

Recd. by [unclear]
12/30/94
6:00 pm.



Territory of Guam
Territorio Guam

OFFICE OF THE GOVERNOR
UPFINAN I MAGA'LAHI
AGANA, GUAM 96910 U.S.A.

DEC 29 1994

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

Dear Mr. Speaker:

Transmitted herewith is Bill No. 150, which I have signed into law this date as
Public Law 22-148.

Sincerely yours,

Handwritten signature of Joseph F. Ada in black ink.

JOSEPH F. ADA
Governor

220915

Attachment



Commonwealth Now!

TWENTY-SECOND GUAM LEGISLATURE
1994 (SECOND) Regular Session

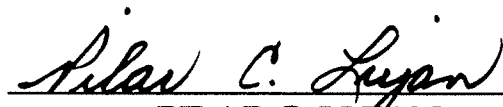
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 150 (LS), "AN ACT TO PROVIDE FOR THE PARTICIPATION OF THE TERRITORY OF GUAM IN THE PACIFIC ISLANDS DEVELOPMENT BANK AND TO AUTHORIZE AN APPROPRIATION FOR THIS PARTICIPATION," was on the 9th day of December, 1994, duly and regularly passed.



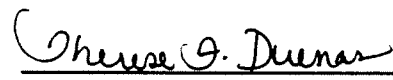
JOE T. SAN AGUSTIN
Speaker

Attested:



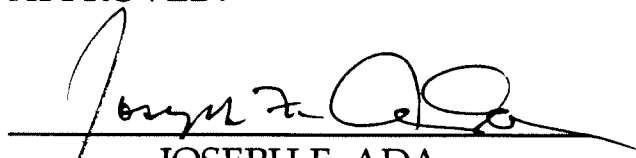
PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 19th day of December,
1994, at 4:35 o'clock P.M.



Assistant Staff Officer
Governor's Office

APPROVED:



JOSEPH F. ADA
Governor of Guam

Date: _____ DEC 29 1994

Public Law No. 22-148

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Bill No. 150 (LS)
As substituted by the Committee on
Ways and Means

Introduced by:

E. P. Arriola
C. T. C. Gutierrez
H. D. Dierking
T. S. Nelson
T. C. Ada
J. P. Aguon
M. Z. Bordallo
P. C. Lujan
V. C. Pangelinan
D. Parkinson
E. D. Reyes
J. T. San Agustin
F. E. Santos
D. L. G. Shimizu
J. G. Bamba
A. C. Blaz
D. F. Brooks
F. P. Camacho
M. D. A. Manibusan
T. V. C. Tanaka
A. R. Unpingco

AN ACT TO PROVIDE FOR THE PARTICIPATION OF
THE TERRITORY OF GUAM IN THE PACIFIC
ISLANDS DEVELOPMENT BANK AND TO
AUTHORIZE AN APPROPRIATION FOR THIS
PARTICIPATION.

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

1 **Section 1. (a) Short title.** This Act may be cited as the "Pacific Islands
2 Development Bank Act".

3 **(b) Acceptance of membership.** The Governor of Guam is authorized
4 to accept membership for the territory of Guam in the Pacific Islands
5 Development Bank (the "Bank") provided for by the Agreement establishing
6 the Bank (the "Agreement").

7 **(c) Authorization by Governor of person to act on behalf of the**
8 **government.** The Governor is authorized to empower by instrument under
9 his hand such person as may be named in the instrument:

10 (i) to sign the Agreement on behalf of the government of Guam;

11 (ii) to deposit the instrument setting forth that the government of
12 Guam has accepted or satisfied the Agreement in accordance with its
13 laws and has taken the steps necessary to enable it to fulfill all of its
14 obligations under this Agreement; and

15 (iii) to sign any document that may be necessary or desirable to
16 permit the full participation by the territory of Guam in the membership
17 of the Bank.

18 **(d) Governor to implement provisions of this Section.** The Governor
19 is charged with the implementation of this Section and may make regulations
20 as to any matter relating to the implementation of the provisions of the
21 Agreement and to the fulfillment of the obligations of the government of
22 Guam thereunder, and in particular, to the status, immunities and privileges
23 of the Bank, of its governors and directors and their alternates and of its
24 employees.

25 **(e) Authorization of appropriation and payment of subscription.** (i)
26 One Million Dollars (\$1,000,000) are authorized to be appropriated, without

1 fiscal year limitations, for the purchase of one thousand (1,000) shares of
2 capital stock in the Bank;

3 (ii) The Governor, on behalf of the government of Guam, shall:

4 (1) make payment of an initial subscription to the
5 additional capital stock of the Bank of a sum equivalent to One
6 Hundred Thousand Dollars USD (\$100,000 USD) in accordance
7 with the terms of the Agreement; and

8 (2) subject to appropriation by the Legislature, make any
9 additional payments which may become payable under the
10 Agreement to purchase the shares under Subitem (i) of this
11 Subsection (e).

12 (f) **Appointment of members to the Board of Governors of the**
13 **Bank.** The Governor, on behalf of the government of Guam, shall appoint
14 one (1) person qualified to be representative of the Executive Branch on the
15 Board of Governors of the Bank. One (1) person on the Board of Governors
16 of the Bank shall be the Speaker or the Speaker's designee, as the
17 representative of the Legislature Branch.

