



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

JAN 03 2001

The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina'Bente Singko na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature
Suite 200
130 Aspinal Street
Hagåtña, Guam 96910

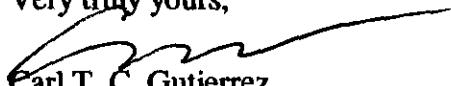
Dear Legislative Secretary Brown:

Enclosed please find Bill No. 519 (COR), "AN ACT TO AMEND §58104 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE DEVELOPMENT OF E-COMMERCE ON GUAM AND AUTHORIZING GEDA TO PROMULGATE RULES AND REGULATIONS FOR THE INDUSTRY," which I have signed into law as **Public Law No. 25-177**.

This public law is the result of successful interaction between Senator Alberto C. Lamorena V and officials of the Executive Branch, particularly the Guam Economic Development Authority. The legislation provided in this public law provides incentive for businesses which are engaged in what is now known as "e-commerce" to set up shop on Guam and do business from this location. It provides the opportunity for e-commerce businesses which locate on Guam to obtain a Qualifying Certificate.


With additional legislative/executive cooperation, more economic activity can take place on Guam, providing more jobs and opportunities for our people.

Very truly yours,


Carl T. C. Gutierrez
I Maga'Lahen Guåhan
Governor of Guam

Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill

cc: The Honorable Antonio R. Unpingco
Speaker

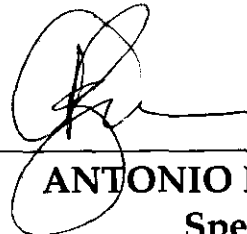
OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	
Time	2:10 p
Date	1/3/01

0004

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
2000 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Bill No. 519 (COR), "AN ACT TO AMEND §58104 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE DEVELOPMENT OF E-COMMERCE ON GUAM AND AUTHORIZING GEDA TO PROMULGATE RULES AND REGULATIONS FOR THE INDUSTRY," was on the 20th day of December 2000, duly and regularly passed.



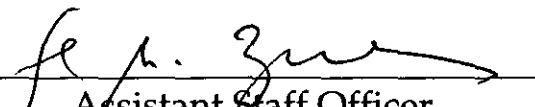
ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by *I Maga'lahaen Guahan* this 27th day of December, 2000,
at 8:40 o'clock A.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: 1-3-01

Public Law No. 25-177

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
2000 (SECOND) Regular Session

Bill No. 519 (COR)

As amended.

Introduced by:

A. C. Lamorena, V

A. R. Unpingco

Mark Forbes

F. B. Aguon, Jr.

E. C. Bermudes

A. C. Blaz

J. M.S. Brown

E. B. Calvo

M. G. Camacho

L. F. Kasperbauer

C. A. Leon Guerrero

K. S. Moylan

V. C. Pangelinan

J. C. Salas

S. A. Sanchez, II

**AN ACT TO AMEND §58104 OF TITLE 12 OF THE
GUAM CODE ANNOTATED, RELATIVE TO THE
DEVELOPMENT OF E-COMMERCE ON GUAM AND
AUTHORIZING GEDA TO PROMULGATE RULES
AND REGULATIONS FOR THE INDUSTRY.**

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

2 **Section 1. Legislative Intent.** *I Liheslaturan Guåhan* finds that an
3 opportunity exists to encourage the development on Guam, a non-polluting,
4 technology intensive industry that is rapidly encompassing the world with its
5 wares. The sale of goods over the Internet, commonly referred to as e-commerce

1 is growing exponentially. In establishing and developing this new industry,
2 companies engaged in the business of e-commerce would provide high paying
3 positions for our local people to take advantage of in seeking gainful
4 employment. This in turn would improve the livelihood of our local people by
5 increasing their financial security. Furthermore, the establishment and
6 development of this industry would generate additional revenue for our local
7 economy.

8 *I Liheslaturan Guåhan* further finds that at the start of 1999, 87,000,000 North
9 Americans, and more than 150,000,000 people worldwide, were using the
10 Internet. The rapid growth in the number of Internet users is expected to fuel a
11 huge growth in electronic commerce. The recent addition of the China-Guam
12 cable and the Philippines-Guam cable, that have been recently added to the
13 existing fiber optics cable network around Guam, along with planned broad
14 bandwidth cable networks like Tyco Submarine Systems and Australian-Japan
15 cable, will provide the sufficient bandwidth that will catapult Guam to be a major
16 world class player in this fast emerging market for Internet and e-commerce.

