

#113 REFERRED TO
LEGISLATIVE SECRETARY
RECEIVED BY: [Signature]
Date & Time: 4/25/95 10:30
PRINT NAME: Auey



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

OFFICE OF THE SPEAKER
Date: 4/24/95
Time: 12:25
Received By: [Signature]
Print Name: Sam Hill

APR 22 1995

The Honorable Don Parkinson
Speaker
Twenty-Third Guam Legislature
424 West O'Brien Drive
Julale Center - Suite 222
Agana, Guam 96910

Dear Speaker Parkinson:

Enclosed please find a copy of Substitute Bill No. 214 (LS), "AN ACT TO ADD A NEW §1508 TO TITLE 5, GUAM CODE ANNOTATED, AUTHORIZING THE GOVERNOR TO INDEMNIFY THE UNITED STATES GOVERNMENT FOR LIABILITY FOR WRONGFUL DEATH AND PERSONAL INJURY RELATIVE TO USAGE BY THE GOVERNMENT OF GUAM OF PROPERTY AT THE FORMER NAVAL AIR STATION (NAS), NOW KNOWN AS TIYAN, WHICH IS OPEN TO THE PUBLIC; AND TO REPEAL 5 GCA §43101, RELATIVE TO EX-SENATORS' APPOINTMENTS TO BOARDS", which I have **signed** into law today as **Public Law 23-10**.

I am very pleased to sign this bill into law, as it enables the people of Guam to once again enter the land known as Tiyan, which has been restricted to them for half a century. We can now begin to build our future on land that was occupied by our parents and grandparents.

Very truly yours,

[Signature]
Carl T. C. Gutierrez

Attachment

230370

TWENTY-THIRD GUAM LEGISLATURE
1995 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 214 (LS), "AN ACT TO ADD A NEW §1508 TO TITLE 5, GUAM CODE ANNOTATED, AUTHORIZING THE GOVERNOR TO INDEMNIFY THE UNITED STATES GOVERNMENT FOR LIABILITY FOR WRONGFUL DEATH AND PERSONAL INJURY RELATIVE TO USAGE BY THE GOVERNMENT OF GUAM OF PROPERTY AT THE FORMER NAVAL AIR STATION (NAS), NOW KNOWN AS TIYAN, WHICH IS OPEN TO THE PUBLIC; AND TO REPEAL 5 GCA §43101, RELATIVE TO EX-SENATORS' APPOINTMENTS TO BOARDS," was on the 21st day of April, 1995, duly and regularly passed.



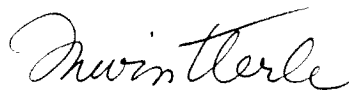
DON PARKINSON
Speaker

Attested:




JUDITH WON PAT-BORJA
Senator and Legislative Secretary

This Act was received by the Governor this 21st day of April,
1995, at 3:35 o'clock P.M.



Assistant Staff Officer
Governor's Office

APPROVED:



CARL T. C. GUTIERREZ
Governor of Guam

Date: 4-22-95

Public Law No. 23-10

TWENTY-THIRD GUAM LEGISLATURE
1995 (FIRST) Regular Session

Bill No. 214 (LS)
As substituted

Introduced by:

D. Parkinson
T. C. Ada
J. P. Aguon
E. Barrett-Anderson
A. C. Blaz
J. S. Brown
F. P. Camacho
M. C. Charfauros
M. Forbes
A. C. Lamorena
C. Leon Guerrero
L. Leon Guerrero
T. S. Nelson
S. L. Orsini
V. C. Pangelinan
J. T. San Agustin
A. L. G. Santos
F. E. Santos
A. R. Unpingco
J. Won Pat-Borja

At the request of the Governor
in accordance with the
Organic Act of Guam.

AN ACT TO ADD A NEW §1508 TO TITLE 5, GUAM
CODE ANNOTATED, AUTHORIZING THE
GOVERNOR TO INDEMNIFY THE UNITED STATES
GOVERNMENT FOR LIABILITY FOR WRONGFUL
DEATH AND PERSONAL INJURY RELATIVE TO
USAGE BY THE GOVERNMENT OF GUAM OF
PROPERTY AT THE FORMER NAVAL AIR STATION

(NAS), NOW KNOWN AS TIYAN, WHICH IS OPEN TO THE PUBLIC; AND TO REPEAL 5 GCA §43101, RELATIVE TO EX-SENATORS' APPOINTMENTS TO BOARDS.

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

2 **Section 1. Legislative intent.** The government of Guam has been
3 informed by the U.S. Attorney and the attorneys for the U.S. Navy's Pacific
4 Division and its Commanding Officer, Rear Admiral David Nash, that the
5 government of Guam must indemnify the U.S. government and its agencies
6 to the extent of the Federal Tort Claims Act before licenses will be issued to
7 the government of Guam to operate government agencies at Tiyan which are
8 open to the public. The U.S. Attorney noted that because the title and
9 ownership of the air base will still be in the name of the U.S. government,
10 until title is conveyed, the U.S. government retains a contingent liability.
11 During discussions, the U.S. Attorney and Navy officials noted that, under
12 federal law known as CERCLA 120 (h), the U.S. government cannot be
13 indemnified for liability for any existing environmental problems or hazards.

14 **Section 2.** A new §1508 is added to Title 5, Guam Code Annotated, to
15 read:

16 "§1508. Whenever the government of Guam, upon signature of
17 the Governor, indemnifies the United States government
18 pursuant to execution of a license, lease, or other agreement to
19 occupy and use land and facilities at the former Naval Air Station
20 (NAS), now known as Tiyan, the government of Guam shall
21 indemnify and hold harmless the government of the United States
22 and agencies thereof for any loss to the government of the United
23 States resulting from any liability in tort for wrongful death or

1 personal injury claims up to an amount equal to the extent that
2 the Federal Tort Claims Act declares liability for the government
3 of the United States and its agencies for the land and facilities so
4 licensed, leased, or subject to agreement, and for the time period
5 applicable to the license, lease, or agreement. This liability for
6 indemnification and to hold harmless shall not extend to any
7 existing environmental problems or hazards covered by CERCLA
8 120 (h). The Governor is authorized to enter into such an
9 indemnification agreement pursuant to this section. Except for
10 indemnification claims against the government of Guam by the
11 government of the United States and its agencies, the government
12 of Guam shall not be liable for any tort claim arising out of its use
13 and occupation of land and facilities at the former Naval Air
14 Station (NAS), now known as Tiyan, in excess of the liability
15 limits set forth in the Government Claims Act, Chapter 6 of Title
16 5, Guam Code Annotated."

17 **Section 3.** §43101 of Title 5, Guam Code Annotated, is hereby
18 repealed.

TWENTY-THIRD GUAM LEGISLATURE

1995 (FIRST) Regular Session

Date: 4/21/95

VOTING SHEET

Bill No. 214
 Resolution No. _____
 Question: _____

NAME	AYE	NO	NOT VOTING/ ABSTAINED	ABSENT/ OUT DURING ROLL CALL
ADA, Thomas C.	✓		:	
AGUON, John P.	✓			
BARRETT-ANDERSON, Elizabeth	✓			
BLAZ, Anthony C.	✓			
BROWN, Joanne S.	✓			
CAMACHO, Felix P.	✓			
CHARFAUROS, Mark C	✓			
CRISTOBAL, Hope A.		✓		
FORBES, MARK	✓			
LAMORENA, Alberto C., V	✓			
LEON GUERRERO, Carlotta	✓			
LEON GUERRERO, Lou	✓			
NELSON, Ted S.	✓			
ORSINI, Sonny L.	✓			
PANGELINAN, Vicente C				✓
PARKINSON, Don	✓			
SAN AGUSTIN, Joe T.	✓			
SANTOS, Angel L. G.				✓
SANTOS, Francis E.	✓			
UNPINGCO, Antonio R.	✓			
WONPAT-BORJA, Judith		✓		

TOTAL 17 2 2

note: Sen. WP-B was allowed to explain her vote. She was against Sec. 3 not



Committee on Economic Agricultural
Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE
424 W. O'Brien Dr., Julale Shopping Center, Suite #218
Agaña, Guam 96910
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)
CHAIRMAN

April 19, 1995

The Honorable Don Parkinson,
Speaker
Twenty third Guam Legislature
Suite 222, Julale Shopping Center
424 w. O'Brien Drive
Agana, Guam 96910

Dear Mr. Speaker,

The Committee on Economic-Agricultural Development and Insurance to which was referred Bill 214 As Substituted: "AN ACT TO ADD A NEW SUBSECTION (E) TO SECTION 6301 OF TITLE 5, GUAM CODE ANNOTATED, INDEMNIFYING THE UNITED STATES GOVERNMENT FOR LIABILITY FOR WRONGFUL DEATH AND PERSONAL INJURY RELATIVE TO USAGE BY THE GOVERNMENT OF GUAM OF PROPERTY AT THE FORMER NAVAL AIR STATION (NAS), NOW KNOWN AS TIYAN, WHICH IS OPEN TO THE PUBLIC", has had the same under consideration and now wishes to report back the same with the recommendation to Pass.

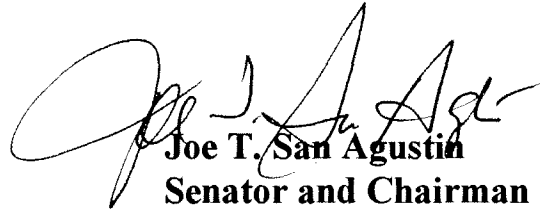
The Committee votes are as follows:

TO DO PASS: _____ 67
NOT TO PASS: _____
ABSTAIN: _____
INACTIVE FILE: _____

~~ABSTAIN~~ (off file) - 3
Atca cu

A copy of the Committee's report and other pertinent documents are enclosed for your reference and information.

Sincerely yours,



Joe T. San Agustin
Senator and Chairman

Enclosures

**Committee on Economic- Agricultural
Development and Insurance**
Twenty-Third Guam Legislature
Senator Joe T. San Agustin, Chairman

Vote Sheet

ON BILL 214 AS SUBSTITUTED
AN ACT TO ADD A NEW SUBSECTION (e) TO SECTION 6301 OF TITLE
5, GUAM CODE ANNOTATED, INDEMNIFYING THE UNITED STATES GOVERNMENT
FOR LIABILITY FOR WRONGFUL DEATH AND PERSONAL INJURY RELATIVE
TO USAGE BY THE GOVERNMENT OF GUAM OF PROPERTY AT THE FORMER NAVAL
AIR STATION (NAS). NOW KNOWN AS TIYAN, WHICH IS OPENTO THE PUBLIC.

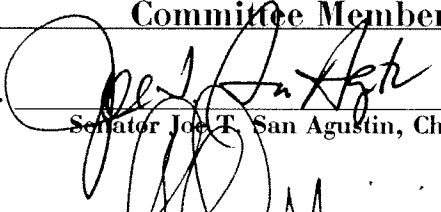
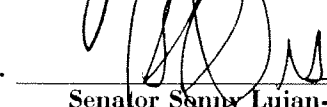
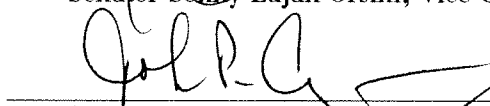
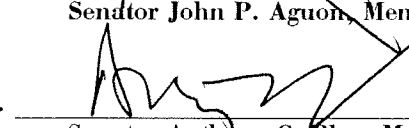
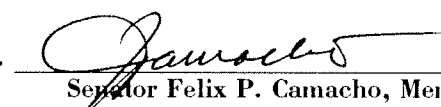
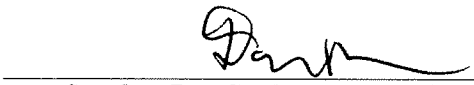
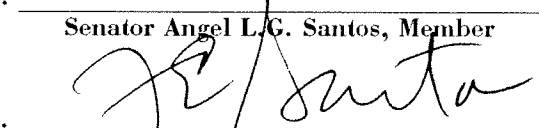
Committee Members:		TO DO CONFIRM: <i>Pass</i>	NOT TO CONFIRM: <i>Pass</i>	ABSTAIN:
1.	 Senator Joe T. San Agustin, Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	 Senator Sunny Lujan-Orsini, Vice-Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	 Senator John P. Aguon, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	 Senator Anthony C. Blaz, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	 Senator Felix P. Canacho, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	_____ Senator Mark Forbes, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	_____ Senator Carlotta Leon Guerrero, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	_____ Senator Vicente C. Pangelinan, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	 Speaker Don Parkinson, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	_____ Senator Angel L.G. Santos, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	 Senator Francis E. Santos, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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COMMITTEE REPORT

Public Hearing for Bill 214 AS SUBSTITUTED:
AN ACT TO ADD A NEW SUBSECTION (e) TO SECTION 6301 OF
TITLE 5, GUAM CODE ANNOTATED, INDEMNIFYING THE UNITED
STATES GOVERNMENT FOR LIABILITY FOR WRONGFUL DEATH
AND PERSONAL INJURY RELATIVE TO USAGE BY THE
GOVERNMENT OF GUAM OF PROPERTY AT THE FORMER NAVAL
AIR STATION (NAS), NOW KNOWN AS TIYAN, WHICH IS OPEN TO
THE PUBLIC.

Committee Members Present:

Senator San Agustin, Chairman
Senator Orsini, Vice-Chairman
Senator Aguon, Member
Senator Forbes, Member
Senator C. Leon Guerrero
Speaker Parkinson, Member
Senator F. Santos, Member

Additional Senators in Attendance:

Senator Cristobal
Senator Ada
Vice Speaker Nelson
Senator L. Leon Guerrero

I. OVERVIEW

Bill 214 as SUBSTITUTED, sponsored by Don Parkinsons, was submitted by the Committee on Rules to the Committee on Economic/Agricultural Development and Insurance for a public hearing to be scheduled.

The Committee on Economic-Agricultural Development and Insurance conducted a Public Oversight Hearing at 7:00p.m., on Tuesday, April 18, 1995, at the Public Hearing Room of the Guam Legislature Building.

II. SUMMARY OF TESTIMONY

Testifying: Mr. Joaquin P. Perez, Chief of Staff for Lt. Governor Bordallo

Mr. Joaquin P. Perez submitted written/oral testimony regarding Bill 214 and the substitution submitted by the request of the Governor changing the authorization to purchase insurance to an authorization to grant indemnity to the U.S. Government. Mr. Perez offered a brief history on the events that lead to the development of Bill 214. Mr. Perez stated that the standard Navy licensing agreement was submitted for review to the Guam Attorney General's Office. The A.G.'s Office expressed concern with two provisions:

1. A provision which required Gov. Guam to purchase insurance to protect the U.S. Government against public liability actions; and
2. Language by which Gov. Guam would fully indemnify the U.S. Government for injuries, deaths, and property damage occurring on facilities licensed to Gov. Guam - which would be the entire base.

Mr. Perez related that the A.G.'s Office insisted on an amendment to the indemnification language to the effect that the indemnification of the U.S. Government by Gov. Guam would be limited to the extent of the Guam Claims Act, capped at \$300,000.

In a March 30th meeting, Mr. Perez related, U.S. Attorney Lynch recommended to Admiral Nash that unless Gov. Guam provided either adequate proof of coverage which specifically covered the U.S. Government or totally indemnified the U.S. Government, he would have to advise against the approval of any license or lease agreement.

The Guam Attorney General pointed out that legislation would be required to authorize the purchase of the insurance. The A.G. also advised that it would

take legislation to authorize the Governor to grant indemnification beyond the Guam Claims Act. The U.S. Attorney's Office and the Attorney General's Office were then instructed by Admiral Nash and Governor Gutierrez to prepare the proposed legislation.