18 (g) **Immunity from Taxation.** The Bank, its property, other assets,
19 income, and the operations and transactions it carries out pursuant to this
20 Section shall be immune from all taxation by the government of Guam.

21 (h) **Powers and limitations of the Bank.** The Bank, in accordance with
22 its Articles of Agreement, is empowered to provide assistance in the following
23 manner listed under subitems (i) through (ix), and has the limitation listed
24 under subitem (x) below:

25 (i) by the preparation, financing, and execution of development
26 plans and projects, including the consideration of priorities, and the

1 formulation of loan proposals on specific national or regional
2 development projects;

3 (ii) by the development and advanced training, through seminars
4 and other forms of instruction of personnel specializing in the
5 formulation and implementation of development plans and projects;

6 (iii) by making or participating indirect loans;

7 (iv) by investment of funds;

8 (v) by guaranteeing, whether as primary or secondary obligator,
9 in whole or in part, loans for economic development;

10 (vi) by acquiring and selling such securities, mortgages, bonds and
11 other instrument as may be appropriate to the conduct of its business in
12 the carrying out of its purpose;

13 (vii) to act as, or appoint, attorneys or custodians to administer
14 and supervise funds;

15 (viii) to purchase, lease or dispose of assets, business and property
16 within the limitations of its authority;

17 (ix) to deposit funds in financial institutions in Micronesia, the
18 United States and elsewhere as may be appropriate; and

19 (x) the Bank is prohibited from engaging in banking activities for
20 the benefit of the general public such as maintaining deposit accounts
21 and paying interest on balances thereon as well as engaging in the trust
22 business or acting as a fiduciary in receiving funds, moneys, properties,
23 or securities, and holding or investing such funds, moneys, properties,
24 or securities for the account of such members of the general public;
25 **provided**, however, that nothing in this subitem (x) shall prohibit the
26 Bank from performing any activities for the benefit of its "Members" as

1 defined in the Agreement, or performing any activity considered to be
2 normal for a development financial institution.

3 (i) **Audit.** The Bank will submit a copy of its annual audit report to the
4 Executive and Legislative Branches of the government of Guam. In other
5 respects, it will be subject to audit by the government of Guam.

6 (j) **Legal opinion.** The Attorney General of Guam is authorized to
7 render such legal opinions as may be required by the Bank or by the
8 government to permit the government of Guam to participate fully in the
9 Bank.

VOTING SHEET
(as revised)

61

Bill No. 150

12/9/94

Resolution No. _____

(Date)

Question: _____

Senators	Aye	No	Declined to Vote	Required to vote	Excused from voting	ABSENT/OUT DURING ROLL CALL
Ada, Thomas C.	✓					
AGUON, John P.	✓					
ARRIOLA, Elizabeth P.	✓					
BAMBA, George J.	✓					
BLAZ, Anthony C.	✓					
BORDALLO, Madeleine Z.						✓
BROOKS, Doris F.	✓					
CAMACHO, Felix P.	✓					
DIERKING, Hermina D.	✓					
GUTIERREZ, Carl T. C.	✓					
LUJAN, Pilar C.	✓					
MANIBUSAN, M. D. A.	✓					
NELSON, Ted S.	✓					
PANGELINAN, Vicente C.	✓					
PARKINSON, Don	✓					
REYES, Edward D.	✓					
SAN AGUSTIN, Joe T.	✓					
SANTOS, Francis E.	✓					
SHIMIZU, David L. G.	✓					
TANAKA, Thomas V. C.	✓					
UNPINGCO, Antonio R.	✓					

TOTAL

20				1
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Twenty-Second Guam Legislature

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



CARL T.C. GUTIERREZ
Senator

Chairman, Committee
on Ways & Means

Vice-Chairman, Committee
on Rules

Vice-Chairman, Committee
on Tourism & Transportation

January 5, 1993

Honorable Speaker Joe T. San Agustin
Speaker, Twenty-Second Guam Legislature
155 Hesler Street
Legislative Temporary Building
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Ways & Means wishes to report out its findings on **BILL NO. 150, "AN ACT TO PROVIDE FOR THE PARTICIPATION OF THE TERRITORY OF GUAM IN THE PACIFIC ISLANDS DEVELOPMENT BANK AND TO AUTHORIZE AN APPROPRIATION THEREFORE"**, to the full Legislature with the recommendation to do Pass as Substituted.

The Committee Voting Record is as follows:

TO PASS:	<u>14</u>
NOT TO PASS:	<u>0</u>
ABSTENTIONS:	<u>0</u>
INACTIVE FILE:	<u>0</u>

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

Sincerely,


CARL T. C. GUTIERREZ
Chairman

Attachments

Twenty-Second Guam Legislature
 Committee on Ways & Means
VOTING SHEET

BILL NO.
 150

AN ACT TO PROVIDE FOR THE PARTICIPATION OF THE
 TERRITORY OF GUAM IN THE PACIFIC ISLANDS DEVELOPMENT
 BANK AND TO AUTHORIZE AN APPROPRIATION THEREFORE.