17 *I Liheslaturan Guåhan* further finds that the growth of the Internet is
18 doubling every one hundred (100) days, and the demand for capacity is
19 increasing at the rate of one thousand percent (1000%) per year. A study by
20 Deloitte & Touche, the Economics of Transaction released last year, projects that
21 by the Year 2002 traditional Internet access providers will be replaced by
22 powerful commerce service providers created to handle 1.1 Trillion Dollars of
23 business over the Internet. By the Year 2001 the Internet alone will have created a
24 single global market of over three hundred million (300,000,000) networked
25 consumers becoming the principal focus for the world intellectual capital and the

1 make American products available in other countries. By offering tax incentives,
2 Guam can foster the development of electronic malls to make Guam a major
3 center of Internet commerce.

4 The University of Guam, because of the available bandwidth, can embark
5 on a plan to expand the student body by thousands, and provide a substantial
6 source of tuition fees by implementing "distance-teaching" in real time to all
7 parts of Asia. This alone will create job opportunities for multilingual speakers to
8 support the program. In the field of medicine, the added bandwidth will make it
9 possible for patients with non-life threatening ailments to have a Magnetic
10 Resonance Imaging ("MRI") sent over the Internet for an evaluation by a
11 specialist. Tele-medicine will be one (1) of the benefits brought to Guam by
12 increased broad-bandwidth. It will substantially contribute to the reduction the
13 number of off-Guam trips for our people. In return for the tax incentives, Guam
14 will attract new businesses and their attendant employment opportunities.

15 The government of Guam, in close cooperation with the industry, should
16 begin to set up the infrastructure needed to train and provide an opportunity for
17 our citizens to gain the future skills necessary to support this industry.
18 Additionally, there is a need to expand further the focus on computer literacy
19 and Internet skills within the education system. In particular, the development of
20 computer literacy at primary levels should be a priority. Although the enactment
21 of this legislation would result in the foregoing on income and gross receipts
22 taxes on businesses that qualify for the incentives, it will produce significant tax
23 revenues from interest that will be earned from the revenues generated from
24 electronic commerce sales purchase. This legislation also incorporates safeguards
25 so that Guam will *not* attract undesirable businesses, such as those that deal in

1 pornographic materials.

2 **Section 2.** Section 58104 of Chapter 58, Division 2 of Title 12 of the Guam
3 Code Annotated is hereby *amended* to read as follows:

4 **"Section 58104. Eligibility Defined.** A Qualifying Certificate
5 shall *only* be issued to the following entities:

6 Any trust, partnership, sole proprietorship, Limited Liability
7 Partnership ('LLP'), Limited Liability Company ('LLC'), corporation
8 formed under the laws of Guam, or possessions corporation as
9 defined in §58106 of this Chapter, engaged, or about to engage in any
10 of the following activities:

- 11 1. agriculture;
- 12 2. aquaculture;
- 13 3. mariculture;
- 14 4. manufacturing;
- 15 5. commercial fishing;
- 16 6. services;
- 17 7. tourism;
- 18 8. improvement of real property for purposes which
19 are specifically determined by the Authority to be beneficial,
20 desirable, and necessary for the economic development of
21 Guam;
- 22 9. insurance issuance, either by commercial insurers,
23 reinsurers, or captive insurers which meet the requirements of
24 Article 3 of Chapter 15, Division 2 (Domestic Insurers) of Title
25 22 of the Guam Code Annotated;

6

I MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN

2000 (SECOND) Regular Session

Date: 12/20/00

VOTING SHEET

Bill No. 519 (COR)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
AGUON, Frank B., Jr.	✓				
BERMUDES, Eulogio C.	✓				
BLAZ, Anthony C.	✓				
BROWN, Joanne M.S.	✓				
CALVO, Eduardo B.	✓				
CAMACHO, Marcel G.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LAMORENA, Alberto C., V				✓	
LEON GUERRERO, Carlotta A.					✓
MOYLAN, Kaleo Scott	✓				
PANGELINAN, Vicente C.	✓				
SALAS, John C.	✓				
SANCHEZ, Simon A., II	✓				
UNPINGCO, Antonio R.	✓				