In his testimony, Mr. Perez related that the Governor submitted the substitution for Bill 214 because of the following reasons:

1. The financial burden of purchasing insurance. ;
2. The low risk factor; and
3. With the insurance, would Gov. Guam be more inviting to lawsuits.

Mr. Perez concluded his testimony by stating that the administration's position is that the original proposed legislation be substituted by the proposed legislation submitted on April 18.

III. SENATORS' COMMENTS

Senator San Agustin expresses his disappointment that members of the Attorney General's Office are not present. Senator San Agustin directs a question to Mr. Perez regarding the fact Gov. Guam is already occupying U.S. Government owned land - specifically Harmon Cliffline area - pointing out the fact the Gov. Guam has already indemnified the U.S. prior to this proposed legislation. Mr. Perez responds that they had sent the standard agreements used by the U.S. and the Attorney General made the suggestion that we indemnify only to the limit of the Guam Claims Act (\$300,000), which was not acceptable by the U.S. Government. Mr. Perez further stated that the previous licenses were brought to the attention of the Attorney General's Office and they claimed that they had never reviewed those licenses.

Senator San Agustin states that he understands that the decision to indemnify is a decision based on economics. Sen San Agustin inquired as to an Economic Use Plan. Noting that there has been mention of all the agencies desiring to move to NAS, Senator San Agustin requests an economic re-use plan that goes beyond how much rent we could potentially save by moving Gov. Guam agencies onto the premises.

Speaker Parkinson explained the language in the substitute. Noting that the change is on line 15 of Section 2 of the bill and that the words "indemnification and hold harmless" were added. Speaker Parkinson inquired, to U.S. Attorney Ed Lynch, whether the wording was satisfactory to the U.S. Government. Attorney Lynch replied that upon meeting with his superiors, the change was indeed satisfactory.

Senator L. Leon Guerrero inquired whether the issue of indemnification was mentioned during the negotiations for NAS. Mr. Perez responds that the

indemnification issue was not mentioned until after the Attorney General reviewed the licensing agreement. Mr. Perez further responds that all the pervious licenses are deemed valid by the U.S.

Senator John Aguon questions whether the inspections were thorough enough for us to accept the indemnification. Mr. Darryl Taggerty, representing the Tiyan Re use Authority, responds that inspections were made by OSHA and the fire department which is required by law.

Senator Ada questions whether the insurance option has been exhausted and suggests that the issue of insurance should be thoroughly explored before opting for indemnification.

Senator Carlotta Leon Guerrero asks Mr. Perez to elaborate on the position of the Attorney General's Office. Mr. Perez states that the Attorney General is of the position that total indemnification should not be stated without a reference to the Guam Claims Act.

Senator Won Pat-Borja questions as to the urgency of this indemnification. Mr. Perez responded that the indemnification issue was brought to his attention on March 28, and the urgency lies in that agencies are ready to move out of their buildings into NAS.

Senator Cristobal inquires whether it would be difficult to identify all the hazardous areas on NAS. Mr. Perez relates that 27 areas have already been identified.

Senator Nelson asks Attorney Lynch what the U.S. Government's main concern is. Attorney Lynch responds that the U.S. Government's main concern is being exposed to high risk because the general public will be utilizing NAS.

Senator Nelson also mentions the issue of harzardardous sites on NAS. Mr. Perez responds that there are only two areas of major concern:

1. The Burn pit; and
2. The landfill.

But he adds that those sites have been fenced off by the Navy and that they will not be licensed to Guam until they are cleaned.

Senator Orsini commends the fact that we are one step closer to utilizing NAS. And calls attention to the fact that Guam's Taxpayers will be saving millions in Gov. Guam rental fees.

IV. COMMITTEE FINDINGS

The Committee finds that the risk accompanied by the total indemnification of the U.S. is low based on the history of judgments against the Government of Guam. And that the substitution of indemnifying in the place of purchasing insurance is a sound economic decision, at this time.

V. COMMITTEE RECOMMENDATIONS

The Committee on Economic-Agricultural Development and Insurance hereby recommends that Bill 214 be passed ^{AS} with the submitted ~~substitution~~.

TWENTY-THIRD GUAM LEGISLATURE
1995 (FIRST) Regular Session

Bill No. 214
Substitute

Introduced by:

D. Parkinson

by request of the Governor
in accordance with the
Organic Act of Guam

AN ACT TO ADD A NEW SUBSECTION (e) TO §6301 OF TITLE 5,
GUAM CODE ANNOTATED, INDEMNIFYING THE UNITED STATES
GOVERNMENT FOR LIABILITY FOR WRONGFUL DEATH AND
PERSONAL INJURY RELATIVE TO USAGE BY THE GOVERNMENT
OF GUAM OF PROPERTY AT THE FORMER NAVAL AIR STATION
(NAS), NOW KNOWN AS TIYAN, WHICH IS OPEN TO THE PUBLIC.

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

2 Section 1. Legislative intent. The government of Guam has
3 been informed by the U. S. Attorney and the attorneys for the U. S. Navy's
4 Pacific Division and its Commanding Officer, Rear Admiral David Nash, that
5 the government of Guam must indemnify the U. S. government to the
6 extent of the Federal Tort Claims Act before licenses will be issued to the
7 government of Guam to operate government agencies at Tiyan which are
8 open to the public. The U. S. Attorney noted that because the title and
9 ownership of the air base will still be in the name of the U. S. government,
10 until title is conveyed, the U. S. government retains a contingent liability.
11 During discussions, the U. S. Attorney and Navy officials noted that, under
12 federal law known as CERCLA 120 (h), the U. S. government cannot be
13 indemnified for liability for any existing environmental problems or
14 hazards.

1 **Section 2.** A new subsection (e) is added to §6301 of Title 5,
2 Guam Code Annotated, to read:

3 "(e) Whenever the government of Guam, upon signature of
4 the Governor, indemnifies the United States government pursuant
5 to execution of a license, lease, or other agreement to occupy and
6 use land and facilities at the former Naval Air Station (NAS), now
7 known as Tiyan, the government of Guam shall indemnify and
8 hold harmless the government of the United States for any loss to
9 the government of the United States resulting from any liability
10 in tort for wrongful death or personal injury claims up to an
11 amount equal to the extent that the Federal Tort Claims Act
12 declares liability for the federal government, for the land and
13 facilities so licensed, leased, or subject to agreement, and for the
14 time period applicable to the license, lease, or agreement. This
15 liability for indemnification and hold harmless shall not extend to
16 any existing environmental problems or hazards covered by
17 CERCLA 120 (h)."



CARL T. C. GUTIERREZ
GOVERNOR OF GUAM

APR 18 1995

The Honorable Don Parkinson
Speaker
Twenty-Third Guam Legislature
424 West O'Brien Drive
Julale Center - Suite 222
Agana, Guam 96910

Dear Speaker Parkinson:


Attached please find a substitute Bill No. 214 now entitled: AN ACT TO ADD A NEW SUBSECTION (e) TO §6301 OF TITLE 5, GUAM CODE ANNOTATED, INDEMNIFYING THE UNITED STATES GOVERNMENT FOR LIABILITY FOR WRONGFUL DEATH AND PERSONAL INJURY RELATIVE TO USAGE BY THE GOVERNMENT OF GUAM OF PROPERTY AT THE FORMER NAVAL AIR STATION (NAS), NOW KNOWN AS TIYAN, WHICH IS OPEN TO THE PUBLIC.

The language of the substitute bill has been changed from the initial language. The bill as introduced provided for authorization to obtain insurance to cover the possible liability of the United States government for public use of the Tiyan facilities. The substitute bill attached deletes the authorization to purchase insurance, and inserts instead a provision indemnifying the United States government for wrongful death and personal injury for usage by members of the public of the Tiyan facilities.

It is felt that the indemnification provision is much more preferable than the provision authorizing the purchase of insurance.

The people of Guam are ready and able to utilize Tiyan during this interim period before title to the property is turned over to Guam. Passage of this legislation is all that remains necessary prior to public usage of the facilities.

Very truly yours,


Carl T. C. Gutierrez

Attachment

Testimony on

Bill No. 214

before the

Committee on Economic Development & Insurance
23rd Guam Legislature

The Honorable Joe T. San Agustin
Chairman

April 18, 1995

Mr. Chairman, . . . Honorable Members of the Committee:

My name is Joaquin P. Perez. I am the Chief of Staff to Lt. Governor Madeleine Z. Bordallo and I am here to testify on Bill No. 214 , an act which would authorize the Governor to purchase public liability insurance coverage for facilities leased or licensed to the government of Guam by the United States Governor. Before I address the substance of the bill itself, please allow me to provide you with a brief overview of how this matter and the need for legislative action developed.

In the process of transferring control of NAS facilities to the government of Guam, the language of the standard Navy licensing agreement was submitted to the Guam Attorney

General's Office for review. As a result of this review, the AG's Office was concerned with two provisions:

1. language which required GovGuam to purchase insurance to protect the U.S. government against public liability actions; and
2. language by which GovGuam would fully indemnify the U.S. government for injuries, deaths and property damage occurring on facilities licensed to GovGuam which would be the entire base.

Relative to the first item, the Navy was informed that GovGuam was self-insured under the Organic Act of Guam. Though it was difficult convincing Navy of that fact, Pacific Division, under the advisement of the U.S. Attorney, finally agreed to recognize the sovereign immunity provisions of Guam's Organic Act.

Relative to the second point, the Guam Attorney General's Office insisted on an amendment to the indemnification language to the effect that the indemnification of the U.S. government by GovGuam would be limited to the extent and cap of the Guam Claims Act. In the opinion of the Attorney General's Office, this would, in effect, limit the government of Guam's liability to \$300,000.

Additionally, the AG is of the opinion that the existing Guam Claims Act authorizes the Governor to indemnify only to the extent specified in the Act. (up to \$300,000)

In discussions between U.S. Attorney Ed Lynch and the Pacific Division officials and legal counsel from Honolulu, Navy was insistent on the following points:

1. The facilities at NAS would remain under the ownership of the U.S. government until such time as the environmental clean up was completed and title was conveyed to GovGuam. Because of this, the U.S. government would be exposed to contingent liabilities for occurrences on NAS which would not be under Navy control.
2. If Navy maintained operational control over NAS, public access would be very restrictive and entry would be permitted only in the furtherance of Navy or U.S. government business; however, when GovGuam gains control, Navy would be unacceptably exposed because entry to the facility would not be as restrictive to the general public.
3. The facilities at NAS were built to house healthy young men between the ages of 18 and 40 who were not in any position to sue the U.S. The facilities were not built for the conduct of general public business.

In light of this, in a March 30th meeting attended by Read Admiral David Nash, Commanding Officer of Navy's Pacific Division, Rear Admiral David Brewer ComNavMar, Governor Gutierrez, Lt. Governor Bordallo, U.S. Attorney Ed Lynch and members of the AG's Office, the U.S. Attorney noted that unless GovGuam provided either proof of adequate coverage which specifically covered the U.S. government or total indemnification of the U.S. government by the government of Guam, he would advise Admiral Nash against approval of any license or lease agreement authorizing use of NAS facilities by GovGuam for conducting public business. Admiral Nash, noting that until title to the property was conveyed, Navy would retain ownership of the property and thus would be exposed to contingent liability, agreed with the U.S. Attorney.

The Guam AG's Office, represented by Atty. Don Paillette and Atty Pat Mason, noted that it would require legislation to authorize the purchase of insurance which would provide coverage for the U.S. government. The AGs also advised that it would require legislation to authorize the Governor to grant indemnification beyond the limits of the Guam Claims Act. The AGs Office is of the opinion that the purchase of insurance would be more acceptable than granting indemnification beyond the caps of the Guam Claims Act.

The U.S. Attorney's Office and the Attorney General's Office were instructed by Admiral Nash and Governor Gutierrez, respectively, to prepare proposed legislation which would enable ^{THE PURCHASE OR THE GRANTING OF INDEMNIFICATION} ~~THE PURCHASE~~ The legislation before this Committee is that prepared by the Guam Attorney General's Office and agreed to by the U.S. Attorney. The legislation would add a new subsection to the Guam Claims Act which would permit the Governor to purchase insurance coverage to protect an agency of the U.S. government which has a licensing agreement with the government of Guam for facilities of the U.S. government. Further, the legislation requires that the insurance purchased contain provisions which would limit the liability of the government of Guam to the limits specified in the Guam Claims Act.

In reviewing the proposal by the Attorney General's Office, Governor Gutierrez noted the following:

1. The purchase of insurance, particularly of the nature and coverage required, would be a financial burden at a time when GovGuam can least afford it.
2. The use of NAS facilities is essentially no different than the conduct of government of Guam business in any

other area and so the exposure to the government of Guam would be no different.

3. The concern of the U.S. Attorney is to insure that the U.S. government is protected against suits for injuries, death or property damage resulting from accidents occurring while GovGuam is operating and maintain the NAS facilities before the conveyance of title to the property to GovGuam.
4. In considering this, Governor Gutierrez is of the opinion that indemnification of the Navy would not subject GovGuam to risks any greater than the risks assumed in its operation of any other facility owned by GovGuam itself.

In conclusion, it is the administration's position that the original proposed legislation transmitted to the Speaker for introduction should be substituted with the language transmitted to the Speaker today and a copy of which is attached to this testimony.

Mr. Chairman, the administration is prepared to move agencies into NAS. We now have a make ready license for several buildings and we can permit agencies to enter the area to prepare the facilities for moving. However, we will not be

able to permit these agencies to conduct public business until such time as this issue of liability is resolved. In this stead, the Administration is requesting that action on this matter be handled as expeditiously as possible.

TWENTY THIRD GUAM LEGISLATURE
FIRST (1995) REGULAR SESSION

95 APR 11 AM 10:40

Bill No. 214

Introduced by:

At the request of the Governor
in accordance with the
Organic Act of Guam

AN ACT TO ADD A NEW SECTION (E) 5 GCA
§6303, RELATIVE TO AUTHORIZING THE
GOVERNMENT OF GUAM TO PURCHASE
LIABILITY INSURANCE FOR INDEMNIFYING
AGENCIES OF THE UNITED STATES
GOVERNMENT.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:
2

3 Section 1. Legislative Intent: The government of Guam has been informed
4 by the U.S. Attorney and the attorneys for the U.S. Navy's Pacific Division and its
5 Commanding Officer, Rear Admiral David Nash, that the government of Guam will
6 be required to: 1) provide full indemnification of the U.S. government to the extent
7 of the Federal Claims Act; or 2) secure public liability insurance coverage
8 protecting the U.S. government for third party contingent liabilities before any
9 facilities on NAS can be leased out for public use. The U.S. Attorney noted that
10 because the title and ownership of the air base will still be in the name of the U.S.
11 government, until title conveyance, the U.S. government retains a contingent
12 liability. Because the operations that will be conducted at these facilities will be
13 licensed by the government of Guam, the U.S. government will require some form
14 of public liability protection. In response to questions whether Navy was looking for
15 indemnification or insurance coverage for potential or hidden environmental

21 -

1 problems, the U.S. Attorney and Navy officials noted that, under CERCLA 120(h),
2 the U.S. government cannot be indemnified for liability for any existing
3 environmental problems or hazards.