	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>ABSTAIN</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 Thomas C. ADA Member	✓			
<i>[Signature]</i> Senator John P. AGUON Member	✓			
<i>[Signature]</i> Senator Elizabeth P. ARRIOLA Member	✓			
<i>[Signature]</i> Senator J. George BAMBA Member	✓			
<i>[Signature]</i> Senator Anthony C. BLAZ Member	✓			
<i>[Signature]</i> Senator Pilar C. LUJAN Member	✓			
<i>[Signature]</i> Senator Marilyn D. A. MANIBUSAN Member	✓			
<i>[Signature]</i> Senator Ted S. NELSON Member				
<i>[Signature]</i> Senator Vicente C. PANGELINAN Member	✓			
<i>[Signature]</i> Senator David L.G. SHIMIZU Member	✓			
<i>[Signature]</i> Senator Antonio R. UNPINGCO Member	✓			
<i>[Signature]</i> Speaker Joe T. SAN AGUSTIN Ex-Officio Member	✓			

COMMITTEE ON WAYS AND MEANS

COMMITTEE REPORT ON BILL NO. 150

AN ACT TO PROVIDE FOR THE PARTICIPATION OF THE TERRITORY OF GUAM IN THE PACIFIC ISLANDS DEVELOPMENT BANK AND TO AUTHORIZE AN APPROPRIATION THEREFOR.

PURPOSE AND ESSENTIAL ELEMENTS

Bill No. 150 is designed to provide for the participation of the territory of Guam in the Pacific Islands Development Bank and to authorize an appropriation therefor. There is a provision in Section 5 of the Bill authorizing the purchase of One Thousand (1000) shares of capital stock in the bank for \$1,000,000.

PUBLIC HEARING

The Committee on Ways & Means conducted a public hearing at 9:00 a.m. on Tuesday, November 30, 1993, in the Legislative Public Hearing Room to gather testimony on Bill No. 150. Senator Carl T. C. Gutierrez, the Chairman of the Committee, conducted the hearing, being joined by Senators George Bamba, Ben Pangelinan, and Thomas Ada.

TESTIMONY

There were two written testimonies submitted in support of Bill 150. One by Mr. Will Cooper, the President of Pacific Islands Development Bank, and another by Mr. Joaquin G. Blaz, the Director of Department of Revenue and Taxation and the Ex-Officio Banking Commissioner.

The written testimony submitted by Mr. Cooper delineated that the participation by Guam in PIDB would strengthen Guam's already premium position as the leader in the Pacific Region.

Mr. John Camacho was present to testify orally on behalf of Mr. Joaquin G. Blaz. Mr. Camacho stated that they welcome the establishment of a development bank in Guam, but they feel that there should be a limitation incorporated in the bill that would prohibit them from acting or competing with any commercial bank.

Senator Bamba questioned the language used in the suggested limitation. He wanted clarification on the ambiguity of the proposed amendment. Senator Bamba

indicated that the language submitted as proposed language to be incorporated indicated that the Bank would be prohibited from holding or investing funds for the account of others, yet that is what the Bank would do in maintaining accounts for other government entities.

COMMITTEE ACTION

The Committee on Ways and Means, after consideration of the testimony offered at the public hearing, decided to consider the inclusion of the proposed amendment by Mr. Joaquin G. Blaz to Bill 150, modifying that language to clarify that the operations of the Bank are on behalf of the member governments and not for holding accounts of individuals or commercial enterprises and competing with the private banks already in existence for those purposes. Changes were also made to clarify language in the bill that all funds utilized by the bank for purchase of shares must first be appropriated by the Legislature.

COMMITTEE RECOMMENDATION

The Committee on Ways and Means wishes to report out Bill 150 to the full legislature to pass, as substituted.

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Bill No. 150
Substitute bill by the
Committee on Ways & Means

Introduced by:

E. P. Arriola
C. C. Gutierrez
Mourine

AN ACT TO PROVIDE FOR THE PARTICIPATION OF
THE TERRITORY OF GUAM IN THE PACIFIC ISLANDS
DEVELOPMENT BANK AND TO AUTHORIZE AN
APPROPRIATION FOR THIS PARTICIPATION.

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

2 Section 1. (a) Short Title. This Section may be cited as
3 the "Pacific Islands Development Bank Act".

4 (b) Acceptance of Membership. The Governor is authorized to
5 accept membership for the territory of Guam in the Pacific Islands
6 Development Bank (the "Bank") provided for by the Agreement
7 establishing the Bank (the "Agreement").

8 (c) Authorization by Governor of party to act on behalf of
9 the government. The Governor is authorized to empower by instrument
10 under his hand such person as may be named in the instrument:

11 (i) to sign the Agreement on behalf of the government of
12 Guam;

13 (ii) to deposit the instrument setting forth that the
14 government of Guam has accepted or satisfied the Agreement in
15 accordance with its laws and has taken the steps necessary to enable
16 it to fulfill all of its obligations under this Agreement; and

17 (iii) to sign any document that may be necessary or desirable
18 to permit the full participation by the territory of Guam in the
19 membership of the Bank.

1 (d) **Governor to implement provisions of this Section.** The
2 Governor is charged with the implementation of this Section and may
3 make regulations as to any matter relating to the implementation of the
4 provisions of the Agreement and to the fulfillment of the obligations of the
5 government of Guam thereunder, and in particular, to the status,
6 immunities and privileges of the Bank, of its governors and directors and
7 their alternates and of its official employees.