TOTAL

13 0 0 1 1

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
2000 (SECOND) Regular Session

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ANTONIO R. UNPINGCO
Speaker

Attested:

JOANNE M.S. BROWN
Senator and Legislative Secretary

.....
This Act was received by *I Maga'lahen Guahan* this _____ day of _____, 2000,
at _____ o'clock _____.M.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

CARL T. C. GUTIERREZ
I Maga'lahen Guahan

Date: _____

Public Law No. _____

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
2000 (SECOND) Regular Session

Bill No. 519 (COR)

As amended.

Introduced by:

A. C. Lamorena, V

A. R. Unpingco

Mark Forbes

F. B. Aguon, Jr.

E. C. Bermudes

A. C. Blaz

J. M.S. Brown

E. B. Calvo

M. G. Camacho

L. F. Kasperbauer

C. A. Leon Guerrero

K. S. Moylan

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J. C. Salas

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5 wares. The sale of goods over the Internet, commonly referred to as e-commerce

1 is growing exponentially. In establishing and developing this new industry,
2 companies engaged in the business of e-commerce would provide high paying
3 positions for our local people to take advantage of in seeking gainful
4 employment. This in turn would improve the livelihood of our local people by
5 increasing their financial security. Furthermore, the establishment and
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16 world class player in this fast emerging market for Internet and e-commerce.

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18 doubling every one hundred (100) days, and the demand for capacity is
19 increasing at the rate of one thousand percent (1000%) per year. A study by
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22 powerful commerce service providers created to handle 1.1 Trillion Dollars of
23 business over the Internet. By the Year 2001 the Internet alone will have created a
24 single global market of over three hundred million (300,000,000) networked
25 consumers becoming the principal focus for the world intellectual capital and the

1 main platform for electronic commerce.

2 *I Liheslaturan Guåhan* is of the opinion that in order for Guam to capitalize
3 on this opportunity, government incentives that would provide an attraction to
4 this industry should be formulated and offered to this industry, given that
5 neither physical size nor location necessarily dictate success. Guam, in other
6 words, is on a level playing field able to compete with larger countries.

7 Guam, because of our status as a United States Territory and our
8 geographical location as the "Gateway to Asia," offers unique advantages over
9 other locations. Ireland, which has been considered a leader in offering
10 incentives geared towards attracting this kind of industry, has recently adopted a
11 pro-investment taxation regime with a rate of corporation tax of ten percent
12 (10%) for manufacturing and certain associated activities, and a capital gains tax
13 rate of twenty percent (20%). A rate of corporation tax at twelve and one-half
14 percent (12.5%) for the active trading income of all companies is to be
15 implemented in the Year 2003.

16 With a commitment from *I Liheslaturan Guåhan*, the government of Guam
17 can provide the framework to develop Guam as a leader in electronic commerce,
18 by providing a pro-active framework, that support of electronic commerce will be
19 one (1) of the major components of our economic survival and source of revenue,
20 as well as employment the Internet has the potential to offer significant returns
21 on investment, *especially* for small and fledgling businesses, entrepreneurs with
22 new products, retailers wanting to expand beyond their local market and
23 American businesses seeking an efficient way of penetrating foreign markets. For
24 new and small businesses trying to expand, e-commerce offers an inexpensive
25 way for small businesses to compete with larger companies, and for U.S. firms to

1 make American products available in other countries. By offering tax incentives,
2 Guam can foster the development of electronic malls to make Guam a major
3 center of Internet commerce.