4 It is the consensus of the Governor and the Attorney General's Office that
5 the most effective and efficient method of providing for public liability insurance for
6 the immediate use of NAS facilities without creating undue risks for the government
7 of Guam is for the government to purchase public liability insurance to provide
8 reasonable coverage for the U.S. government, in accordance with the type of public
9 use of the facilities,

10 Section 2. A new subsection (e) is added to 5 GCA §6303 to read:

11 **"(e) If, pursuant to a lease, license or agreement for the joint**
12 **use of property of the United States, the government of Guam is**
13 **required to indemnify an agency of the United States**
14 **government against personal injury claims, the government may**
15 **purchase necessary insurance in excess of the liability limits of**
16 **the Government Claims Act; provided, however, that under any**
17 **such indemnification, the government of Guam shall not be**
18 **liable for any tort claim in an amount exceeding the limits of the**
19 **insurance coverage or the liability limits set forth in 5 GCA**
20 **§6301."**

Points pertinent to meeting with Brewer and Nash

1. U.S. Attorney Ed Lynch noted that he would not recommend approval of lease/license of NAS facilities to GovGuam unless GovGuam is willing to indemnify U.S. government to the extent of Federal Claims Act which is unlimited.
2. Acting AG Don Paillette and Asst. AG Pat Mason recommended against unlimited indemnification as risk to GovGuam would be unlimited and financially unacceptable.
3. Admiral Nash noted that he would not be able to approve lease/license to GovGuam unless there is some form of resolution to the indemnification issue.
4. Lynch and Paillette suggest that GovGuam purchase insurance specifically to indemnify U.S. government but which would limit liability of GovGuam to the extent of the existing Guam Claims Act (\$300K)
5. Paillette agreed to prepare draft legislation adding new section to GG Claims Act which AG thinks would be sufficient to cover U.S. Attorney's concern.
6. Navy agrees that if legislation is adequate, work can begin to determine what the insurance coverage should be.
7. Nash and Brewer agree that during the period when coverage is being procured, make-ready licenses can be issued to GovGuam in order for work to begin on getting facilities ready for agencies to move in.



Committee on Economic Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE
424 W. O'Brien Dr., Julale Shopping Center, Suite #218
Agaña, Guam 96910
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)
CHAIRMAN

PUBLIC HEARING
7 P.M
TUESDAY, APRIL 18, 1995
GUAM LEGISLATURE PUBLIC HEARING ROOM

A G E N D A

- I. Call to Order
- II. Introductions of Committee Members
- III. Testimony of Interested Individuals Relative to
Bill No. 214.
- IV. Bill No. 214 AN ACT TO ADD A NEW SECTION (E) 5 GCA
SUBSECTION 6303, RELATIVE TO AUTHORIZING THE
GOVERNMENT OF GUAM TO PURCHASE LIABILITY
INSURANCE FOR INDEMNIFYING AGENCIES OF THE
UNITED STATES GOVERNMENT. (Introduced by D.
PARKINSON at the request of the Governor in
accordance with the Organic Act of Guam)
- V. Adjournment

NOTICE OF PUBLIC HEARING



Twenty-Third Guam Legislature
Senator Joe T. San Agustin
Chairman

*Committee on Economic - Agricultural
Development and Insurance*

TUESDAY, APRIL 18, 1995
7 P.M.

GUAM LEGISLATURE PUBLIC HEARING ROOM
155 HESLER STREET
AGANA, GUAM

AGENDA

- Bill No. 214** AN ACT TO ADD A NEW SECTION (E) 5 GCA SUBSECTION 6303, RELATIVE TO AUTHORIZING THE GOVERNMENT OF GUAM TO PURCHASE LIABILITY INSURANCE FOR INDEMNIFYING AGENCIES OF THE UNITED STATES GOVERNMENT. (Introduced by D. PARKINSON at the request of the Governor in accordance with the Organic Act of Guam)
- Bill No. 200** AN ACT TO ADD NEW SUBSECTION 47143 THROUGH 47152 TO THE GOVERNMENT CODE RELATIVE TO ESTABLISHING CUSTOMS USER FEE CHARGES FOR CUSTOMS SERVICES AND AGRICULTURAL INSPECTION SERVICES RENDERED AND ESTABLISHING A CUSTOMS, AGRICULTURE, AND QUALITY USER FEE FUND. (Introduced by Chairman, Committee on Rules, by request of the Governor in accordance with the Organic Act of Guam)

The public is invited to express their views

**Committee on Economic- Agricultural
Development and Insurance**

Twenty-Third Guam Legislature

Senator Joe T. San Agustin, Chairman

Attendance Sheet

April 18, 1995

(Date)

Subject: Bill No. 214

Committee Members: Present: Absent Off-island:

- 1. Senator Joe T. San Agustin, Chairman / ✓ / /
- 2. Senator Sonny Lujan Orsini, Vice-Chairman / / / /
- 3. Senator John P. Aguon, Member / ✓ / /
- 4. Senator Anthony C. Blaz, Member / / / /
- 5. Senator Felix P. Camacho, Member / / / /
- 6. Senator Mark Forbes, Member / ✓ / /
- 7. Senator Carlotta Leon Guerrero, Member / ✓ / /
- 8. Senator Vicente C. Pangelinan, Member / / / /
- 9. Speaker Don Parkinson, Member / ✓ / /
- 10. Senator Angel L.G. Santos, Member / / / /
- 11. Senator Francis E. Santos, Member / ✓ / /

Other Senators in Attendance:

- 1. Senator Hugo Cristobal 2. _____
- 3. Senator Tom Ada 4. _____
- 5. Vice Speaker Ted Nelson 6. _____
- 7. Senator Lon Ren Guerrero 8. _____

CONSOLIDATED LISTING
OF
APPLICANTS BY FACILITY REQUESTED
as of April 5

FACILITY NO.	CURRENT USE	SQ. FT.	REQUESTOR	date rec'd
01-1300	BOQ	23,394	U.S.ARMY RESERVE	7/94
"	"	"	GPD	
4/95				
01-1301	BOQ	36,258	U.S. ARMY RESERVE	7/94
"	"	"	GPD	4/95
01-1302	DRESSING/RM/BH	7,440	PARKS & REC.	9/94 "
"	"		MANUKAI ATHL/CLUB	9/94
01-1303	SWIMMING POOL	N/M	PARKS & REC.	4/95
01-1305	WADING POOL	N/M	PARKS & REC.	2/95
01-1306	BOQ BILLETING	9,192	U.S. ARMY RESERVE	7/94
"	"	"	CHAMORRO LAND TRUST	3/95
"	"	"	GFD	4/95
"	"	"	GUM STATE COUNCIL ON VOCATIONAL ED.	3/95
01-1307	MINI MART	12,000	U.S. ARMY RESERVE	7/94
"	"	"	DOL	3/95
04-5000	FIDDLER'S GRN.	8,841	CUSTOM & QUARANTINE	2/95
"	"	"	VETERAN'S OF F/W	8/94
"	"	"	GUAM HOUSING CORP.	2/95
"	"	"	DOL	3/95
4-5003	CHILD CARE CENT.	4,440	DOE	1/95
"	"	"	GCC	4/95
4-5005	TOYLAND/GIFT SHP.	N/M	PASSPORT OFFICE	4/95
8A	GALLEY BLDG	38,107	DOE	1/95
8-2300	YOUTH CENTER	5,184	AFGE LOCAL #1689	9/94
"	"	"	VOCATIONAL REHAB	3/95
8-2310	PLAYING COURT	6,840	PARKS & REC	2/95
8-2315	SKATING RING	4,656	PARKS & REC.	2/95
13-1	NEX/PERSUPDET	12,760	DOE	1/95
"	"	"	REVENUE & TAX	1/95
"	"	"	AVIATION TECH. INC.	5/94

13-2	NAV/EXCH-NAV/RE	13,032	DOE	1/95
"	"	"	REVENUE & TAX	1/95
"	"	"	AVIATION TECH. INC.	5/94
13-3	BEQ	13,200	DOE	1/95
"	"	"	REVENUE & TAX	1/95
"	"	"	AVIATION TECH. INC.	5/94
13-4	BEQ	13,032	DOE	1/95
"	"	"	AVIATION TECH. INC.	5/94
13-5	BEQ	13,032	DOE	1/95
"	"	"	AVIATION TECH. INC.	5/94
13-6	BEQ	13,032	DOE	1/95
13-7	BEQ	13,032	GFD	2/95
"	BEQ	"	DOE	1/95
13-8	BEQ	13,200	GFD	2/95
"	"	"	DOE	1/95
"	"	"	GEPA	3/20
13-8A	MESS HALL	38,107	DOE	1/95
13-8B	COV.PICNIC AREA	200	PARKS & REC.	2/95
13-9	BARBECUE SHED	100	PARKS & REC.	2/95
13-13	BEQ	13,200	DOE	1/95
"	"	"	GPA	2/95
13-14	BEQ	13,032	DOE	1/95
"	"	"	GPA	2/95
13-15	LIB. BEQ/SPEC	13,032	DOE	1/95
"	SERVICE SEC.	"	GPA	2/95
13-16	BEQ	13,032	DOE	1/95
"	"	"	AVIATION TECH. INC.	5/94
13-17	BEQ	13,032	DOE	1/95
"	"	"	AVIATION TECH. INC	5/94
13-18	BEQ	13,032	DOE	1/95
"	"	"	AVIATION TECH. INC.	5/94
13-19	BEQ	13,032	DOE	1/95
"	"	"	AVIATION TECH. INC.	5/94
13-20	BEQ	13,032	DOE	1/95
"	"	"	AVIATION TECH. INC.	5/94

13-33	BEQ	3,330	GPD	2/95
"	"	"	DMA	3/95
"	"	"	PACIFIC ISLAND	1/95
"	"	"	BIBLE COLLEGE	
"	"	"	GPA	2/95
13-34	BEQ	14,430	DPS	2/95
"	"	"	PACIFIC ISLAND	1/95
"	"	"	BIBLE COLLEGE	
"	"	"	GPA	2/95
13-35	BEQ	19,980	GPA	2/95
"	"	"	GPA	2/95
13-36	SECURITY/AC	3,114	DPS	2/95
"	PLANT BLDG.	"	DMA	3/95
13-5000	DIVE LOCKER	734	GFD	2/95
	BATH HOUSE			
13-5001	BOWLING ALLEY	10,400	DOE	1/95
"	"	"	PARKS & REC.	2/95
13-5002	NAS POST OFFICE	3,050	DOE	1/95
	& BANK BLDG.			
13-5003	VOLLEYBALL COURT	5,292	PARKS & REC	2/95
13-5005	PICNIC PAVILLION	1,040	PARKS & REC.	2/95
13-5006	BEQ VOLLEYBALL CT		PARKS & REC.	2/95
14-94	REC. PAVILLION	1,350	PARKS & REC.	2/95
14-93B	PUBLIC TOILET	820	PARKS & REC.	2/95
	FOOTBALL FIELD			
14-93C	TOILET BASKET-	440	PARKS & REC.	2/95
	BALL COURT			
14-5000	VOLLEYBALL CT.		PARKS & REC.	2/95
14-5001	BASKETBALL CTS.		DOE	1/95
"	"		PARKS & REC.	2/95
14-5002	SOFTBALL FILED #1		PARKS & REC.	2/95
14-5003	DISASTER PRE/IST	2,320	PARKS & REC.	2/95
	LT/SELF HELP			
"	"	"	DOE	1/95
14-5004	TENNIS CTS. BEQ		PARKS & REC.	2/95
"	"		DOE	1/95

14-5005	FOOTBALL FIELD		PARKS & REC.	2/95
"	"		DOE	1/95
"	"		GUAM SOCCER ASSO.	12/94
14-5006	SOFTBALL FIELDS #2		PARKS & REC.	2/95
"	"		DOE	1/95
14-5007	FIELD #1 RIGHT SIDE DUGOUT		PARKS & REC.	2/95
"	"		DOE	1/95
14-5008	FIELD #1 LEFT SIDE DUGOUT		PARKS & REC.	2/95
14-5009	FIELD #2 RIGHT SIDE DUGOUT		PARKS & REC.	2/95
"	"		DOE	1/95
14-5010	FIELD #2 LEFT SIDE DUGOUT		PARKS & REC.	2/95
"	"		DOE	1/95
14-5011	SOFTBALL CONCESSION COMPLEX		PARKS & REC.	2/95
"	"		DOE	1/95
14-5015	FIRST LIEUTENANT COMPLEX	3,600	PARKS & REC.	2/95
15-46A	NEX GAS SERVICE STATION	3,860	DOE	1/95
"	"	"	DPS	2/95
15-5002	CHAPEL	7,495	DOE	1/95
"	"	"	DPH&SS	2/95
"	"	"	CALVARY CHAPEL	10/94
"	"	"	TAMUNING BAPTIST	12/94
"	"	"	ARCHBISHOP-AGANA	12/94
"	"	"	MONSIGNOR CALVO	12/94
15-5003	RELIGIOUS ED.	3,120	DPH&SS	2/95
"	"	"	DOE	1/95
"	"	"	CALVARY CHAPEL	10/94
"	"	"	TAMUNING BAPTIST	12/94
"	"	"	ARCHBISHOP-AGANA	12/94
"	"	"	MONSIGNOR CALVO	12/94
15-6100	DISPENSARY	7,334	DPH&SS	2/95
"	"	"	DOE	1/95
"	"	"	DOCTOR'S CLINIC	4/94
15-6101	CALIBRATION LAB	8,438	GTA	3/95
"	"	"	DPH&SS	2/95

"	"	"	DOCTOR'S CLINIC	4/94
"	CALIBRATION LAB	"	GEPA	3/95
"	"	"	GPL&M (LIBRARY)	2/95
"	"	"	DOE	1/95
15-6102	DISPENSARY/STORAGE	940	DOCTOR'S CLINIC	4/94
15-6103	THEATER	8,052	DOE	1/95
"	"	"	SENATOR ARRIOLA	5/94
"	"	"	UOG	3/95
15-6104	EL GECKO NCO/CL	14,268	DOE	1/95
"	"	"	GUM NAVY CLUB	11/94
"	"	"	FLEET RESERVE	11/94
15-6105	"MWR" SPEC SERV	7,600	CHAMORRO LAND TRUST	3/95
"	"	"	GUM PUBLIC LIBRARY	2/95
"	"	"	PARKS & REC.	2/95
15-6106	CHILD CARE CENTER	7,140	DPH&SS	2/95
"	"	"	DOE	1/95
"	"	"	CUSTOM & QUARANT.	2/95
15-6107	GYMNASIUM	25,526	DOE	1/95
"	"	"	GUAM VOLLEYBALL FED.	4/95
15-6108	FLAMMABLE STORAGE	99	-	
15-6109	GENERATOR SHED	195	-	
15-6110	FUEL STORAGE TANK	1,000	-	
16-12A	STORAGE OPERATION	1,400	-	
16-12B	SEABEE STORAGE FLAMMABLE	336	-	
16-20	PASS/ID BLDG	684	-	
16-25	SEABEE'S STORAGE FACILITY	4,920	-	
16-94	PWC REFUELING STA.	414	DPS	2/95
16-3233	IMPOUND LOT	1,000	DPS	2/95
16-6103	PWC TRANSPORTATION GARAGE AUTO SHOP		PUAG	3/95
"	"		DOE	1/95
"	"		GAA	9/94
"	"		PARKS & REC	2/95
"	"		DPS	2/95