8 (e) **Authorization of appropriation and payment of**
9 **subscription.** (i) One Million Dollars (\$1,000,000) are authorized to be
10 appropriated, without fiscal year limitations, for the purchase of one
11 thousand (1,000) shares of capital stock in the Bank;

12 (ii) The Governor, on behalf of the government of Guam, shall:

13 (1) make payment of an initial subscription to the additional
14 capital stock of the Bank of a sum equivalent to One Hundred
15 Thousand Dollars USD (\$100,000.00 USD) in accordance with the
16 terms of the Agreement; and

17 (2) subject to appropriation by the Legislature, make any
18 additional payments which may become payable under the
19 Agreement to purchase the shares under Subitem (i) of this
20 Subsection (e).

21 (f) **Appointment of members to the Board of Governors of**
22 **the bank.** The Governor, on behalf of the government of Guam shall
23 appoint one (1) person qualified to be representative of the Executive
24 Branch on the Board of Governors of the Bank. One (1) person on the
25 Board of Governors of the Bank shall be the Speaker or the Speaker's
26 designee, representative of the Legislature Branch.

27 (g) **Immunity from Taxation.** The Bank, its property, other
28 assets, income, and the operations and transactions it carries out pursuant

1 to this Section shall be immune from all taxation by the government of
2 Guam.

3 (h) Powers and Limitation of the Bank. The Bank, in
4 accordance with its Articles of Agreement, is empowered to provide
5 assistance in the following manner listed under subitems (i) through (ix),
6 and has the limitation listed under subitem (x) below:

7 (i) by the preparation, financing, and execution of
8 development plans and projects, including the consideration of
9 priorities, and the formulation of loan proposals on specific national
10 or regional development projects;

11 (ii) by the development and advanced training, through
12 seminars and other forms of instruction of personnel specializing in
13 the formulation and implementation of development plans and
14 projects;

15 (iii) by making or participating indirect loans;

16 (iv) by investment of funds;

17 (v) by guaranteeing, whether as primary or secondary
18 obligator, in whole or in part, loans for economic development;

19 (vi) by acquiring and selling such securities, mortgages,
20 bonds and other instrument as may be appropriate to the conduct of
21 its business in the carrying out of its purpose;

22 (vii) to act as, or appoint, attorneys or custodians to
23 administer and supervise funds;

24 (viii) to purchase, lease or dispose of assets, business and
25 property within the limitations of its authority;

26 (ix) to deposit funds in financial institutions in Micronesia,
27 the United States and elsewhere as may be appropriate; and

1 (x) the Bank is prohibited from engaging in banking activities for the
2 benefit of the general public such as maintaining deposit accounts and
3 paying interest on balances thereon as well as engaging in the trust
4 business or acting as a fiduciary in receiving funds, moneys, properties, or
5 securities, and holding or investing such funds, moneys, properties or
6 securities for the account of such members of the general public; provided,
7 however, that nothing in this subitem (x) shall prohibit the Bank from
8 performing any activities for the benefit of its "Members" as defined in the
9 Agreement, or performing any activity considered to be normal for a
10 development financial institution.

11 (i) **Audit.** The Bank will submit a copy of its annual audit report
12 to the Executive and Legislature Branches of the government of Guam. In
13 other respects, it will [not] be subject to audit by any entry of the
14 government of Guam.

15 (j) **Legal Opinion.** The Attorney General of Guam is authorized
16 to render such legal opinions as may be required by the Bank or by the
17 government to permit the government of Guam to participate fully in the
18 Bank.

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Bill No. 150
Introduced by:

E. P. Arriola

WM
**AN ACT TO PROVIDE FOR THE PARTICIPATION OF THE
TERRITORY OF GUAM IN THE PACIFIC ISLANDS DEVELOPMENT
BANK AND TO AUTHORIZE AN APPROPRIATION THEREFOR.**

1 WHEREAS, the government of Guam has considered the
2 establishment of the Pacific Islands Development Bank; and

3 WHEREAS, it regards such development as in the interest of the
4 government of Guam and of the region; and

5 WHEREAS, it wishes to participate by purchasing shares in the capital
6 of the Bank and by participating in the management of the Bank; now therefor

7 **BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

8 Section 1. Short Title.

9 This Act may be cited as the "Pacific Islands Development Bank Act".

10 Section 2. Acceptance of Membership.

11 The Governor of Guam is hereby authorized to accept membership for
12 the Territory in the Pacific Islands Development Bank (hereinafter referred to as the
13 "Bank"), provided for by the Agreement establishing the Bank (hereinafter referred
14 to as the "Agreement").

15 Section 3. The Governor of Guam is authorized to empower by instrument
16 under his hand such person as may be named in the instrument:

17 (a) to sign the Agreement on behalf of the government of
18 Guam;

19 (b) to deposit the instrument setting forth that the
20 government of Guam has accepted or satisfied the Agreement in accordance with its
21 laws and has taken the steps necessary to enable it to fulfill all of its obligations
22 under this Agreement; and

1 (c) to sign such document as may be necessary or desirable to
2 permit the full participation by the Territory of Guam in the membership of the
3 Bank.

4 Section 4. The Governor of Guam is charged with the implementation of
5 this law and may make regulations as to any matter relating to the implementation
6 of the provisions of the Agreement and to the fulfillment of the obligations of the
7 government of Guam thereunder, and in particular, to the status, immunities and
8 privileges of the Bank, of its governors and directors and their alternates and of its
9 official employees.