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5 on a plan to expand the student body by thousands, and provide a substantial
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12 increased broad-bandwidth. It will substantially contribute to the reduction the
13 number of off-Guam trips for our people. In return for the tax incentives, Guam
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8 formed under the laws of Guam, or possessions corporation as
9 defined in §58106 of this Chapter, engaged, or about to engage in any
10 of the following activities:

- 11 1. agriculture;
- 12 2. aquaculture;
- 13 3. mariculture;
- 14 4. manufacturing;
- 15 5. commercial fishing;
- 16 6. services;
- 17 7. tourism;
- 18 8. improvement of real property for purposes which
19 are specifically determined by the Authority to be beneficial,
20 desirable, and necessary for the economic development of
21 Guam;
- 22 9. insurance issuance, either by commercial insurers,
23 reinsurers, or captive insurers which meet the requirements of
24 Article 3 of Chapter 15, Division 2 (Domestic Insurers) of Title
25 of the Guam Code Annotated;

1 10. export trading company, as defined in 11 GCA
2 §26101(d), *if* the main office of the export trading company is
3 established on Guam;

4 11. producing water or disposing of wastewater, or
5 both, jointly with the Guam Waterworks Authority;

6 12. operating on a military base on Guam a Base
7 Operating Service Contract;

8 13. a small business entity operating on a military base
9 on Guam, a Base Operating Service contract, or as a
10 subcontractor to a BOS Contractor; *and*

11 14. a global internet infrastructure services
12 company(ies) providing Internet connectivity and co-location
13 facilities and its/their tenant-sellers in the sales of goods,
14 services and information over the Internet; provided that:

15 (i) the seller is legally established in and
16 operates from Guam;

17 (ii) the sale does *not* include the local sale
18 of goods, services and information;

19 (iii) the sale is conducted exclusively through the
20 Internet; *and*

21 (iv) the seller does *not* sell or distribute in any
22 fashion material that is harmful to minors as that term is
23 defined in the Internet Tax Freedom Act, a part of the
24 Omnibus Appropriations Act of 1998, Public Law
25 Number 105-277. For purposes of this Paragraph, a



OFFICE OF THE GOVERNOR
GUAM

NOV 28 2000

The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina'Bente Singko na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature
Suite 200
130 Aspal Street
Hagåtña, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u><i>Ben</i></u>
Time	<u>10:06 am</u>
Date	<u>Nov. 28, 2000</u>

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 476 (LS), "AN ACT TO AMEND §58104 OF TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO DEVELOPING E-COMMERCE ON GUAM AND TO AUTHORIZE THE GUAM ECONOMIC DEVELOPMENT AUTHORITY TO PROMULGATE RULES AND REGULATIONS FOR THE INDUSTRY", which I have vetoed.

This legislation advocates stimulating the business of e-commerce on Guam. This is a booming industry and the wave of the future. Many people on Guam already participate in e-commerce, however, mostly as customers of businesses that sell their wares on-line.

Three business endeavors, or possible business endeavors, which are already qualified to receive qualifying certificates, have been deleted from the QC program by this legislation. Public Law No. 24-295 provided for QCs for "producing water or disposing of wastewater, or both, jointly with the Guam Waterworks Authority", "operating on a military base on Guam a Base Operating Service contract", and "a small business entity operating on a military base on Guam, a Base Operating Service contract, or as a subcontractor to a BOS Contractor."

This deletion, as well as several other issues in the legislation, need clarification, and this can be done in conjunction with a new bill on the e-commerce subject, which, hopefully, can be passed before the end of the year.

Very truly yours,

Madeleine Z. Bordallo
Madeleine Z. Bordallo
I Maga'Lahen Guåhan, Akto
Acting Governor of Guam

Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill

cc: The Honorable Antonio R. Unpingco
Speaker

01160


MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
2000 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN


This is to certify that Bill No. 476 (LS), "AN ACT TO AMEND §58104 OF TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO DEVELOPING E-COMMERCE ON GUAM AND TO AUTHORIZE THE GUAM ECONOMIC DEVELOPMENT AUTHORITY TO PROMULGATE RULES AND REGULATIONS FOR THE INDUSTRY," was on the 9th day of November, 2000, duly and regularly passed.


LAWRENCE F. KASPERBAUER
Acting Speaker

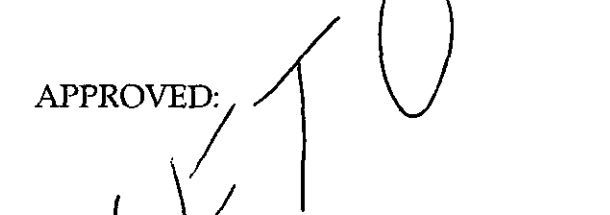
Attested:


JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga'lahaen Guahan this 16th day of November, 2000,
at 3:45 o'clock P.M.


