREATE A GUAM ENVIRONMENTAL TRUST FUND TO CLEAN UP HAZARDOUS MATERIALS AND RESTORE DAMAGED LAND, WATERWAYS, AND REEFS BY ESTABLISHING A TWO PERCENT (2%) ASSESSMENT ON LIABILITY INSURANCE PREMIUMS TO PROVIDE FOR THIS FUND.

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6 nature. Funds must be immediately accessible for emergency  
7 situations, as well as the continued restoration of damaged  
8 areas regardless of when and by whom the hazardous site was  
9 caused and until the courts determine liability. The  
10 Congress of the United States ten years ago created the  
11 Super-fund program for clean-ups of waste sites deemed  
12 hazardous. Currently, 1200 of the most dangerous sites  
13 have been selected and given priority: Guam is not one of  
14 them. Billions of dollars have been spent in the States,  
15 and few sites have been cleaned up: in fact, only 45 of the  
16 original 1200. To fill this void the Legislature finds  
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6 time consuming litigation which attempts to assign  
7 responsibility instead of solving the clean-up problem.  
8 This in no way is meant to ignore the issue of liability for  
9 creating the hazardous condition, leaving that to the  
10 parties and or the court. The primary concern of the  
11 Legislature is to provide funds for immediate action to  
12 ameliorate a hazardous and life threatening situation.

13 Section 2. New Sections 45200, 45250 and 45300 are  
14 added to 10 GCA Chapter 45 as follows:

15 "Section 45200. Guam Environmental Trust Fund.  
16 The Guam Environmental Trust Fund is established to be used  
17 by the Administrator of the Guam Environmental Protection  
18 Agency for the specific purpose of cleaning up hazardous  
19 materials and for the restoration and repair of damage  
20 done to the environment.

21 Section 45250. Financing of the Fund. (a) The  
22 Guam Environmental Trust Fund shall be financed by the  
23 collection of a two percent (2%) assessment fee on all  
24 commercial and industrial liability insurance premiums paid  
25 for the coverage of companies and or individuals here on  
26 Guam. Such fees are to be collected from the insurance  
27 companies providing coverage on Guam.

1           (b) For purposes of this Act "Commercial and  
2 Industrial Liability Insurance" is defined as: Liability or  
3 indemnity insurance against injury to third persons; the  
4 insured being engaged in commercial and/or industrial  
5 activities within the jurisdiction of the territory of Guam,  
6 such activities include "business and engaging in business"  
7 as defined in Section 26101 (a) of 11 GCA Chapter 26.

8           Section 45300. Collection Responsibility. The  
9 Department of Revenue and Taxation is the agency responsible  
10 for collecting these assessment fees and then transmits  
11 to The Treasurer of Guam for deposit to GETF and shall be  
12 the repository for the Fund. Revenue and Taxation shall:

13           A. Develop the necessary forms and instructions  
14 to be sent to all insurance companies providing commercial  
15 and industrial liability insurance. Such forms and  
16 instructions shall direct these insurance companies of the  
17 requirement to pay the two percent (2%) assessment as a  
18 condition of continuing to do business of Guam.

19           B. Act as the repository for the Guam  
20 Environmental Trust Fund for use by the Administrator of the  
21 Guam Environmental Protection Agency in carrying out the  
22 purpose of the Fund.

23           C. "Fees collected by the department shall be  
24 transmitted to the Treasury of Guam for deposit to the Guam  
25 Environmental Trust Fund."

26           Section 3. A new Section 45305 is added to 10 GCA  
27 Chapter 45 as follows:

1           "Section 45035. Control and Accounting Responsibility."

2           A. The Administrator of the Guam Environmental  
3 Protection Agency is designated as the disbursing and  
4 certifying officer for the Guam Environmental Trust Fund,  
5 and shall comply with Chapter 14 of 46 GCA.

6           B. The Director of Administration shall maintain  
7 appropriate records and provide accounting and auditing of  
8 the fund."

9           Section 4. There is appropriated from the General Fund  
10 One Hundred Thousand Dollars (\$100,000.00) to the Department  
11 of Revenue and Taxation to cover the initial administrative  
12 costs of establishing and collecting this fund.

13          Section 5. The Attorney General shall take all  
14 necessary action to recover damages from the responsible  
15 parties. Any collection made pursuant to this section  
16 shall, after deducting all legal costs, be deposited in the  
17 Trust Fund created pursuant to Section 2.

18          Section 6. The provisions under section 2 above shall  
19 take effect one hundred and twenty (120) days after being  
20 enacted into law.