10 Section 5. Payment of Subscription.

11 (a) There is hereby authorized to be appropriated, without
12 fiscal year limitations, for the purchase of one thousand (1000) shares of capital stock
13 in the Bank, One Million Dollars (\$1,000,000.00);

14 (b) The Governor of Guam, on behalf of the government of
15 Guam, out of monies provided shall:

16 (1) make payments of an initial subscription to the
17 additional capital stock of the Bank of a sum equivalent to \$100,000.00 USD in
18 accordance with the terms of the Agreement; and

19 (2) make any additional payments which may become
20 payable under the Agreement to purchase the shares under Subsection (a).

21 Section 6. Appointment of Governors.

22 The Governor of Guam on behalf of the government of Guam shall
23 appoint two (2) persons qualified to be its representatives on the Board of
24 Governors. One such person shall be the Speaker or his designee, representative of
25 the Legislative Branch, the other shall be received at his discretion and shall
26 represent the Executive Branch.

27 Section 7. Immunity from Taxation.

28 The Bank its property, other assets, income, and the operations and
29 transactions it carries out pursuant to this Act shall be immune from all taxation by
30 the government of Guam.

31 Section 8. Powers to the Bank.

32 The bank in accordance with its Articles of Agreement, is empowered
33 to provide assistance in the following manner:

34 (a) by the preparation, financing, and execution of
35 development plans and projects, including the consideration of priorities, and the

1 formulation of loan proposals on specific national or regional development
2 projects;

3 (b) by the development and advanced training, through
4 seminars and other forms of instruction of personnel specializing in the
5 formulation and implementation of development plans and projects;

6 (c) by making or participating in direct loans;

7 (d) by investment of funds;

8 (e) by guaranteeing, whether as primary or secondary
9 obligator, in whole or in part, loans for economic development;

10 (f) by acquiring and selling such securities, mortgages, bonds
11 and other instrument as may be appropriate to the conduct of its business in the
12 carrying out of its purpose;

13 (g) to act as, or appoint, attorneys or custodians to administer
14 and supervise funds;

15 (h) to purchase, lease or dispose of assets, business and
16 property within the limitations of its authority; and

17 (i) to deposit funds in financial institutions in Micronesia,
18 the United States and elsewhere as may be appropriate.

19 Section 9. Audit.

20 The Bank will submit a copy of its annual audit report of the Executive
21 and Legislative Branch of the government of Guam. In other respects, it will not be
22 subject to audit by any entry of the government of Guam.

23 Section 10. Legal Opinion.

24 The Attorney General of Guam is authorized to render such legal
25 opinions as may be required by the Bank or the government to permit the
26 government of Guam to participate fully in the Bank.

Twenty-Second Guam Legislature

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



CARL T.C. GUTIERREZ
Senator

Chairman, Committee
on Ways & Means

Vice-Chairman, Committee
on Rules

Vice-Chairman, Committee
on Tourism & Transportat

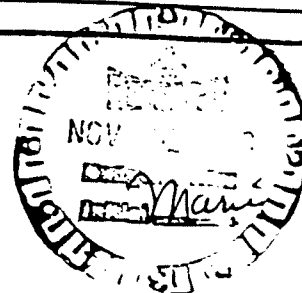
November 22, 1993

ACKNOWLEDGMENT OF RECEIPT

DATE: _____

TIME: _____

BY: _____



Mr. Salvatore G.T. Sgambelluri
Director
Bureau of Budget & Management Research
P. O. Box 2950
Agana, Guam 96910


Dear Mr. Sgambelluri:

Please be advised that Section 1903 of Chapter X of the Government Code of Guam requires that a fiscal note or waiver of a fiscal note be prepared and returned to the appropriate Committee within fourteen (14) days of receipt of the Bill by the Bureau or three (3) days prior to the hearing date, whichever is later.

Please note that the Committee on Ways & Means is conducting a public hearing on Tuesday, November 30, 1993 beginning at 9:00 a.m. in the Legislative Public Hearing Room, 155 Hesler St., Guam Legislature Temporary Building to hear Bill Nos. 75, 150, 529, 692, 703, 706, 722.

Your prompt assistance on the above will be greatly appreciated.

Sincerely yours,


CARL T. C. GUTIERREZ
Chairman

Attachments

Twenty-Second Guam Legislature

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



CARL T.C. GUTIERREZ
Senator

Chairman, Committee
on Ways & Means

Vice-Chairman, Committee
on Rules

Vice-Chairman, Committee
on Tourism & Transportation

November 22, 1993

Mr. Joaquin G. Blaz
Director
Revenue & Taxation
855 W. Marine Drive
Agana Guam 96910


Dear Mr. Blaz:

The Committee on Ways & Means is conducting a public hearing on Tuesday, November 30, 1993 beginning at 9:00 a.m. in the Legislative Public Hearing Room, located at the Guam Legislature Temporary Building to hear testimony on Bill Nos. 150 706 and 722.