Assistant Staff Officer
Maga'laha's Office

APPROVED:


MADELEINE Z. BORDALLO
Akto I Maga'lahaen Guahan

Date: _____

Public Law No. _____

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
2000 (SECOND) Regular Session

Bill No. 476 (LS)

As amended by the Committee on Tourism,
Economic Development and Parks.

Introduced by:

A. C. Lamorena, V
C. A. Leon Guerrero
Mark Forbes
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
J. M.S. Brown
E. B. Calvo
M. G. Camacho
L. F. Kasperbauer
K. S. Moylan
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S. A. Sanchez, II
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**AN ACT TO AMEND §58104 OF TITLE 12 OF
THE GUAM CODE ANNOTATED, RELATIVE
TO DEVELOPING E-COMMERCE ON GUAM
AND TO AUTHORIZE THE GUAM
ECONOMIC DEVELOPMENT AUTHORITY TO
PROMULGATE RULES AND REGULATIONS
FOR THE INDUSTRY.**

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

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3 is growing exponentially. In establishing and developing this new industry,
4 companies engaged in the business of E-commerce would provide high paying
5 positions for our local people to take advantage of seeking gainful employment.
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7 financial security. Furthermore, the establishment and development of this
8 industry would generate additional revenue for our local economy.

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10 Americans, and more than 150,000,000 people worldwide, were using the
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12 huge growth in electronic commerce. The recent addition of the China-Guam
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14 existing fiber optics cable, along with planned broad bandwidth cable networks,
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24 Internet. By the Year 2001 the Internet alone will have created a single global
25 market of over 300,000,000 million networked consumers, becoming the principal

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7 words, is on a level playing field able to compete with larger countries.

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9 and our geographical location as "*The Gateway to Asia*", offers unique advantages
10 over other locations. Ireland, which has been considered a leader in offering
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12 pro-investment taxation regime with a corporation tax rate of ten percent (10%)
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20 source of revenue, as well as employment. The Internet has the potential to offer
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23 revenues from interest that will be earned from the revenues generated from
24 electronic commerce sales purchases. This legislation also incorporates
25 safeguards so that Guam will *not* attract undesirable businesses, such as those

1 that deal in pornographic materials.

2 **Section 2.** Section 58104 of Chapter 58, Division 2 of Title 12 Guam Code
3 Annotated is hereby *amended* to read as follows:

4 **“Section 58104. Eligibility Defined.** A Qualifying Certificate
5 shall *only* be issued to the following entities: any trust, partnership, sole
6 proprietorship, Limited Liability Partnership (‘LLP’), Limited Liability
7 Company (‘LLC’), corporation formed under the laws of Guam, or
8 possessions corporation, as defined in §58106 of this Chapter, engaged or
9 about to engage in any of the following activities:

- 10 1. agriculture;
- 11 2. aquaculture;
- 12 3. mariculture;
- 13 4. manufacturing;
- 14 5. commercial fishing;
- 15 6. services;
- 16 7. tourism;
- 17 8. improvement of real property for purposes which are
18 specifically determined by the Authority to be beneficial, desirable
19 and necessary for the economic development of Guam;
- 20 9. insurance issuance, either by commercial insurers,
21 reinsurers, or captive insurers which meet the requirements of Article
22 3 of Chapter 15, Division 2 of Title 22 of the Guam Code Annotated
23 (Domestic Insurers);
- 24 10. export trading company as defined in §26101(d) of Title
25 11 of the Guam Code Annotated, *if* the main office of the export

1 trading company is established on Guam;

2 11. a global Internet infrastructure services company
3 providing Internet connectivity and co-location facilities; *and*

4 12. sales of goods, services and information over the Internet;
5 *provided*, that the seller is legally established in and operates from
6 Guam and exclusively through the Internet; and provided further,
7 that the seller does *not* sell or distribute in any fashion material that is
8 harmful to minors, as that term is defined in the Internet Tax
9 Freedom Act, a part of the Omnibus Appropriations Act of 1998,
10 Public Law Number 105-277. For purposes of this Paragraph, a
11 '*minor*' is a person under the age of eighteen (18) years old."