16-6105	AUTO SHOP OFFICES		DOE	1/95
17-80	NOSE DOCK BLDG.		AVIATION TECH. INC.	5/94
17-3120	WAREHOUSE	13,000	PUAG	3/95
"	"	"	AMERICAN RED CROSS	8/94
17-3307	PHOTO LAB BLDG	18,700	DOE	1/95
"	"	"	DPS	2/95
"	"	"	AVIATION TECH. INC.	5/94
17-3403	WEAPONS DEPT.	2,754	DPS	2/95
17-3404	HANGER (HC-5)	51,600	AVIATION TECH. INC.	5/94
17-3405	ORDNANCE	U/A	DPS	2/95
4001	AMMO STORAGE	4,840	DPS	2/95
"	"	"	GPA	2/95
B-5000	DIVE SHOP	-	DOE	1/95
50	ADJACENT TO AMMO STORAGE	U/A	GPA	2/95
66	UTILITIES BLDG.	2,088	DOE	1/95
67	UTILITIES BLDG.	"	DOE	1/95
33	POLICE STATION BLDG.		DOE	1/95
36	POLICE STATION BLDG.		DOE	1/95
"	"		GPA	2/95
B-111	SMALL ARMS BUILDING		DPS	2/95
B-1112	HIGH EXPLOSIVE MAGAZINE		DPS	2/95
DUPLEX	ENLISTED MEN'S SINGLE STORY DUPLEX (11 UNITS) 27,500 SQ. FT.		GAA	3/95
DUPLEX	ENLISTED MEN'S SINGLE STORY DUPLEX HOUSE #901		DEVELOPMENT DISA. PLANNING COUNCIL	3/95
DUPLEX	ENLISTED MEN'S SINGLE STORY TYPE DD (2-UNITS)		DPH&SS	2/95
DUPLEX	ENLISTED MEN'S DUPLEX 2 STORY TYPE "E" (3 UNITS)		DPH&SS	2/95
DUPLEX	HOUSE NOS. 106 & 108, 1502 & 1504 LOCATED ON "N" STREET		DEPT. OF MENTAL HEALTH HEALING HEARTS CRISIS CENTER	3/95

DUPLEX	HOUSE NOS. 107, 109 & 111 LOCATED ON EAST SUNSET BLVD.	DEPT OF MENTAL HEALTH & SUBSTANCE ABUSE GUMA MANHOBEN	3/95
DUPLEX	HOUSE NOS. 101 & 103 LOCATED ON EAST SUNSET	GUAM ENERGY OFFICE	3/95
DUPLEX	A-2090 DUPLEX LOCATED ON EAST SUNSET BLVD.	GUAM DIABETES ASSO	3/95
DUPLEX	A-2092 DUPLEX LOCATED ON "J" STREET	GUAM DIABETES ASSO	3/95
DUPLEX	A-2195 DUPLEX LOCATED ON EAST SUNSET BLVD.	CHAMORRO LAND TRUST COMMISSION	3/95
DUPLEX	A-2197 DUPLEX LOCATED ON EAST SUNSET BLVD.	CHAMORRO LAND TRUST COMMISSION	3/95
DUPLEX	A-2220 DUPLEX LOCATED ON CENTRAL AVE.	GTA	3/95
DUPLEX	ONE 3-BEDROOM (2,500- 3,000 SQ. FT.)	DOL (OSHA)	3/95
N/M	NEED SPACE TO ACCOMODATE A MINIMUM OF 100 MALE & FEMALE YOUTH FOR RESI- DENTIAL USE.	DYA	3/95
EQUIP.	TWO (2) STAKE TRUCKS DOA	(GSA)	3/95

THIS LICENSE TO USE THE U.S. GOVERNMENT PROPERTY HEREIN DESCRIBED IS ISSUED BY THE DEPARTMENT OF THE NAVY TO THE LICENSEE NAMED BELOW FOR THE PURPOSE HEREIN SPECIFIED UPON THE TERMS AND CONDITIONS SET FORTH BELOW AND THE GENERAL PROVISIONS ON THE REVERSE SIDE HEREOF. BY THE EXECUTION HEREOF THE LICENSEE AGREES TO COMPLY WITH ALL SUCH TERMS, CONDITIONS AND GENERAL PROVISIONS.

N5704395RP00013

1. NAVAL ACTIVITY (Property location) NAVAL AIR STATION, AGANA	2. DATES COVERED (Inclusive) FROM 1 April 1995 TO 30 June 1995
---	---

3. DESCRIPTION OF PROPERTY (Include room and building numbers where appropriate)
The lands and facilities described in Exhibit "A"; the personal property described in Exhibit "B"; and, for purposes of providing security services only, the area described in Exhibit "C"; said exhibits attached hereto and made a part hereof.

4. PURPOSE OF LICENSE
For the purpose set forth in Exhibit "A", and to provide security services only for the area described in Exhibit "C".

5. LICENSOR UNITED STATES OF AMERICA DEPARTMENT OF THE NAVY	5a. LOCAL REPRESENTATIVE, DEPT. OF NAVY OFFICIAL (Title and address) PACNAVFACENCOM, OIC, CARETAKER SITE OFFICE PSC 489, BOX 38, FPO AP 96536-0051
---	--

6. LICENSEE (Name and address) GOVERNMENT OF GUAM	6a. LOCAL REPRESENTATIVE (Name and address) MADELEINE Z. BORDALLO, LT GOVERNOR and CHAIRPERSON, KOMITEA PARA TIYAN P.O. BOX 2950, agana, guam 96910
--	--

7. CASH PAYMENT BY LICENSEE (Payable in advance)
(If no cash payment is required, enter "None" under item 7a "Amount")

a. AMOUNT (Each payment) See Special Provisions.	b. FREQUENCY PAYMENTS DUE	c. FIRST DUE DATE	d. TO (Title and address of local representative of the Government)
--	---------------------------	-------------------	---

8. DEPOSIT FOR UTILITIES AND SERVICES (Payable in advance)
(If no cash payment is required, enter "None" under item 8a "Amount")

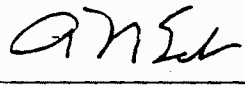
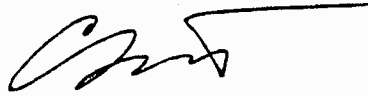
a. AMOUNT (Each deposit) NONE	b. FREQUENCY PAYMENTS DUE	c. FIRST DUE DATE	d. TO (Mailing address)
---	---------------------------	-------------------	-------------------------

9. INSURANCE REQUIRED AT EXPENSE OF LICENSEE
(If any or all insurance requirements have been waived, enter "None" in a,b,c, or d as appropriate)

TYPE	MINIMUM AMOUNT	TYPE	MINIMUM AMOUNT
a. FIRE AND EXTENDED COVERAGE	See Special Provisions	c. THIRD PARTY PERSONAL INJURY PER PERSON	See Special Provisions
b. THIRD PARTY PROPERTY DAMAGE	See Special Provisions	d. THIRD PARTY PERSONAL INJURY PER ACCIDENT	See Special Provisions

10. GENERAL PROVISIONS (See Reverse Side)
See Special Provision (attached).

II. EXECUTION OF LICENSE

FOR	BY		DATE
	NAME AND TITLE (Typed)	SIGNATURE	
DEPARTMENT OF THE NAVY	A. N. ECKERT, CDR, CEC, USN Force Civil Engineer (RE) COMNAVMARIANAS Guam		3/31/95
LICENSEE	CARL T.C. GUTIERREZ Governor of Guam Government of Guam		3/31-95

If Licensee is a Corporation, Certification of signature is attached

ORIGINAL

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10. GENERAL PROVISIONS

a. The Licensor hereby grants to the Licensee the right to use the premises or facilities described in item 3, together with the necessary rights of ingress and egress.

b. This License shall be effective for the period stated in item 2 and is revocable at any time without notice at the option and discretion of the Licensor or its duly authorized representative.

c. The use shall be limited to the purposes specified herein.

d. This License shall be neither assignable nor transferable by the Licensee.

e. If utilities and services are furnished the Licensee for its use of the premises the Licensee shall reimburse the Licensor for the cost thereof as determined by the Licensor in accordance with applicable statutes and regulations.

f. The Licensee, at its own cost and expense, shall protect, maintain, and keep in good order, the premises or facilities licensed hereby. At the discretion of the Licensor this obligation shall include, but not be limited to, contribution toward the expense of long-term maintenance of the premises or facilities, the necessity for which accrued during the period of Licensee's use. The amount of expense to be borne by the Licensee shall be determined by prorating the total expense of the item of long-term maintenance on the basis of fractional use by the Licensee. This fractional part of the total expense shall be prorated further if the item of long-term maintenance did not accrue in its entirety during the Licensee's use. Upon a determination by the Licensor that the necessity exists for an expenditure of funds for maintenance, protection, preservation or repair, the Licensee shall pay to the Licensor its proportionate share, on demand.

g. No additions to, or alterations of, the premises or facilities shall be made without the prior consent of the Licensor. Upon revocation or surrender of this License, to the extent directed by the Licensor, the Licensee shall remove all alterations, additions, betterments and improvements made, or installed, and restore the premises or facilities to the same, or as good condition as existed on the date of entry under this License, reasonable wear and tear excepted.

h. The Licensee shall be liable for any loss of, or damage to, the premises or facilities incurred as a result of its use and shall make such restoration or repair, or monetary compensation as may be directed by the Licensor. The Licensee's liability for loss or damage to the premises resulting from risks expressly required to be insured hereunder shall not exceed the amount of insurance so required. The Licensee shall not be liable for loss of, or damage to, the premises arising from causes beyond the control of the Licensee and occasioned by a risk not in fact covered by insurance and not customarily covered by insurance in the locality in which the premises are situated. Nothing contained herein, however, shall relieve the Licensee of liability with respect to any loss or damage to the premises, not fully compensated for by insurance, which results from willful misconduct, lack of good faith, or failure to exercise due diligence, on the part of the Licensee. All insurance required of the Licensee on the premises shall be for the protection of the Licensor and the Licensee against their respective risks and liabilities in connection with the premises. Each policy of insurance against loss or damage to Government property shall name the Licensee and the United States of America, Department of the Navy, as the insured and shall contain a loss payable clause reading substantially as follows:

"Loss, if any, under this policy shall be adjusted with (Name of Licensor) and the proceeds, at the direction of the Government, shall be payable to (Name of Licensee), and proceeds not paid to (Name of Licensee) shall be payable to the Treasurer of the United States of America."

In the event that any item or part of the premises or facilities shall require repair, rebuilding or replacement resulting from loss or damage, the risk of which is assumed under this paragraph h, the Licensee shall promptly give notice thereof to the Licensor and, to the extent of its liability as provided in this paragraph, shall, upon demand, either compensate the Government for such loss or damage, or rebuild, replace or repair the item or items of the premises or facilities so lost or damaged, as the Licensor may elect. If the cost of such repair, rebuilding, or replacement exceeds the liability of the Licensee for such loss or

damage, the Licensee shall effect such repair, rebuilding or replacement if required so to do by the Licensor, and such excess of cost shall be reimbursed to the Licensee by the Licensor. In the event the Licensee shall have effected any repair, rebuilding or replacement which the Licensee is required to effect pursuant to this paragraph, the Licensor shall direct payment to the Licensee of so much of the proceeds of any insurance carried by the Licensee and made available to the Government on account of loss of or damage to any item or part of the premises or facilities as may be necessary to enable the Licensee to effect such repair, rebuilding or replacement. In event the Licensee shall not have been required to effect such repair, rebuilding, or replacement, and the insurance proceeds allocable to the loss or damage which has created the need for such repair, rebuilding or replacement have been paid to the Licensee, the Licensee shall promptly refund to the Licensor the amount of such proceeds.

i. The Licensee shall indemnify and save harmless the Government, its officers, agents, servants and employees from all liability under the Federal Tort Claims Act (62 Stat. 869, 482; 28 U.S.C. Sec. 2671, 2680) or otherwise, for death or injury to all persons, or loss or damage to the property of all persons resulting from the use of the premises by the Licensee, and shall furnish the insurance specified in item 9. Each policy of insurance required in item 9 covering bodily injuries and third party property damage shall contain an endorsement reading substantially as follows:

"The insurer waives any right of subrogation against the United States of America which might arise by reason of any payment made under this policy."

j. All insurance required by this License shall be in such form, for such periods of time, and with such insurers as the Licensor may require or approve. A certificate of insurance or a certified copy of each policy of insurance taken out hereunder shall be deposited with the Licensor's local representative prior to use of the premises and facilities. The Licensee agrees that not less than thirty (30) days prior to the expiration of any insurance required by this License, it will deliver to the Licensor's local representative a certificate of insurance or a certified copy of each renewal policy to cover the same risks.

k. No member of or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this License or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this License if made with a corporation for its general benefit.

l. The Licensee warrants that it has not employed any person to solicit or secure this License upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the Government the right to annul this License or in its discretion to recover from the Licensee the amount of such commission, percentage, brokerage or contingent fee in addition to the consideration herein set forth. This warranty shall not apply to commissions payable by the Licensee upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Licensee for the purpose of securing business.

m. In connection with the performance of work under this License, the Licensee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Licensee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices to be provided by the Licensor setting forth the provisions of the nondiscrimination clause. The Licensee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

n. All activities authorized hereunder shall be subject to such rules and regulations as regards supervision or otherwise, as may, from time to time, be prescribed by the local representative of the Licensor as designated in item 5a.

SPECIAL PROVISION
FOR
LICENSE NO. N6274295RP000__

1. GENERAL

1.1. This License is subject to the terms and conditions contained in both the General and Special Provisions. If there is any inconsistency or conflict between the two which cannot be reconciled by any reasonable interpretation, the Special Provisions shall control. General Provision 10.b is hereby amended to reflect that this License is revocable at any time at the option and discretion of the Licensor or its duly authorized representative with a thirty day notice requirement. It is understood by the parties in entering into this License that Licensee may only provide liability insurance up to the statutory limits set by the Guam Government Claims Act as to the monetary risks assumed by Licensee. It is further understood that the Licensor liability risks under the Federal Tort Claims Act are not subject to such limits and Licensor and Licensee agree that the parties intend that Licensee shall indemnify and protect Licensor, through the purchase of insurance, from risk exposure of Licensee under the Guam Government Claims Act, as well as risk exposure, pursuant to the indemnification agreement, which is in excess of the Guam Government Claims Act limits (the "additional liability risk"). Licensee further agrees that it shall use its best efforts to enact legislation revising the Guam Government Claims Act to permit Licensee to purchase such insurance coverage to cover the additional liability risk and, thereafter, obtain adequate insurance coverage to protect the Licensor's interests. Licensor agrees that upon the enactment of such legislation and Licensee obtaining such insurance, Licensor shall modify this License, or enter into a new License to permit Licensee to provide Government services and otherwise open access to the Exhibit "C" area to the general public.

1.2. The Licensee understands, acknowledges and hereby agrees that this License is not and does not constitute a commitment by the Licensor to sell, give, convey, or otherwise transfer or dispose of the Premises or any other property at NAS Agana, in whole or in part, to the Licensee. The Licensee further understands and acknowledges that it enters into this License and exercises the privileges granted under it solely at its own risk and expense.

2. CONSIDERATION

2.1. In consideration for use of the facilities listed in Exhibit "A" and of the personal property listed in Exhibit "B", hereinafter referred to as the Premises, the Licensee agrees (i) to assume payment of all utility service fees associated with the preservation or use of the Premises, (ii) provide the property protection and maintenance services set forth in Special Provision 2, and (iii) provide security services for the area described in Exhibit "C" as set forth in Special Provision 3. The Licensor shall continue to provide property protection and maintenance services for all property within the Exhibit "C" area which is not described in Exhibits "A" and "B".

2.2. The property protection and maintenance services to be provided by Licensee hereunder shall include the furnishing of all labor, supervision, materials, supplies, and equipment necessary to furnish the structural maintenance, plumbing maintenance, electrical maintenance, maintenance of cooling systems, interior utility systems maintenance, security and fire protection, and utilities necessary for the protection of the Premises. For specifics as to such protection and maintenance required to be provided by Licensee hereunder, the following provisions shall apply:

2.2.1. Maintenance. The degree of maintenance services to be furnished or caused to be furnished by Licensee hereunder shall be that which is sufficient to assure weather tightness, structural stability, and protection from fire hazards, so that the Premises being serviced will remain in the condition in which they exist at the commencement of this License as documented in the Physical Condition Report, Exhibit "D", ordinary wear and tear excepted. The Licensor, upon reasonable notice, may inspect the Premises to insure performance of the maintenance obligation set forth herein.