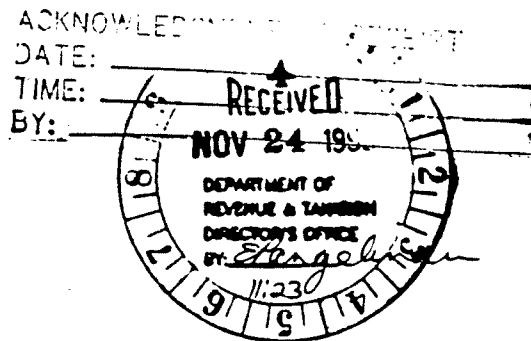
Your testimony on the above aforementioned would be greatly appreciated. If you are submitting written testimony, the committee requires that twenty-five (25) copies be submitted.

We look forward to seeing you at the hearing.

Sincerely,


CARL T.C. GUTIERREZ
Chairman

Attachments



Twenty-Second Guam Legislature

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



CARL T.C. GUTIERREZ
Senator

Chairman, Committee
on Ways & Means

Vice-Chairman, Committee
on Rules

Vice-Chairman, Committee
on Tourism & Transportation

November 22, 1993

ACKNOWLEDGMENT OF RECEIPT
DATE: 11/23
TIME: 11:00
BY: [Signature]

Mr. Will Cooper
President/Chairman of the Board
Pacific Islands Dev. Bank
Suite 600 J GCIC Bldg.
Agana Guam 96910

Dear Mr. Cooper:

The Committee on Ways & Means is conducting a public hearing on Tuesday, November 30, 1993 beginning at 9:00 a.m. in the Legislative Public Hearing Room, located at the Guam Legislature Temporary Building to hear testimony on Bill No. 150.

Your testimony on the above aforementioned would be greatly appreciated. If you are submitting written testimony, the committee requires that twenty-five (25) copies be submitted.

We look forward to seeing you at the hearing.

Sincerely,


CARL T.C. GUTIERREZ
Chairman

Attachment

Twenty-Second Guam Legislature

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



CARL T.C. GUTIERREZ
Senator

Chairman, Committee
on Ways & Means

Vice-Chairman, Committee
on Rules

Vice-Chairman, Committee
on Tourism & Transportation

November 22, 1993

ACKNOWLEDGMENT OF RECEIPT

DATE: 11-24-93
TIME: 10:35 AM
BY: JANE

Elizabeth Barrett-Anderson
Attorney General
Dept. of Law
238 Archbishop F.C. Flores Street
Agana Guam 96910

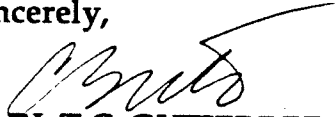
Dear Ms. Barrett-Anderson:

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We look forward to seeing you at the hearing.

Sincerely,


CARL T.C. GUTIERREZ
Chairman

Attachment

Pacific Islands Development Bank

TEL: (671) 477-0047/4
FAX: (671) 477-0067

SUITE 600 J, GCIC BUILDING
414 WEST SOLEDAD AVENUE
AGANA, GUAM 96910

WILL COOPER

President/Chairman of the Board

September 28, 1993

Honorable Carl T.C. Gutierrez, Senator
Chairman, Ways & Means
155 Hernan Cortez, Pacific Arcade
Agana, Guam 96910

Dear Senator Gutierrez:

The remarks yesterday morning of Governor Ada, APIL President Ruechò, APIL Vice President Elect Senator Arriola, and others regarding PIDB were most welcome and gratifying. More impressive, however, is the fact that you attended and made the closing remarks. I feel strongly that the unity theme is essential to the region. Your demonstration yesterday is an important indication that Guam will be an integral member of this regional unity.

The purpose of this note, Senator, is to thank you for your efforts in effecting the initial contribution of Guam to PIDB. It is also, however, to remind you of our conversation about a year ago. PIDB still has no certificate of authority to operate in Guam. Although no assessment has been made to date, there is a question as to taxability (GRT) of our interest income. As we discussed, PIDB would need an exemption similar to that of GEDA, the Asian Development Bank, the World Bank, etc. That exemption is the same one approved by all PIDB members and is contained in the full Bill submitted to your committee for Guam's PIDB membership. Without such exemption, we could not operate in Guam.

Thank you for your support and help.

Respectfully yours,



Proposed language for Bill # 150, Section (h), subitem (x)

the Bank is prohibited from engaging in ~~commercial~~ banking activities for the benefit of the general public such as maintaining deposit accounts and paying interest on balances therein as well as engaging in the trust business or acting as a fiduciary in receiving funds, moneys, properties, or securities, and holding or investing such funds, moneys, properties or securities for the account of such members of the general public; provided, however, that nothing in this subitem (x) shall prohibit the Bank from performing any activities for the benefit of its "Members" as defined in the Agreement, or performing any activity considered to be normal for a development financial institution, such as, for example, the Guam Economic Development Authority or the Asian Development Bank.

Approved 1/5/94
filed to
J. Torres
C. Casarotto 1-5-94



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

NOV 30 1993

Honorable Carl T. C. Gutierrez
Chairman, Committee on Ways and Means
Twenty-Second Guam Legislature
Agana, Guam 96910

Dear Mr. Chairman and Members of the Committee:

My name is Joaquin G. Blaz. I am the Director of the Department of Revenue and Taxation and the Ex-Officio Banking Commissioner. I would like to submit my comments regarding Bill No. 150:

AN ACT TO PROVIDE FOR THE PARTICIPATION OF THE TERRITORY OF GUAM IN THE PACIFIC ISLANDS DEVELOPMENT BANK AND TO AUTHORIZE AN APPROPRIATION THEREFOR.