12 **Section 3. Rules and Regulations; Establishment Of.** The Guam
13 Economic Development Authority ("GEDA") shall establish E-commerce rules
14 and regulations ('Rules') for the implementation of tax benefits. Upon the
15 establishment of the Rules, the Administrator shall conduct a public hearing
16 pursuant to the Administrative Adjudication Law, and seek approval from the
17 Board of Directors of GEDA and by *I Maga'låhen Guåhan*. Upon the completion of
18 the review and approval process as stated above, the rules are to be transmitted
19 to *I Liheslaturan Guåhan* for final review and approval.


20 **Section 4. Severability.** *If* any provision of this Law or its application
21 to any person or circumstance is found to be invalid or contrary to law, such
22 invalidity shall *not* affect other provisions or applications of this Law which can
23 be given effect without the invalid provisions or applications, and to this end the
24 provisions of this Law are severable.

DEC 6 2000

**MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
2000 (SECOND) Regular Session**

Bill No. 519(a)

Introduced by:

A.C. Lamorena, V 

**AN ACT TO FOSTER THE DEVELOPMENT OF
E-COMMERCE IN GUAM BY AMENDING §58104
OF TITLE 12 OF THE GUAM CODE ANNOTATED;
AND TO AUTHORIZE THE GUAM ECONOMIC
DEVELOPMENT AUTHORITY TO PROMULGATE
RULES AND REGULATIONS FOR THE INDUSTRY.**

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BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Intent. *I Liheslaturan Guåhan* finds that an opportunity exists to encourage the development in Guam, a non-polluting, technology intensive industry that is rapidly encompassing the world with its wares. The sale of goods over the Internet, commonly referred to as E-commerce is growing exponentially. In establishing and developing this new industry, companies engaged in the business of E-commerce would provide high paying positions for our local people to take advantage of in seeking gainful employment. This in turn would improve the livelihood of our local people by increasing their financial security. Furthermore, the establishment and development of this industry would generate additional revenue for our local economy.

I Liheslaturan Guåhan further finds that at the start of 1999, 87,000,000 North Americans, and more than 150,000,000 people worldwide were using the Internet. The rapid growth in the number of Internet users is expected to fuel a huge growth in electronic commerce. The recent addition of the China-Guam Cable and the

1 Philippines-Guam cable, that have been recently added to the existing fiber optics cable
2 network around Guam, along with planned broad bandwidth cable networks like Tyco
3 Submarine Systems and Australian-Japan Cable, will provide the sufficient bandwidth
4 that will catapult Guam to be a major world class player in this fast emerging market
5 for Internet and E-Commerce.

6 *I Liheslaturan Guåhan* further finds that the growth of the Internet is doubling
7 every 100 days, and the demand for capacity is increasing at the rate of 1000% per
8 year. A study by Deloitte & Touche, *The Economics of Transaction* released last year,
9 projects that by the year 2002 traditional Internet access providers will be replaced by
10 powerful commerce service providers created to handle \$1.1 Trillion in U.S. dollars of
11 business over the Internet. By the year 2001, the Internet alone will have created a
12 single global market of over 300 million networked consumers becoming the principal
13 focus for the world intellectual capital and the main platform for electronic commerce.

14 *I Liheslaturan Guåhan* is of the opinion that in order for Guam to capitalize on
15 this opportunity, government incentives that would provide an attraction to this industry
16 should be formulated and offered to this industry, given that neither physical size nor
17 location necessarily dictate success. Guam in other words, is on a level playing field
18 able to compete with larger countries.

19 Guam, because of our status as a Territory of The United States of America and
20 our geographical location as *The Gateway to Asia*, offers unique advantages over other
21 locations. Ireland, which has been considered a leader in offering incentives geared
22 towards attracting this kind of industry, has recently adopted a pro-investment taxation
23 regime with a rate of corporation tax of ten percent (10%) for manufacturing and
24 certain associated activities, and a capital gains tax rate of twenty percent (20%). A
25 rate of corporation tax at twelve and one-half percent (12.5%) for the active trading