2.2.2. Housekeeping. Debris and useless materials shall be promptly removed from the Premises, and the area of work shall be kept reasonably clean and free of useless materials at all times. Upon expiration or termination of this License, the area of work and the Premises shall be left without containers, equipment, and other undesirable material belonging to Licensee, and shall be left in an acceptably clean condition.

2.2.3. Security Protection. Licensee shall provide or cause to be provided all security services necessary to assure security and safety to the Premises.

2.2.3. Fire Protection Services and Precautions. Licensee shall be responsible to provide full firefighting services to the Premises and shall be responsible to take, or cause to be taken, all reasonable and necessary fire protection precautions at the Premises. Such precautions include, but are not limited to, the maintenance of existing sprinkler systems and the provision of portable fire extinguishers.

2.2.4. General. Licensee shall be responsible, at its cost and expense, for obtaining or causing to be obtained and providing any and all other services which may be required in connection with Licensee's use of the Premises.

3. SECURITY SERVICES

3.1. Upon execution of this License, Licensee assume responsibility for physical security and law enforcement within the area described in Exhibit "C". Licensee shall provide all personnel and supervision necessary to assure the security and safety of all lands and facilities within the area described in Exhibit "C". Such personnel shall be unarmed when on duty and shall be instructed to contact Guam Police Department officials for any law enforcement actions that may be required. During at least the first thirty day period of the License, the Licensor shall provide five additional unarmed security personnel to supplement the Licensee's workforce in order to assist in the transition from military to civilian security operations. Once full transition has occurred as mutually agreed to by the Licensee and Licensor, the Licensor shall discontinue providing these supplementary personnel.

3.2. Any crimes or other offenses, involving either civilian or military persons, including traffic offenses, shall be reported to the Guam Police Department for investigation and disposition. As appropriate, it shall be the responsibility of the Guam Police Department to make referrals to military authorities for any crimes or offenses involving military personnel within the Exhibit "C" area. Crimes of offenses involving damage or theft of property of the Licensor shall also be reported to the Local Representative of the Licensor.

4. **CONDITION OF PREMISES** Licensee has inspected, knows and accepts the condition and state of repair of the Premises. It is understood and agreed that they are licensed in an "as is," "where is" condition without any representation or warranty by the Licensor concerning their condition and without obligation on the part of the Licensor to make any alterations, repairs or additions. The Licensor shall not be liable for any latent or

patent defects in the Premises. Licensee acknowledges that the Licensor has made no representation or warranty concerning the condition and state of repair of the Premises nor any agreement or promise to alter, improve, adapt, or repair the Premises which has not been fully set forth in this License. The above lack of warranty or liability for the condition of the Premises by the Licensor does not in any way relieve the Licensor from legal responsibility it might have with regard to environmental restoration of the Premises.

5. JOINT CONDITION REPORT Within ten days after the effective date of this License representatives of the Licensor and Licensee shall conduct a joint inspection of the facilities and personal property to be used by the Licensee under this License to verify the accuracy of the facility listing and personal property inventory described in Exhibits "A" and "B", respectively; and a report shall be made of the condition of the facilities and personal property, and any deficiencies which are found to exist will be noted in such report. The Joint Condition Report shall be attached to the License as Exhibit "D". At the termination of the License, the Licensee shall turn over to the Licensor said facilities and personal property in the same condition in which they were received, reasonable wear and tear excepted.

6. INSURANCE

6.1. The parties agree that the present Guam Government Claims Act and waiver of sovereign immunity by the Government of Guam pursuant to 5 Guam Code Annotated, Chapter 6, does not adequately indemnify the United States of America pursuant to Paragraphs 10.h., 10.i., and 10.j. of the General Provisions, supra. Therefore, public liability and property damage insurance in amounts mutually agreed upon by the parties as the "insurance industry standard" for similar use facilities, or an appropriate indemnification of the United States of America, shall be obtained and shall remain in full force and effect during the term of this License. The Government of Guam, as a condition precedent to the issuance of this License, agrees to obtain this insurance or to indemnify the United States of America, in the most expeditious manner, and agrees to take whatever actions it may deem necessary to comply with the purpose and intent of Paragraphs 10.h., 10.i., and 10.j. of the General Conditions of this License, to the mutual agreement of the parties. Notwithstanding the above described provision of insurance coverage or indemnification, Licensee acknowledges its duty to indemnify, hold harmless, and defend Licensor from liability as more fully set forth in General Provisions Paragraphs 10.h., 10.i., and 10.j. All policies of insurance shall contain waivers

by the insurance carrier(s) of any right to assert, in any action on such policies, the defense of sovereign immunity that the Territory of Guam, the Government of Guam, to include any agency, department or instrumentality thereof, or the Licensee, may have the right to assert on their own behalf.

6.2. If and to the extent required by law, workmen's compensation or similar insurance in form and amounts required by law.

7. ENVIRONMENTAL PROTECTION

7.1. Licensee acknowledges that under this License the Premises are being used on an interim basis while the Licensor undertakes certain environmental cleanup responsibilities required by law before fee title may be transferred from the Federal Government to other ownership. Accordingly, during the term of this License, the Licensor and its officers, agents, employees, contractors and subcontractors must continue to have appropriate access to the Premises to conduct environmental cleanup related activities. Further, nothing in this License shall be deemed to release the Licensor from any liability it may have for cleanup, abatement, removal, or remediation of existing environmental problems under any applicable Federal or Government of Guam environmental laws or regulations or to obligate Licensee to undertake such actions or make Licensee liable therefor. However, while the Licensor shall be financially responsible for environmental problems to the extent required by law existing as of the commencement of this License, Licensee shall be financially responsible to the extent required by law for environmental problems which occur thereafter, during the term of this License, which are the result of use of the Premises by Licensee.

7.2. Licensee acknowledges that the Premises are subject to the U. S. Department of Defense base closure process which requires the establishment of a Restoration Advisory Board (RAB), Base Realignment and Closure (BRAC) Cleanup Team (BCT), and BRAC Cleanup Plan (BCP) through which the Licensor identifies past hazardous substances releases as well as necessary long-term remedial evaluation and response actions. Accordingly, the Licensor and its officers, agents, employees, contractors, and subcontractors, shall have the right, upon reasonable notice to the Licensee, to enter upon the Premises for the purposes enumerated in this subparagraph:

7.2.1. to conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, investigative

trenching, testing soil borings and other activities related to the NAS Agana BCP;

7.2.2. to inspect field activities of the Licensor and its contractors and subcontractors in implementing the NAS Agana BCP;

7.2.3. to conduct any test or survey related to the implementation of the BCP or environmental conditions at the Premises or to verify any data submitted to the U. S. Environmental Protection Agency (EPA) or the Guam Environmental Protection Agency (GEPA) by the Licensor relating to such conditions;

7.2.4. to construct, operate, maintain or undertake any other response or remedial action as required or necessary under the NAS Agana BCP, including, but not limited to monitoring wells, pumping wells and treatment facilities.

7.3. Licensee agrees to comply with the provisions of any health or safety plan in effect under the NAS Agana BCP during the course of any of the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by Licensee. The Licensor agrees to minimize, to the extent possible, any disruption to Licensee use of the Premises and where practicable, will consult with Licensee as to activities which may affect Licensee's operation. Licensee, however, shall have no claim on account of any such interference against the Licensor or any officer, agent, employee or contractor thereof. Further, Licensee agrees that the Licensor assumes no liability to Licensee should hazardous waste cleanup requirements, whether imposed by law, regulatory agencies, or otherwise, interfere with Licensee's use of the Premises. Licensee agrees that it will not disrupt Licensor's activities as described in this paragraph.

7.4. Licensee shall comply with the applicable Federal and local laws, regulations, and standards that are or may become applicable to Licensee's activities on the Premises.

7.5. Licensee shall be solely responsible for obtaining at its cost and expense any environmental permits required for its operations under this License, independent of any existing permits issued to the Licensor. Licensee shall not use or rely upon any present permit or past permit issued to the Licensor. Licensee agrees that the Licensor shall not be liable for damages relating to Licensee's inability to get any environmental permits.

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7.6. Licensee must comply with all Federal and local laws, regulations, and other requirements relating to occupational safety and health, the handling and storage of hazardous materials, and the proper generation, handling, accumulation, treatment, storage, disposal, and transportation of hazardous wastes. Licensee will not accomplish any treatment, storage, or disposal of hazardous waste unless Licensee is in possession of a valid permit issued to it under the Resource Conservation and Recovery Act, as amended. Licensee shall not treat, store, or dispose of any hazardous waste under, pursuant to, or in reliance upon any permit issued to the Licensor. Licensee shall not use or make use of any Licensor hazardous waste treatment or storage facilities, accumulation points, or other facilities relating to the proper generation, handling, disposal, and transportation of hazardous wastes. Licensee shall not allow its hazardous waste to be commingled with hazardous waste of the Licensor.

7.7. Licensee shall have a plan approved by both the Guam Environmental Protection Agency and the Licensor for responding to hazardous waste, fuel, and other chemical spills prior to commencement of any active use of facilities on the Premises. Such plan shall comply with all applicable requirements and shall be updated from time to time as may be required to comply with changes in site conditions or applicable requirements and shall be approved by all agencies having regulatory jurisdiction over such plan. Such plan shall be independent of any Licensor spill prevention and response plans. Unless otherwise agreed to in writing by the Commanding Officer, Public Works Center, Guam, Licensee shall not rely on use of NAS Agana or other Navy personnel or equipment in execution of its plan. Notwithstanding the foregoing, should the Licensor provide any personnel or equipment, whether for initial fire response and/or spill containment, at the request of Licensee, or because Licensee was not, in the opinion of the Licensor, conducting timely cleanup actions, Licensee agrees to reimburse the Licensor for its reasonable costs in accordance with all applicable laws and regulations.

7.8. Licensee shall not construct any alteration, additions, or improvements to or installations upon or otherwise modify or alter the Premises in any way which may adversely affect the cleanup, human health, or the environment without the prior written consent of the Licensor. Except as such written approval shall expressly provide otherwise, all such approved alterations, additions, modifications, improvements, and installations shall become Licensor's property when annexed to the Premises and shall be subject to the terms of this License.

7.9. Licensee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface without the prior written approval of the Licensor.

7.10. Licensee shall save, indemnify and hold harmless the Licensor from any damages, costs, expenses, liabilities, fines, or penalties resulting from releases, discharges, emissions, spills, storage, disposal, or any other acts or omissions caused by Licensee, its officers, agents, employees, contractors or the invitees of any of them. This provision shall survive the expiration or termination of this License, and Licensee's obligations hereunder shall apply whenever the Licensor incurs costs or liabilities due to Licensee's violation or breach of any term or condition of this Special Provision 7. Unless otherwise required by this License, Licensee will not be responsible for any damages, penalties, fines and costs incurred by Licensee or to any person or party incurring damages, penalties, fines or costs as a result of any releases, discharges, emissions, spills, storage, disposal, or any other acts or omissions caused solely by the Licensor.

7.11. Except as provided in Special Provision 7.12. below, the Licensor is not responsible for any removal or containment of asbestos that currently exists in the Premises. If Licensee intends to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated in the plans and specifications and submitted to the Officer in Charge Caretaker Site Office Agana. The asbestos disposal plan will identify the proposed disposal site for the asbestos, or in the event the site has not been identified, will provide for disposal at a licensed facility authorized to receive it.

7.12. Except as provided below, the Licensor shall be responsible for the removal or containment of asbestos or asbestos containing material (collectively, "ACM") existing in the Premises at the commencement of this License. If it is later determined that ACM was in existence at the commencement date, Licensor remains liable for the removal or containment of such ACM, except as provided below. Licensor is responsible for removal or containment of ACM which is damaged or deteriorated to the extent that it creates a present source as of the commencement date of this license, for airborne fibers within an area subject to human exposure or use. Such ACM shall be referred to herein as "damaged or deteriorated." The Licensor agrees to abate all such preexisting damaged or deteriorated ACM as provided in this Special Provision 7.12. The Licensor may choose the most economical means of abating any damaged or

deteriorated ACM which may include removal or containment, or a combination of removal and containment. The Licensor obligations under this Special Provision 7.12 do not apply to ACM which is not damaged or deteriorated to the extent that it creates a potential source of airborne fibers at the time Licensee takes possession of the Premises or which may become damaged or deteriorated by Licensee's activities. ACM which later during the period of this License becomes damaged or deteriorated through the passage of time, or as a consequence of Licensee's activities under this License, including but not limited to any emergency, will be abated by Licensee at its sole cost, expense and choice of means. Notwithstanding Special Provision 7.11. above, in an emergency, Licensee will notify the Licensor as soon as practicable of its emergency ACM responses. Licensee shall be responsible for monitoring the condition of existing ACM on the Premises for deterioration or damage and accomplishing repairs pursuant to the applicable conditions of this License.

7.13. Notwithstanding any other provision of this License, Licensee shall not be responsible or liable for any environmental impacts and damage caused solely by the use by the Licensor, including any agency or agent thereof, of toxic substances, or hazardous waste, hazardous substances or hazardous materials or oil or petroleum products, as such terms are defined by applicable law, on any portion of NAS Agana, both prior to the commencement of this License and which may occur due to any use or possession by the Licensor, and by any of its agencies, of any portion of the Premises during the term of this License. Licensee has no obligation to the Licensor to undertake the defense, remediation and cleanup (including the liability and responsibility for the costs of damage, penalties, or legal and investigative services) relating to or arising out of any claim or action in existence now, or which may be brought in the future by third parties or any governmental body against the Licensor, solely because of any use of, or release from, any portion of NAS Agana, including any portion of or any building, facility or other improvement on the Premises, of any toxic substances, or hazardous wastes, hazardous substances or hazardous materials (collectively, "Hazardous Items"), or oil or petroleum products prior to the first day of Licensee's occupancy or use of each such portion of or such building, facility or other improvement on the Premises under any instrument entered into between the Parties, and which such Hazardous Items, or oil or petroleum products may exist or occur solely due to any use or possession by the Licensor, and by any of its agencies, of any portion of the Premises during the term of this License. "Occupancy" or "use" shall mean any activity or presence (including preparation and construction) in or upon such portion of, or such building,

this License and does not relieve Licensee any obligation or liability it might have or acquire with regard to third parties or regulatory authorities by operation of law.

7.14. Licensee shall comply with all requirements of the Federal Water Pollution Control Act, the Clean Water Act, the National Pollutant Discharge Elimination System ("NPDES"), and any applicable local requirements for matters caused or relating to Licensee's use and occupancy of the Premises after the commencement of this License. Licensee will be responsible for meeting all applicable wastewater discharge permit standards. Licensee will not discharge wastewater under the authority of any NPDES permit, pretreatment permit or any other such permit issued to the Licensor.

7.15. The results of surveys performed by the Licensor with regard to the presence of lead-based paint in and on facilities and equipment within the Premises is available from the Officer in Charge Caretaker Site Office Agana.

7.16. Licensee must maintain and make available to the Licensor all records, inspection logs, and manifests that track the generation, handling, storage, treatment and disposal of hazardous wastes, as well as all other records required by applicable laws and requirements. The Licensor reserves the right upon providing reasonable notice to inspect the Premises and Licensee's records for compliance with Federal and local laws, regulations, and other requirements relating to the generation, handling, storage, treatment and disposal of hazardous waste, as well as to the discharge or release of hazardous substances. Violations will be reported by the Licensor to appropriate regulatory agencies, as required by applicable law. Licensee will be liable for the payment of any fines and penalties which may accrue as result of the actions of Licensee.