I welcome the establishment of a development bank in Guam. This is a tribute to the growth of banking industry in Guam.

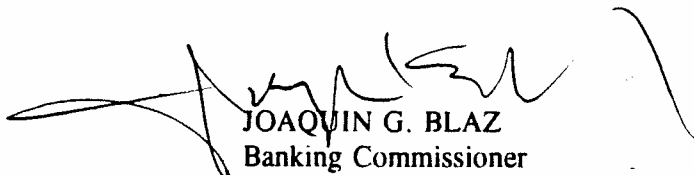
The islands in this region need a development bank similar in concept to the Asian Development Bank (ADB). I am fully aware that the Pacific Islands Development Bank (PIDB) cannot be as large in scope as the ADB. But I am hopeful the PIDB will serve as a vehicle for the development of the infrastructure needs of this Pacific area

However from a regulatory perspective, the Banking Code of Guam has not yet defined the concept, powers and limitation of the scope of operations of a development bank. Along this line of thinking, I suggest that a limitation be incorporated in Section 8 of this bill. The suggested limitation is as follows:

Section 8. (j). The PIDB is prohibited from maintaining deposit accounts and paying interest on balances therein as well as engaging in the trust business or acting as a fiduciary in receiving funds, moneys, properties or securities and holding or investing such funds, moneys, properties or securities for the account of others.

With these specific limitations, I believe PIDB or any other development bank shall not compete but instead complement operations of the savings and commercial banks licensed to do business in Guam.

Sincerely,



JOAQUIN G. BLAZ
Banking Commissioner

To: Committee on Ways & Means,
Twenty-Second Guam Legislature
From: Will Cooper, President,
Pacific Islands Development Bank
Subject: Public Hearing on Bill No. 150,
the "Pacific Islands Development Bank Act"
Date: November 30, 1993

Chairman Gutierrez and members of the Committee on Ways & Means of the Twenty-Second Guam Legislature:

INTRODUCTION

My name is Will Cooper and, since August 21, 1991, I have been serving as the president and chairman of the board of directors of the Pacific Islands Development Bank (PIDB). Thank you for permitting this opportunity to present our testimony in support of Bill No. 150, the "Pacific Islands Development Bank Act".

PIDB is organized by the appointment of two Governors from each of its members. The Governors are responsible for the overall activities of the Bank, and they appoint a board of directors who are responsible for general policies and operations. You may remember that on February 25th of last year, two of our governors: Sandra Pierantozzi, then Minister of Administration, Republic of Palau, and Manny Mori, President, FSM Development Bank, as well as Director Patrick Mackenzie, FSM Supreme Court Director of Administration, and I, appeared before you and your committee of the twenty-first Guam legislature to make our presentation. Unfortunately, none of us are on Guam on this date. With your permission, the following written testimony is presented:

HISTORY

A brief history of PIDB is as follows:

PIDB was initiated in May, 1987, by a resolution of the Association of Pacific Island Legislatures (APIL). The resolution authorized a feasibility study which was financed by the Bank of Guam. The study was coordinated by Tosiwo Nakayama, vice president for governmental affairs of the Bank of Guam, former (first) President of the Federated States of Micronesia, and international legal advisor Arnold Leibowitz, Esq. The feasibility study recommended formal establishment of PIDB and adoption of Articles of Agreement.

PIDB was formally established on July 5, 1989. Its Articles of Agreement provide that membership is open to the governments of the Republic of the Marshall Islands, the Republic of Belau, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the States of Yap, Truk, Kosrae and Pohnpei, and the territories of Guam and American Samoa. The State of Hawaii was added by a January 4, 1991 amendment. The signing ceremony on July

Public Hearing on Bill No. 150,
the "Pacific Islands Development Bank Act"
November 30, 1993
Page 3

government-owned financial institution and should be required to pay no more taxes than GEDA, ADB or the World Bank.

Since every eligible PIDB member already has a local development financial institution (DFI) why is PIDB necessary? The answer to this is clear. There is no regional DFI to serve our members. Local DFI's must be concerned with local needs and have their own fund limitations. PIDB is a means to accomplish regional projects for our islands - a subject given much rhetoric but little action.

The Asian Development Bank has Donor Members - developed countries, and Recipient Members - less developed countries. As ADB acts as a conduit for funds from Donor Members to Recipient Members, in the South Pacific, so PIDB intends to act as a conduit for funds from more developed countries to our members.

It is not a charitable institution. All capital contributions by member governments are to be equal. Representation on PIDB's board of governors is equal. PIDB loans will be approved and monitored by representatives of all members. Loans will be properly researched, collateralized, and will be repaid.

WHY SHOULD GUAM JOIN PIDB?

Or, what will PIDB do for Guam? - Although Guam is obviously more developed than some of its sister islands, there is still much to be accomplished.

Examples could include infrastructure; development of fishery industry: canneries, fleets of boats; medical: financing the establishment of an office for a doctor - either newly licensed, or moving to Guam from the States or elsewhere; equipment such as a CAT (Computerized Axial Tomography) scan or MRI (Magnetic Resonance Imaging) or blood testing and storing equipment for a clinic or Guam Memorial Hospital could also be financed; establishment of a training center for medical technicians. Graduates would work in Guam or member areas, but would have the same high standards established at the Guam center.

