

I Mina'Trentai Dos Na Liheslaturan Guahan
Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
61-32 (COR)- VETOED	T.C. Ada	AN ACT TO ADD A NEW § 67101.7 OF CHAPTER 67, TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO ADOPTING THE GUAM TROPICAL ENERGY CODE (GTEC)	3/4/2013 11:32 a.m.	03/04/13	Committee on Public Safety, Infrastructure, & Maritime Transportation.	10/22/13 9:00 a.m.	1/27/14 2:28 p.m.	Fiscal Note Requested 03/08/13 Fiscal Note Received 04/01/13
	DATE PASSED	TITLE	TRANSMITTED		DUE DATE	<small>DATE SIGNED BY I MAGA'LAHEN GUAHAN</small>	PUBLIC LAW NO.	NOTES
	2/1/2014	AN ACT TO ADD A NEW § 67101.7 TO CHAPTER 67 OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO ADOPTING THE GUAM TROPICAL ENERGY CODE (GTEC).	2/1/14	10:50 p.m.	2/13/14			Vetoed 2/13/14

EDDIE BAZA CALVO
Governor



RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

February 13, 2014

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Dos Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

32-14-1276
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 2.13.14
Time 4:39pm
Received by: [Signature]

2014 FEB 13 PM 4:55

Dear Madam Speaker,

Attached is Bill No. 61-32 (COR), *An act to add a new § 67101.7 to Chapter 67 of Title 21, Guam Code Annotated, relative to adopting the Guam Tropical Energy Code (GTEC)*, which I have **vetoed**.

Guam already has one of the nation's strictest building codes, a public-safety necessity of living in a tropical climate frequented by typhoons. Adding to the development cost of complying with the existing code is the cost of shipping building-materials to Guam. When these costs are factored together, I must be concerned that the requirements of Bill 61 will make construction costs even more prohibitive. We, the government, need to be engaged in encouraging construction technology that will make the Guamanian dream of owning your own home more achievable, and must seriously consider any addition to the initial cost of construction.

While I appreciate the work of the Guam Building Code Council, a council of professional architects, engineers, realtors and contractors, in coming up with the Guam Tropical Energy Code, these are professional who understandably might have academic and well-meaning interests in adopting the latest technology. However, though I have appointed members to the Guam Building Code Council, I have also appointed members to the Affordable Housing Coordinating Council, and their two objectives need to be reconciled in the best interests of the public.

As this is an issue primarily of cost, noticeably missing is input from the developers – the companies and individuals who have to shoulder the financial risk and the cost of building. They include not only large-scale developers, but even the individual or the couple who may never build anything more in their lifetimes than the single-family dwelling in which they intend to live and raise their families. Testimony was provided by the council that it has received positive

feedback from some developers, but no direct testimony in support of the bill was provided by any developers and only opposition was expressed.

Also noticeably absent in this discussion, as pointed out by the Guam Chamber of Commerce, is the Economic Impact Statement (EIS) required by Public Law 25-173, so that we can even have a debate on the added economic burden on the public. The only reference in the committee reports to an actual cost analysis is to a report done in 1997, with assumptions on its current applicability.

This not the fault of the Council. The onus to require and prepare the EIS rests with the legislative committee, and should have been pursued so that we are not left with unanswered questions. The government previously went through this same experience when the International Building Code (IBC) was adopted without the benefit of an EIS. The public reaction and the resulting revelations of the difficulty and the cost associated with implementing the IBC should have been lesson enough for all on the need for an EIS.

To be clear, by vetoing Bill 61-32, I am not advocating that the Island's developers ignore the advances in green technology, nor does my veto make this technology unavailable to the Island's developers. In fact, I encourage the use of more energy-efficient technology, not just in future construction but even in retrofitting existing buildings. Common sense dictates that if a potential tenant is given the option between two spaces charging the same rent but one promises a lower power bill because it is more energy efficient, that tenant's choice will be obvious, and the message his selection sends to the landlord-developer on energy efficiency will be clear. However, as for the couple on a limited budget, who are looking for an "affordable home," a term relative to the cost of construction on Guam, who can't afford the additional upfront cost of incorporating new technologies with the promise of recouping the savings over years, we, the government, need to be careful not to price that couple out of a home.

In addition to cost, I have a concern about the interplay between this proposed legislation and existing legislation. To the extent that this bill will result in a cost savings to the public over the existing energy code, then I would be in favor of implementing this legislation. However, unless the former energy code is repealed, and until the full economic impact of this legislation is analyzed, the simultaneous operation of two separate energy codes is more likely to increase costs. At a minimum, it will cause confusion.

In creating codes and regulations, the government's primary focus should be safety. Then, given the cost of construction on Guam, it is hard to discount affordability as the government's secondary focus. Without a more detailed examination of the costs involved, the offsetting federal grants that may be available, the effect an increased initial cost will have on affordable housing; in sum, without an Economic Impact Statement and a full understanding of

the upfront and long-term costs from this legislation, I will veto Bill 61-32. Hopefully, the good work that went into this legislation will not be discarded. I ask *I Liheslaturan* to revisit this bill and obtain the missing information outlined above to decide whether to reintroduce this legislation with such information, or to make changes to address the issues arising from the consideration of this information.

Senseramente,



EDDIE BAZA CALVO