EXHIBIT "A"
TO
LICENSE NO. N6274295RP000__

Subject to the General and Special Provisions of this License, Licensee shall have access to the following listed facilities located at the Naval Air Station, Agana, after its closure as an active military installation on March 31, 1995, for the purposes of: planning for future use of the facilities; installation of furniture and temporary fixtures and partitions; painting and other make-ready work; reconfiguration of utility systems; and using said facilities for administrative work areas that do not serve the general public; it being the intention of the parties to enter into a lease agreement providing for Licensee's use and occupancy of said facilities and surrounding lands effective July 1, 1995, if feasible under current environmental conditions. If prior to July 1, 1995, Licensee should require use and occupancy of any particular facility listed below to serve the general public, Licensee shall submit a written request to Licensor for a separate license covering such proposed use, together with evidence that the required public liability and property insurance has been obtained. No permanent additions to or alterations of said facilities are authorized under this License.

FACILITY NUMBER

FACILITY NAME

01-1300	BACHELOR OFFICER QUARTERS
01-1301	BACHELOR OFFICER QUARTERS
01-1302	DRESSING ROOM-BATH HOUSE
01-1303	SWIMMING POOL
01-1305	WADING POOL
01-1306	BACHELOR OFFICER QUARTERS
13-1	NEX/PERSUPDET
13-2	NAVY EXCHANGE & NAVY RELIEF
13-3	BACHELOR ENLISTED QUARTERS
13-4	BACHELOR ENLISTED QUARTERS
13-5	BACHELOR ENLISTED QUARTERS
13-6	BACHELOR ENLISTED QUARTERS
13-7	BACHELOR ENLISTED QUARTERS
13-8	BACHELOR ENLISTED QUARTERS
13-8A	MESS HALL
13-8B	STORAGE
13-9	BARBECUE SHED
13-13	BACHELOR ENLISTED QUARTERS

FACILITY NUMBERFACILITY NAME

13-14	BACHELOR ENLISTED QUARTERS
13-15	LIBRARY, BEQ, SPEC SERV SEC
13-16	BACHELOR ENLISTED QUARTERS
13-17	BACHELOR ENLISTED QUARTERS
13-18	BACHELOR ENLISTED QUARTERS
13-19	BACHELOR ENLISTED QUARTERS
13-20	BACHELOR ENLISTED QUARTERS
13-33	BACHELOR ENLISTED QUARTERS
13-34	BACHELOR ENLISTED QUARTERS
13-35	BACHELOR ENLISTED QUARTERS
13-36	SECURITY/AC PLANT BUILDING
13-66	BOILER PLANT
13-66A	FUEL STORAGE TANK
13-67	REFRIGERATION/AC PLANT BUILDING
13-5000	DIVE LOCKER/BATH HOUSE
13-5001	BOWLING ALLEY
13-5002	NAS POST OFFICE BUILDING
13-5003	EM SWIMMING POOL-OUTDOOR
14-5000	VOLLEYBALL COURT
14-5001	BASKETBALL COURT
14-5002	PLAYING COURT
14-5003	DISASTER PRE/1ST LT/SELF HELP
14-5004	TENNIS COURT-BEQ
14-5005	BARLOW FIELD
14-5006	SOFTBALL FIELDS 1 & 2
14-5007	FIELD 1 RIGHT SIDE DUGOUT
14-5008	FIELD 1 LEFT SIDE DUGOUT
14-5009	FIELD 2 RIGHT SIDE DUGOUT
14-5010	FIELD 2 LEFT SIDE DUGOUT
14-5011	SOFTBALL CONCESSION/COMPLEX
14-5015	FIRST LIEUTENANT COMPLEX
14-93B	PUBLIC TOILET - FOOTBALL FIELD
14-93C	TOILET - BASKETBALL COURT
14-94	RECREATION PAVILION
15-46A	NEX SERVICE STATION
15-5002	CHAPEL
15-5003	RELIGIOUS EDUCATION BUILDING
15-6100	DISPENSARY
15-6101	CALIBRATION LABORATORY
15-6102	STORAGE BUILDING
15-6103	THEATER

48.

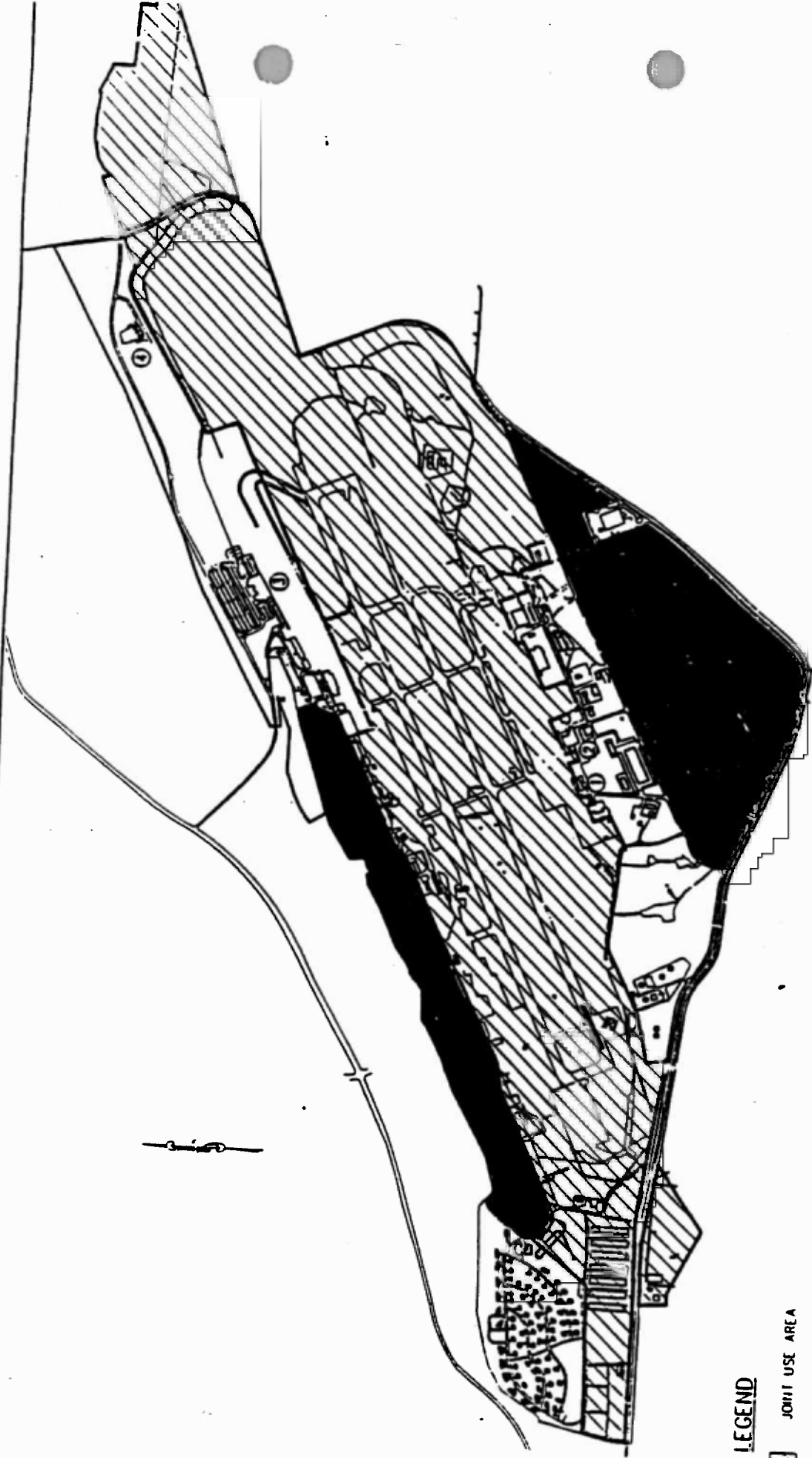
FACILITY NUMBERFACILITY NAME

15-6104	EL GECKO NCO CLUB/MESS
15-6105	SPECIAL SERVICES OFFICE
15-6106	CHILD CARE CENTER
15-6106A	CDC II COVERED PLAYGROUND
15-6107	GYMNASIUM
15-6108	STORAGE
15-6109	GENERATOR SHED
15-6110	FUEL STORAGE TANK
16-12	MAINTENANCE SHOP
16-12A	STORAGE - OPERATIONAL
16-12B	STORAGE - FLAMMABLE
16-12C	STORAGE SHED
16-20	PASS/ID BUILDING
16-25	SEABEE'S STORAGE FACILITY
16-94	PWC REFUELING STATION
16-3233	IMPOUND LOT






It is recognized by the Licensee that various federal agencies have requested the transfer of certain of the above facilities to their administrative control and that a final decision has not been made on such requests to date. If, in the future, a decision is made to approve any such transfer request, the Licensor shall notify the Licensee and this License as it applies to the involved facilities shall be revoked pursuant to General Provision 10.b. hereof. Accordingly, Licensee also recognizes that improvements to the involved facilities must be of a limited nature.

EXHIBIT "B"
TO
LICENSE NO. N6274295RP000__

The transfer of custody by the Licensor to the Licensee of certain Licensor-owned personal property, attached hereto, and located within the facilities described in Exhibit "A", is included in this License in order to facilitate Licensee's program to accomplish the purpose of this License as set forth in Exhibit "A". Such personal property may only be used by the Licensee in connection with Licensee's use of the facilities herein described, either under this License No. N6274295RP000__, or any subsequent license issued by the Licensor to the Licensee authorizing use and occupancy of facilities. Such personal property may not be sold, transferred, donated or otherwise disposed of by the Licensee. Such personal property may not be removed from the particular facility within which it is situated at the time this License is executed, for use by the Licensee elsewhere, without the prior written approval of the Licensor. At all times during the term of this License, Licensee shall maintain inventory records which document the current location and responsible custodian for all such personal property. The condition of such personal property and any deficiencies thereto shall be documented in the Joint Condition Report to be prepared by the Licensee and Licensor, as further described in Special Provision 5 of this License.



LEGEND

-  JOINT USE AREA
-  ACAHIA TOWER
-  ARFF BUILDING
-  GUAM INTERNATIONAL AIR TERMINAL
-  LOCKHEED FULL FARM

SECURITY AND LAW ENFORCEMENT AREA

AMENDMENT NUMBER 1
TO
LICENSE NUMBER N5704395RP00013

License Number N5704395RP00013 between the Government of Guam, represented by the Komitea Para Tiyan, and the United States of America, Department of the Navy, providing for use of property at the former U.S. Naval Air Station, Agana, Guam, is hereby amended effective April 18, 1995 as follows:

a. Exhibit "A" is amended to add the following facilities:

<u>FACILITY NUMBER</u>	<u>FACILITY NAME</u>
16-6103	TRANSPORTATION FACILITY
16-6104	COMPRESSED GAS STORAGE SHED
13-5005	RECREATION PAVILION

The following 39 duplex housing units:

<u>FACILITY NUMBER</u>	<u>ADDRESS</u>
A-2002	101 and 103 P Street
A-2003	1625 and 1627 E Sunset Blvd.
A-2004	105 and 107 P Street
A-2005	1621 and 1623 E Sunset Blvd.
A-2006	109 and 111 P Street
A-2007	1617 and 1619 E Sunset Blvd.
A-2008	1618 and 1620 E Sunset Blvd.
A-2009	1613 and 1615 E Sunset Blvd.
A-2010	1614 and 1616 E Sunset Blvd.
A-2011	1609 and 1611 E Sunset Blvd.
A-2012	1610 and 1612 E Sunset Blvd.
A-2013	1605 and 1607 E Sunset Blvd.
A-2014	1606 and 1608 E Sunset Blvd.
A-2015	1601 and 1603 E Sunset Blvd.
A-2016	1602 and 1604 E Sunset Blvd.
A-2018	110 and 112 O Street
A-2020	106 and 108 O Street
A-2022	102 and 104 O Street
A-2024	101 and 103 O Street
A-2026	105 and 107 O Street
A-2028	1502 and 1504 E Sunset Blvd.
A-2030	106 and 108 N Street
A-2032	102 and 104 N Street
A-2034	101 and 103 N Street
A-2036	105 and 107 N Street
A-2038	109 and 111 N Street
A-2040	1414 and 1416 E Sunset Blvd.
A-2042	1410 and 1412 E Sunset Blvd.
A-2044	1406 and 1408 E Sunset Blvd.

FACILITY NUMBER

ADDRESS

A-2046	1402 and 1404 E Sunset Blvd.
A-2048	114 and 116 M Street
A-2050	110 and 112 M Street
A-2052	106 and 108 M Street
A-2054	102 and 104 M Street
A-2056	101 and 103 M Street
A-2058	105 and 107 M Street
A-2236	1501 and 1503 Central Avenue
A-2238	1505 and 1507 Central Avenue
A-2240	1601 and 1603 Central Avenue

Except as herein amended, all other terms and conditions of the license remain unchanged and in full force and effect.

UNITED STATES OF AMERICA
Department of the Navy

By _____
A. N. ECKERT, CDR, CEC, USN

Title: Force Civil Engineer (Real Estate), COMNAVMARIANAS

Date _____

GOVERNMENT OF GUAM

By  _____
CARL T. C. GUTIERREZ

Title: Governor of Guam

Date 4-18-95

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SAMPLE

RECORD OF CATEGORICAL EXCLUSION

PROJECT TITLE: LICENSE AGREEMENT BETWEEN U.S. NAVAL AIR STATION AGANA GUAM AND THE GOVERNMENT OF GUAM, FOR BLDG. 15-5003, CHAPEL ANNEX

INSTALLATION: U.S. NAVAL AIR STATION, AGANA, GUAM

PREPARED BY: U.S. NAVAL AIR STATION, AGANA, GUAM

DATE: 06 MARCH 1995

1. INTRODUCTION

This environmental analysis to forego preparation of an Environmental Assessment or Environmental Impact Statement on the basis of one or more categorical exclusions was prepared in accordance with OPNAVINST 5090.1A in compliance with the National Environmental Policy Act of 1969 as implemented by the Council on Environmental Quality Regulations 40 CFR Parts 1500 and 1508.

a. **Description of the Proposed Action.** The proposed action would be to provide a license agreement between U.S. Naval Air Station Agana Guam and Government of Guam to use the preexisting Building # 15-5003, Chapel Annex, as a administrative office. Building will be used by the Government of Guam as base transition site office for the closure of the Naval Air Station, Guam. The existing building is a one story 1,250 square foot concrete block structure with a built-up roof. The existing building consist of numerous offices and conference rooms which may require minor repair and/or remodeling to meet the goals of the new tenant. The year of construction for building 15-5003 was recorded 1965.

There are no environmental effects that are considered to be adverse or controversial other than those anticipated during remodeling. Therefore, an environmental assessment or a detailed environmental impact statement is not considered necessary.

b. **Environmental Setting.** The proposed action is located approximately 50 feet south of the Naval Air Station Chapel, Building 15-5002. The proposed action is located well kept grass area bordered by a fairly large parking area. (enclosure 1).

The proposed actions would have no significant effects on the geology, hydrology, soil, utilities, or climate of the existing environment.

No Federally listed endangered or threatened species or their critical habitat would be affected as a result of the proposed action because none exist at the site.