There has also been the question of the ability of Guam to use PIDB funding if the source of such funds is a foreign entity. PIDB attorneys say this is not a problem. The U.S. Department of Interior is well aware of our existence. They were advised about us from inception and we have sent them material from time to time to update them with our progress. I had the opportunity to meet Ms. Stella Guerra at the November, 1991 Pacific Basin Development Council meetings in Saipan, attended by Governors Ada, Guerrero, Coleman and Waihee. Although the DOI has not formally endorsed PIDB, they also have not indicated any problem. This may be

FEB 26 '93

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Bill No. 150(LS)
Introduced by:

E. P. Arriola *EPA*

AN ACT TO PROVIDE FOR THE PARTICIPATION OF THE TERRITORY OF GUAM IN THE PACIFIC ISLANDS DEVELOPMENT BANK AND TO AUTHORIZE AN APPROPRIATION THEREFOR.

1 WHEREAS, the government of Guam has considered the
2 establishment of the Pacific Islands Development Bank; and

3 WHEREAS, it regards such development as in the interest of the
4 government of Guam and of the region; and

5 WHEREAS, it wishes to participate by purchasing shares in the capital
6 of the Bank and by participating in the management of the Bank; now therefor

7 **BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

8 **Section 1. Short Title.**

9 This Act may be cited as the "Pacific Islands Development Bank Act".

10 **Section 2. Acceptance of Membership.**

11 The Governor of Guam is hereby authorized to accept membership for
12 the Territory in the Pacific Islands Development Bank (hereinafter referred to as the
13 "Bank"), provided for by the Agreement establishing the Bank (hereinafter referred
14 to as the "Agreement").

15 **Section 3.** The Governor of Guam is authorized to empower by instrument
16 under his hand such person as may be named in the instrument:

17 (a) to sign the Agreement on behalf of the government of
18 Guam;

19 (b) to deposit the instrument setting forth that the
20 government of Guam has accepted or satisfied the Agreement in accordance with its
21 laws and has taken the steps necessary to enable it to fulfill all of its obligations
22 under this Agreement; and

1 (c) to sign such document as may be necessary or desirable to
2 permit the full participation by the Territory of Guam in the membership of the
3 Bank.

4 **Section 4.** The Governor of Guam is charged with the implementation of
5 this law and may make regulations as to any matter relating to the implementation
6 of the provisions of the Agreement and to the fulfillment of the obligations of the
7 government of Guam thereunder, and in particular, to the status, immunities and
8 privileges of the Bank, of its governors and directors and their alternates and of its
9 official employees.

10 **Section 5. Payment of Subscription.**

11 (a) There is hereby authorized to be appropriated, without
12 fiscal year limitations, for the purchase of one thousand (1000) shares of capital stock
13 in the Bank, One Million Dollars (\$1,000,000.00);

14 (b) The Governor of Guam, on behalf of the government of
15 Guam, out of monies provided shall:

16 (1) make payments of an initial subscription to the
17 additional capital stock of the Bank of a sum equivalent to \$100,000.00 USD in
18 accordance with the terms of the Agreement; and

19 (2) make any additional payments which may become
20 payable under the Agreement to purchase the shares under Subsection (a).

21 **Section 6. Appointment of Governors.**

22 The Governor of Guam on behalf of the government of Guam shall
23 appoint two (2) persons qualified to be its representatives on the Board of
24 Governors. One such person shall be the Speaker or his designee, representative of
25 the Legislative Branch, the other shall be received at his discretion and shall
26 represent the Executive Branch.

27 **Section 7. Immunity from Taxation.**

28 The Bank its property, other assets, income, and the operations and
29 transactions it carries out pursuant to this Act shall be immune from all taxation by
30 the government of Guam.

31 **Section 8. Powers to the Bank.**

32 The bank in accordance with its Articles of Agreement, is empowered
33 to provide assistance in the following manner:

34 (a) by the preparation, financing, and execution of
35 development plans and projects, including the consideration of priorities, and the

1 formulation of loan proposals on specific national or regional development
2 projects;

3 (b) by the development and advanced training, through
4 seminars and other forms of instruction of personnel specializing in the
5 formulation and implementation of development plans and projects;

6 (c) by making or participating in direct loans;

7 (d) by investment of funds;

8 (e) by guaranteeing, whether as primary or secondary
9 obligator, in whole or in part, loans for economic development;

10 (f) by acquiring and selling such securities, mortgages, bonds
11 and other instrument as may be appropriate to the conduct of its business in the
12 carrying out of its purpose;

13 (g) to act as, or appoint, attorneys or custodians to administer
14 and supervise funds;

15 (h) to purchase, lease or dispose of assets, business and
16 property within the limitations of its authority; and

17 (i) to deposit funds in financial institutions in Micronesia,
18 the United States and elsewhere as may be appropriate.

19 **Section 9. Audit.**

20 The Bank will submit a copy of its annual audit report of the Executive
21 and Legislative Branch of the government of Guam. In other respects, it will not be
22 subject to audit by any entry of the government of Guam.

23 **Section 10. Legal Opinion.**

24 The Attorney General of Guam is authorized to render such legal
25 opinions as may be required by the Bank or the government to permit the
26 government of Guam to participate fully in the Bank.