No known historical or archaeological objects are known to exist within the affected project area. No affects to cultural resources are expected, and no additional

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investigations are warranted.

c. **Alternatives Considered:** During normal planning for proposed activities, general consideration was given to various options and alternatives. However, due to the lack of any serious environmental effects or controversy and inherent advantages of the proposed action, only the proposed action was given serious consideration.

The No-Action alternative, though considered, was eliminated because there would be no continuity of essential support to the activity's mission performance.

2. POTENTIAL EFFECTS OF THE PROPOSED ACTION ON THE ENVIRONMENT

a. Proposed Action Possible Effect on Public Health or Safety.

(1) **Will not have air emissions which exceed the National Ambient Air Quality Standards and the National Emissions Standards for Hazardous Air Pollutants (NESHAP) (Clean Air Act, Section 112).**

(2) **Will not directly or cumulatively introduce toxic, hazardous chemical or organic substances, or solid wastes into bodies of water or on land to cause levels of these substances to exceed regulatory standards.**

(3) **Will not cause the creation of noise, which would exceed the Navy (NUD or OSHA) noise criteria established for the health and safety of humans or cause violation of regulations established for the protection of wildlife.**

(4) **Will not cause traffic hazards or degradation of Level of Service below "D" classification.**

(5) **Will not require excessive utility services (water, electricity, sewage, etc.) beyond the available capacity of the existing utility facilities.**

(6) **Will not generate flammable, explosive or chemical hazards that may affect areas outside of Navy property or other protective zones previously established for safety from these hazards; nor impose arcs on inhabited buildings.**

(7) **Will not generate Electromagnetic Radiation Zone (EMR) or electromagnetic interferences which could affect areas outside of previously established protective zones.**

(8) **Is located in an area with a known potential hazard such as in an ESQD arc (enclosure (3)).**

(9) **Will not cause point and/or non-point source pollution or degradation of water quality in any adjacent stream or body of water.**

b. Proposed Action's Possible Effects on Wetlands, Endangered or Threatened Species, Historical, Archeological, or Cultural Resources, or Hazardous Waste (HW) Sites.

(1) Is not within wetland habitat, and will not have an adverse effect on any adjacent wetland habitat.

(2) Will not affect any endangered or threatened species of flora or fauna, nor any critical habitat or wildlife refuge.

(3) Will not affect a National Historical Landmark or any historical or cultural resources listed or eligible for listing in the National Register properties. This determination is based on:

(a) The proposed action is not an undertaking as defined in the Advisory Council on Historic Preservation Regulations 36 CFR Part 800 - Protection of Historic Properties; or

(b) A request for a concurrence of "No Property" for historic or cultural resources was sent to the Guam State Historic Preservation Officer (GSHPO) on 07 March 1995 (enclosure 2). The GSHPO has been requested to respond within 21 days of the date of the request, and if we do not receive a response within 30 days, we will assume concurrence; or

(c) A request for a concurrence of "No Effects" on historic or cultural resources was sent to the State Historic Preservation Officer (GSHPO) on _____. The GSHPO has been requested to respond within 21 days of the date of the request, and if we do not receive a response within 30 days, we will assume concurrence; or

(d) A request for a concurrence of "No Adverse Effect" was sent to the State Historic Preservation Officer (GSHPO) on _____ and the summary documentation for the determination was sent to the Advisory Council on Historic Preservation on _____.

(4) The area of the proposed action is not listed in the activity or Installation Restoration Program or eligible for listing.

(a) The proposed site was tested for asbestos-containing material (ACM) on 01 August 1994 by EPA Accredited Inspectors. The ACMs identified in building 15-5003 were generally noted to be in good condition. These materials pose a low potential for exposing building occupants to airborne asbestos fibers. However, if the ACMs become damaged or disturbed, the potential for exposure to ACMs would increase.

(b) Activity historical records indicate that the proposed site has not been used as an industrial or disposal site.

c. The proposed action will not affect the human environment or be highly uncertain, involve unique or unknown risks, or which are scientifically controversial.

d. The proposed action will not establish precedents or make decisions in principle for future actions with significant affects.

e. The proposed action will not threaten a violation of Federal, state, or local law requirements imposed for protection of the environment. This determination is also based on the following:

(1) Coastal Zone Management Act (CZM)

(a) X "The area of the proposed action is on Federal land which is excluded from the state's coastal zone". The proposed action will have no potential for spill-over effects (would not affect land, water use or natural resources) subject to CZM. "Accordingly, a formal Coastal Zone Consistency Determination action with the Guam CZM Program will not be required"; or

(b) The proposed action will be consistent with the approved Guam CZM Program. The Office of State Planning CZM consistency determination letter is attached.

(2) Flood Disaster Protection Act and implementing regulations; Executive Order 11988; Water Resources Council Guidelines on Implementing E. O. 11988.

(a) X The proposed action is located outside the 100 year flood hazard area as identified by the FIRM or FIA Flood Hazard Boundary Map, or

(b) The proposed action is located within the 100 year flood area. Compliance documentation is attached.

3. CONCLUSION

Based on the above environmental analysis, it is concluded that:

X This is a categorically excluded action. A decision to forego preparation of an Environmental Assessment or Environmental Impact Statement on the basis of one or more Categorical Exclusions have been documented. Including the exclusion found applicable, the facts supporting their use, and specific considerations of whether the exceptions to the use of Categorical Exclusion set out above were applicable and;

#4 Relocation of personal into existing federally-owned or commercially-leased space that does not involve a substantial change in the supporting infrastructure (e.g., an increase in vehicular traffic beyond the capacity of the supporting road network to accommodate such an increase is an example of substantial change).

This office has analyzed the potential environmental effects associated with the proposed action, and has determined that no significant effects upon the human environment will result, except those anticipated during remodeling which are temporary. Therefore, no Environmental Assessment nor Environmental Impact Statement will be prepared.

4. REFERENCE CITED

Bonnome, Craib and Associates. 1993. *Preliminary Report, Cultural Resource Management Plan Andersen Air Force Base.* Naval Mariana Islands, Territory of Guam. Pacific Division, Naval Facilities Engineering Command, Pearl Harbor, Hawaii 96860-7300. 110 pp.

Ogden Environmental and Energy Services Co., Inc. Dec. 1994. Asbestos-containing material (ACM) inspection report. As prepared for the Naval Facilities Engineering Command for the U.S. Naval Air Station Agana, Guam.

Prepared by: _____

07/MAR/95

PATRICK H. O'MALLAN

PWC Environmental Protection Specialist

Reviewed by: _____

7/MAR/95

Lt. Cords.

NAS Staff Civil Engineering

Facility Commanding Officer: _____


or designated representative

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KOMITEA PARA TIYAN
Government of Guam

April 5, 1995

MEMORANDUM

TO: CHAIRPERSON, KPT
FROM: STAFF 
**SUBJECT: GOVGUAM AGENCY LEASES/RELOCATIONS
FOR THE INTERIM PERIOD**

There has been much said about the Governor's decision to relocate government of Guam agencies to Tiyán facilities for the interim period. Several points of clarification should be understood relative to this:

1. Early in January, 1995, the Governor was informed by the Navy that a decision had to be made by February 1, 1995 as to whether GovGuam would assume responsibility as "Caretaker" of NAS during the interim period. (The interim period is defined as that period of time between the disestablishment of Naval operations, assumption of caretaker responsibilities, the completion of the environmental cleanup and, ultimately, the conveyance of title to the government.)

If GovGuam did not assume responsibility as "Caretaker" Navy was prepared and authorized to contract a private concern as "Caretaker". In the event that this was the route taken, GovGuam would not have control over and access to use NAS facilities for the interim period. The decision to have GovGuam assume "Caretaker" responsibilities brought with it responsibility for the cost of maintenance, specifically, the cost of utilities, even if the facilities were "laidover" or "mothballed" and the cost of maintaining the grounds.

2. The decision by the Governor and Lt. Governor for GovGuam to assume responsibility as "Caretaker" brought with it the responsibility to provide for

the security and maintenance of the facilities. It also brought with it the ability to utilize the facilities under certain conditions:

- a. Uses would have to be as similar as possible to existing Navy uses. Thus, housing units could be used as housing units or offices as use for offices would mean reduced occupancy (occupancy only during working hours)
- b. There could no major renovations. Permanent structures could not be altered (the permanent interior walls in the barracks could not be removed, and permanent structures or additions and attachments to buildings would not be permitted.
- c. The facilities could be subleased to third parties provided, however, that any revenues generated over and above costs of maintenance and operations and a reasonable net income (the meaning and extent of reasonableness was never established but existing federal practices peg this number to be around 5%) would have to be paid into the federal treasury.

Thus, during the interim period, even if GovGuam decides to lease NAS facilities to commercial enterprises, the revenue generating capacity or potential (to GovGuam) of those facilities would be limited.

Likewise, because leases, and subleases, will be limited to terms of 5 years or less, there is a question as to whether private enterprises would be willing to invest substantial amounts of funds in relocating or whether financial institutes would be willing to extend loans to lessees with such limited terms.

3. In light of these conditions, the Governor and Lt. Governor decided to relocate certain GovGuam agencies, which are paying high rental fees to private landlords, into NAS facilities. The costs of maintenance and operations (utilities and personnel costs) would be covered by GovGuam and will be offset with the eventual savings to be realized. For the purposes of determining costs of maintenance and operations, rental fees would be computed at \$1.00 per square foot inclusive of maintenance and utilities.

For the interim period, and in response to their individual agency and department requests, the Governor has approved the issuance short term leases for facilities at NAS. All interim leases will have common (government boiler plate) features:

1. The leases are for terms of one (1) year with sixty (60) day revocation clauses.
2. The leases will not permit any structural modifications, deletions or additions to the facilities.
3. Rather than assess a per square foot lease payment for line agencies, the Governor has ordered that the total lease payment for line agencies shall be considered as the sum total for the cost of operations, which shall include costs for the O & M personnel assigned to Tiyan and carried under the payroll of the Governor's Office.

For FY 1996, a budget of \$3,500,000 for Tiyan operations has been requested. This budget includes cost of personnel and maintenance.

4. Autonomous agencies which are moved into Tiyan on interim leases will be assessed a lease rate of \$1.00 per square foot inclusive utilities.

Utilities have been included in the lease rate as the facilities are not individually metered and the cost of installing individual meters would be prohibitive. Likewise, for the A-6 area, the majority of the facilities are air conditioned and provided hot water service through common chiller and boiler plants and determining per building costs would not be possible.

5. Autonomous agencies shall be required to extend their public liability insurance to include coverage of the Tiyan facilities in accordance with the license agreement between GovGuam and the Navy.

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The Governor has designated the following agencies for relocation to Tiyan:

1. Guam Police Department

Present Location: Pedro's Plaza, Agana
Present Annual Lease \$726,000/a (43,050sf) *1.40 M\$F*
Relocating to BOQ's Bldg 1-1300, 1-1301, 1-1306
Total Square Footage: 9,192 sf (1306); 23,394 sf (1300); 36,256 sf (1301)

2. Guam Fire Department

Present Location Sunny Plastics Bldg, Tamuning
Present Annual Lease \$159,840.00/a (7200sf @ \$1.85/sf)
Relocating to BOQ Bldg 1-1303
Total Square Footage *shared with GPD (1st floor of 1301)

Note: The Guam Police Dept. and the Guam Fire Dept. will provide a security presence in Tiyan which will assist in the overall security of the entire facility. The presence of GPD and GPD at the said location will also permit the eventual opening of the original NAS main gate which will provide more effective traffic to offices which will be located at the EM housing area. Relocation of GPD and GFD into NAS will result in total savings to the government of Guam of The existing NAS impoundment lot will be licensed, at no cost, to GPD for the Police Impoundment Lot permitting GPD to remove impounded vehicles from the Old GMH facility. The NAS impoundment lot will also provide greater security for vehicles impounded as evidence.

3. Guam Environmental Protection Agency

Present Location IT & E Harmon Plaza Building
Present Annual Lease \$183,936.00 (9768.00sf @ \$1.57/sf)
Relocating to Calibration Lab
Total Square Footage 8,438 s.f. Calibration Lab (+ one EM Housing Unit)

Note: The GEPA's lease with the Harmon Plaza Bldg. has expired and is presently on a month to month basis. Granting space to GEPA in Tiyan will save the government \$183,936 annually. An additional advantage to the Tiyan project is the presence of GEPA on NAS while the EIS is being performed and the environmental clean up is being accomplished. The Calibration lab as already set up can handle much of GEPA's work requirements without extensive renovations.

4. Department of Parks and Recreation

Present Location Maintenance Warehouse in Maite and Agana Hts.
Present Annual Lease \$150,000 per year (10,000sf @ \$1.25/sf)
Relocating to Recreational areas, 1st Lt. Complex, BEQ 13-8; Pool Bathhouse; SS Bldg, Concession Complex
Total Square Footage 7800 sf (SS Bldg); 5520sf (Self-help) 13,200 sf (13-8) 1680sf (Concessions)

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Note: The relocation of the Department of Parks and Recreation into Tiyan will provide immediate maintenance capabilities for the recreational facilities and areas. In particular, the licensing of the NAS swimming pool to Parks and Rec will provide the maintenance capabilities which would make the pool available to the general public. It will also make available to Tiyan, in particular, the A6 area the presence of the Park Rangers which will add police presence to that area. The relocation of the Agana Hts. Offices of Parks and Recreation will also make available that building, which meets Americans with Disabilities Act requirements, for the Department of Vocational Rehabilitation resulting in savings of \$132,000 which is the annual rent paid by DVR for its present location. Total savings for the government of Guam in lease payments alone is \$282,000 per year.

5. Guam Power Authority

Present Location	I T & E Harmon Plaza Bldg; Sunny Plastic Bldg.
Present Annual Lease	\$316,802/a (15,600sf @ 1.69/sf) Harmon \$33,000/a (1300sf @ \$2.12/sf) Atlantica Bldg \$36,960/a (1400sf @ \$1.49/sf) Liberty Arcade \$92,400/a (2800sf @ \$2.75/sf) 1st Savings Bldg \$319,500/a (15,500sf @ \$2.25/sf) Sunny Plaza
Relocating to	BEQ Bldg Nos. 13-6; 13-7
Total Square Footage	13,200 sf (13-6) 13,200 (13-7)

Note: The relocation of the Engineering, Procurement and Supply and Management Offices of GPA into Tiyan will provide significant savings to the Authority which savings can be used to off-set other expenses which drive power rates upwards. The interim lease will also provide GPA the needed time to plan and provide for the construction of its final home complex at its 25 acre Fadian property. Total charges to GPA for the lease, at \$1.00 per square foot, will be \$40,000 per month or \$480,000 per annum. Efficiencies will also be realized by locating the various units of the department in one area.

6. Department of Revenue and Taxation

Present Location	Harmon Commercial Center, Pangelinan's Sinajana Plaza, Bldg, Tamuning
Present Annual Lease	\$384,000/a (16,000sf @ 2.00/sf) Tamuning \$344,309/a (9138sf @ 3.03/sf) Sinajana \$385,288/a (13,585sf @ 2.34/sf) Harmon \$49,941/a (49,841sf @ 1.33/sf) ABC Storage \$10,800/a (1000sf @ .90/sf) Harmon Storage
Relocating to	BEQ Bldg Nos.13-1, 13-2, 13-3 & CU Building
Total Square Footage	12,760 sf (13-1); 13,032 sf (13-2); 13,200 sf (13-3) 3050 sf (PO/CU bldg)

Note: The consolidation of Revenue and Taxation divisions into Tiyan will increase the service efficiency and effectiveness of the Department while saving the government \$1,174,000 in lease payments.

7. Special Education Support Services, Department of Education

Present Location	Ji Bldg, Maite
Present Annual Lease	\$464,880/a (26,000sf @ 1.49/sf)
Relocating to	BEQ Bldg No. 13-14 and 13-15
Total Square Footage	13200 sf (13-14); 13200sf (13-15)

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Note: The Special Education Support Services was moved from the Chief Brodie Memorial School Compound to the Ji Building in Maite after the Brodie Memorial School was reactivated as an elementary school. The relocation to NAS will save the government \$400,000 per year.

8. Government of Guam Employees Retirement Fund

Present Location	ASPAC Harmon Industrial Park
Present Annual Lease	\$90,000/a (7400sf @ 1.00/sf)
Relocating to	BEQ Bldg No.13-4
Total Square Footage	6516 sf (13-4)

Note: The relocation of the GovGuam Retirement Fund to Tiyan will save the government \$90,000 in lease payments. More importantly, the relocation will provide a more convenient and safer traffic pattern for GovGuam employees and retirees who have need to visit the Retirement Fund. The relocation of the Retirement Fund will be very temporary as the Retirement Fund will be repairing its burnt out building in Maite. As soon as the repair of the building is completed, the Retirement Fund will move out of Tiyan.

9. Child Protective Services, DPH & SS

Present Location	Union Bank Bldg, Agana
Present Annual Lease	\$332,100/a (12,300sf @ 2.25/sf)
Relocating to	BEQ Bldg. No. 13- 5
Total Square Footage	13,200 (13-5)

Note: The relocation of the CPS to Tiyan will save the government annually. Additionally, the relocation of the service offices to quarters adjacent to RevTax will make

10. Department of Labor

Present Location	ITC Bldg
Present Annual Lease	\$554,000/a (44,000sf @ 1.98/sf)
Relocating to	BEQ Bldg 13-13
Total Square Footage	13,032sf (13-13)

Note: The Department of Labor can be housed at NAS as unit basis. OSHA, GES and the Director's Office will be housed at the EM housing area while the Main Administrative Branches will be housed in Bldg 13-13. AHRD will be housed on the second floor of BEQ 13-4.

11. Customs and Quarantine

Present Location	ITC Bldg
Present Annual Lease	\$75,492/a (4,194sf @ 1.50/sf)
Relocating to	EM Housing & LOX storage
Total Square Footage	4 Units EM Housing 1717 sf (Lox Bldg) Kennel

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Note: Customs and Quarantine is requesting 4 units at the EM housing area for use as its administrative offices. The department will generate its own revenues for this purpose through the new airport user fees to be implemented shortly. The request for the LOX storage facility is for use as a kennel for the Customs dogs.

12. Department of Commerce

Present Location	ITC Bldg, Tamuning
Present Annual Lease	\$158,818/a (6876sf @ 1.90/sf)
Relocating to	EM Housing
Total Square Footage	4 Units EM Housing

Note: Placement of Commerce at EM Housing will be in the same vicinity as Guam Finance Commission as they work hand in hand.

13. Chamorro Land Trust Commission

Present Location	Calvo Commercial Maite
Present Annual Lease	
Relocating to	EM Housing
Total Square Footage	2600 sf

14. Territorial Planning Council

Present Location	Reflection Center, Agana
Present Annual Lease	\$43,200 (1200sf @ 3.00/sf)
Relocating to	EM Housing
Total Square Footage	1300 sf

Note: The total savings to be realized by GovGuam by relocating the TPC to NAS will be

15. Guam Health Planning and Development Agency

Present Location	Century Plaza, Tamuning
Present Annual Lease	\$24,651/a (1245sf @ 1.65/sf)
Relocating to	EM Housing
Total Square Footage	1300 sf (3bdm unit)

16. Guam Civil Service Commission

Present Location	Century Plaza, Tamuning
Present Annual Lease	\$84,762/a (4709 sf @ 1.50/sf)
Relocating to	EM Housing
Total Square Footage	5200 sf

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17. Guam Passport Office

Present Location Ji Building Maite
Present Annual Lease \$24,000/a (1000sf @ 2.00/sf)
Relocating to EM Housing
Total Square Footage 1300 sf

18. Guam Energy Office

Present Location Ji Building Maite
Present Annual Lease \$67,200/a (3,000sf @ 1.87)
Relocating to EM Housing 2 units
Total Square Footage 3,000 sf

19. Guam Community College

Present Location: N/A
Present Annual Lease N/A
Relocating to: Child Care Center (A1)
Total Square Footage 4,440 sf

Note: GCC has expressed interest in operating the Child Care Center located at the Enlisted Housing area as a Child Care Center in order to provide on-the-job training for its Child Care Education curriculum and to provide Child Care services for government employees working within Tiyan. The Center would generate revenues for itself by charging for its services which in turn would generate the revenue to pay the \$4400.00 month rental for the center.

20. Department of Education (Headstart Program)

Present Location: P.C. Lujan Elem.
Present Annual Lease N/A
Relocating to Child Care Center (15-6106)
Total Square Footage 7200 sf

Note: Licensing of the Child Care Center (15-5106) to DOE will permit the department to move its Headstart program from PC Lujan Elem. to the NAS facility thus freeing up needed classroom space at PC Lujan. Total cost to DOE for this facility will be \$7200 per month or \$86,400 per annum.

21. Medical Professional Licensure Office

Present Location: DPHSS Mangilao
Present Annual Lease N/A
Relocating to Enlisted Housing
Total Square Footage 1500 sf

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Note: The PLO is requesting to relocate to NAS from Mangilao because of the overcrowded conditions at Mangilao and the inability of the various Boards of Examiners to conduct meetings at DPHSS Mangilao without incurring overtime costs. Likewise, whenever PLO schedules a meeting at other locations, confidential records must be transported which creates an unacceptable situation. Relocation would permit the Boards to have their meetings at one location with all records easily accessible when most needed. PLO is budgeted for rental Relocation would also free up much needed space at DPHSS.

22. Chamorro Language Commission

Present Location:	Bank of Guam (Santa Cruz)
Present Annual Lease	\$66,822/a (2063sf @ 2.20/sf)
Relocating to	EM Housing
Total Square Footage	2200 sf

Note: Relocating the Chamorro Language Commission will save the General Fund \$66,822 annually.

23. Guam Airport Authority

The Guam Airport Authority is requesting 11 EM housing units, (the units immediately adjacent to the airport's existing administrative offices), for use as administrative offices. GAA will be assessed rental at the initial rate of \$1.00 per square foot for these units. Total costs to GAA will be approximately \$11,000 per month or \$132,000 annually.

24. Guam Memorial Hospital Authority

Guam Memorial Hospital is requesting facilities at NAS for the storage of medical records. Currently GMHA is leasing storage space for its records at \$8500 per annum. The storage of records at GMH is deemed as short term as the Hospital will begin purging documents in accordance with the government's records management policies.

25. General Services Administration

The Lt. Governor has been informed by GSA that it is refusing to accept government documents for storage and disposition because of a lack of space. GSA is therefore requesting space at NAS in which records can be stored in an orderly manner while they are purged in accordance with the government's records management policies. It should be noted that over the last few years several government agencies (including RevTax, GMHA, GVB and others) are leasing record storage space.

State Council on Vocational Education (SCOVE)

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Present Location	Adelup Complex
Present Annual Lease	N/A
Relocating to	Enlisted Housing A-2050, one side of duplex
Total Square Footage	1000 sf

Note: Relocating SCOVE to NAS will free up needed space at Adelup Complex.

Veteran's Affairs

Present Location	Adelup Complex
Present Annual Lease	N/A
Relocating to	EM Housing
Total Square Footage	1000 sf

Note: Relocating Veteran's Affairs to NAS will free up needed space at Adelup Complex.

Guam Women's Bureau/Volunteers are Important People

Present Location	Adelup Complex
Present Annual Lease	N/A
Relocating to	Enlisted Housing A-2056 (left side of duplex) and A-2054 (right side of duplex)
Total Square Footage	1300 sf

Note: Relocating GWB/VIP to NAS will free up needed space at Adelup Complex.

Guam Finance Commission

Present Location	Adelup Complex
Present Annual Lease	N/A
Relocating to	Enlisted Housing A-2058
Total Square Footage	1500 sf

Note: Relocating GFC to NAS will free up needed space at Adelup Complex.

Other government agencies have been informed that they will be relocating to Tiyan in order to reduce the government's budget. The location of these agencies and their impact will be reported as it is decided where these agencies will be placed.

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PROJECTED RENTAL REVENUES

A	B	C	D	E	F	G	H
DEPT	PRESENT LEASE	LOCATION	TIYAN LOCATION	AREA SQUARE FEET	PROJECTED LEASE	DIFFERENCE	
1							
2							
3							
4	GPD \$726,000	PEDROS PLAZA	BOOS	68842	\$826,104	\$100,104	
5	GPD \$159,840	SUNNY PLASTICS BLDG				(\$159,840)	(\$59,736)
6							
7	GPA \$183,936	HARMON PLAZA BLDG	CAL LAB	8438	\$101,256	(\$82,680)	
8	GPA		EMHOUSING	1300	\$15,600	\$15,600	(\$67,080)
9							
10	PARKS \$150,000	J & G MAITE WAREHOUSE	SS OFFICE	7600	\$91,200	(\$58,800)	
11			B 14-5003	2320	\$27,840	\$27,840	
12			CONC. COMP	1680	\$20,160	\$20,160	
13			BEQ 13-8	13200	\$158,400	\$158,400	
14			B 14-5015	3200	\$38,400	\$38,400	
15			POOL & BATH	7440	\$89,280	\$89,280	\$306,240
16			RECREATIONAL FIELDS & SUPP. FACILITIES		\$0		
17							
18	GPA \$384,000	HARMON PLAZA	BEQ 13-6	13200	\$158,400	(\$225,600)	
19	GPA \$33,000	ATLANTICA BLDG	BEQ 13-7	13200	\$158,400	\$125,400	
20	GPA \$36,960	LIBERTY ARCADE				(\$36,960)	
21	GPA \$92,400	1ST SAVINGS				(\$92,400)	
22	GPA \$319,500	SUNNY PLAZA				(\$319,500)	(\$549,060)
23							
24	REVTAX \$384,000	TAMUNING	B 13-1	13200	\$158,400	(\$225,600)	
25		SINAJANA	B 13-2	12760	\$153,120	(\$191,189)	
26		HARMON	B 13-3	13032	\$156,384	(\$228,904)	
27		TAMUNING	PO/CU	3050	\$36,600	(\$13,341)	
28		HARMON				(\$10,800)	(\$669,834)
29							
30	DOE SE SS \$464,880	J1 BLDG MAITE	B 13-14/15	26064	\$312,768	(\$152,112)	(\$152,112)
31							
32	RETIREMENT \$90,000	ASPAC BLDG HARMON	BEQ 13-4	6516	\$78,192	(\$11,808)	(\$11,808)
33							

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PROJECTED RENTAL REVENUES

	A	B	C	D	E	F	G	H
34	CPS DPHSS	\$332,100	UNION BANK BLDG	BEQ 13-5	13200	\$158,400	(\$173,700)	(\$173,700)
35								
36	LABOR	\$554,000	ITC BLDG	BEQ 13-13	13200	\$158,400	(\$395,600)	
37	OSHA			EMHOUSING	1500	\$18,000	\$18,000	
38	AHRD	\$117,810	ITC	B 13-4	6516	\$78,192	(\$39,618)	
39	GES			EMHOUSING	1500	\$18,000	\$18,000	(\$399,218)
40								
41	CUSTOMS	\$75,492	ITC BLDG	EMHOUSING	6000	\$72,000	(\$3,492)	
42	CUSTOMS			LOX	1717	\$20,604	\$20,604	\$17,112
43								
44	COMMERCE	\$158,818	ITC BLDG	EMHOUSING	6000	\$72,000	(\$86,818)	(\$86,818)
45								
46	TPC	\$43,200	REFLECTION CENTER	EMHOUSING	1300	\$15,600	(\$27,600)	(\$27,600)
47								
48	GHPDA	\$24,651	CENTURY PLAZA	EMHOUSING	1300	\$15,600	(\$9,051)	(\$9,051)
49								
50	CSC	\$84,762	CENTURY PLAZA	EMHOUSING	5200	\$62,400	(\$22,362)	(\$22,362)
51								
52	PASSPORT	\$24,000	JI BLDG MAITE	EMHOUSING	1000	\$12,000	(\$12,000)	(\$12,000)
53								
54	ENERGY	\$67,200	JI BLDG MAITE	EMHOUSING	3000	\$36,000	(\$31,200)	(\$31,200)
55								
56	GOC			CHILD CARE	4440	\$53,280	\$53,280	\$53,280
57								
58	DOE HDST		PC LUJAN	CHILD CARE	7140	\$85,680	\$85,680	\$85,680
59								
60	PROF. LICEN		DPHSS MANGILAO	EMHOUSING	3000	\$36,000	\$36,000	\$36,000
61								
62	CLC	\$66,822	BANK OF GUAM	EMHOUSING	2200	\$26,400	(\$40,422)	(\$40,422)
63								
64	GAA			EMHOUSING	11000	\$132,000	\$132,000	\$132,000
65								
66		\$5,363,709				\$3,519,060	(\$1,844,649)	(\$1,844,649)

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Introduced

APR 20 1995

TWENTY THIRD GUAM LEGISLATURE
FIRST (1995) REGULAR SESSION

Bill No. 214(LS)

Introduced by:

Don Parkinson

At the request of the Governor
in accordance with the
Organic Act of Guam

AN ACT TO ADD A NEW SECTION (E) 5 GCA §6303, RELATIVE TO AUTHORIZING THE GOVERNMENT OF GUAM TO PURCHASE LIABILITY INSURANCE FOR INDEMNIFYING AGENCIES OF THE UNITED STATES GOVERNMENT.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:
2

3 Section 1. Legislative Intent: The government of Guam has been informed
4 by the U.S. Attorney and the attorneys for the U.S. Navy's Pacific Division and its
5 Commanding Officer, Rear Admiral David Nash, that the government of Guam will
6 be required to: 1) provide full indemnification of the U.S. government to the extent
7 of the Federal Claims Act; or 2) secure public liability insurance coverage
8 protecting the U.S. government for third party contingent liabilities before any
9 facilities on NAS can be leased out for public use. The U.S. Attorney noted that
10 because the title and ownership of the air base will still be in the name of the U.S.
11 government, until title conveyance, the U.S. government retains a contingent
12 liability. Because the operations that will be conducted at these facilities will be
13 licensed by the government of Guam, the U.S. government will require some form
14 of public liability protection. In response to questions whether Navy was looking for
15 indemnification or insurance coverage for potential or hidden environmental

1 problems, the U.S. Attorney and Navy officials noted that, under CERCLA 120(h),
2 the U.S. government cannot be indemnified for liability for any existing
3 environmental problems or hazards.

4 It is the consensus of the Governor and the Attorney General's Office that
5 the most effective and efficient method of providing for public liability insurance for
6 the immediate use of NAS facilities without creating undue risks for the government
7 of Guam is for the government to purchase public liability insurance to provide
8 reasonable coverage for the U.S. government, in accordance with the type of public
9 use of the facilities,

10 Section 2. A new subsection (e) is added to 5 GCA §6303 to read:

11 **“(e) If, pursuant to a lease, license or agreement for the joint**
12 **use of property of the United States, the government of Guam is**
13 **required to indemnify an agency of the United States**
14 **government against personal injury claims, the government may**
15 **purchase necessary insurance in excess of the liability limits of**
16 **the Government Claims Act; provided, however, that under any**
17 **such indemnification, the government of Guam shall not be**
18 **liable for any tort claim in an amount exceeding the limits of the**
19 **insurance coverage or the liability limits set forth in 5 GCA**
20 **§6301.”**