

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1056

To establish the Commonwealth of Guam, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1995

Mr. UNDERWOOD (for himself, Mr. ABERCROMBIE, Mr. BECERRA, Mr. BONIOR, Mr. CLAY, Mrs. CLAYTON, Mr. DE LA GARZA, Mr. DELLUMS, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FARR, Mr. FILNER, Mr. FRANK of Massachusetts, Mr. FRAZER, Mr. GONZALEZ, Mr. GENE GREEN of Texas, Mr. HASTINGS of Florida, Mr. HINCHEY, Mr. HOLDEN, Mr. JEFFERSON, Mr. KENNEDY of Massachusetts, Mr. LAFALCE, Mr. LEWIS of Georgia, Mr. MARTINEZ, Ms. MCKINNEY, Mrs. MEEK of Florida, Mr. MINETA, Mrs. MINK of Hawaii, Mr. MONTGOMERY, Mr. NADLER, Ms. NOR-  
TON, Mr. PASTOR, Mr. PAXON, Mr. RAHALL, Mr. RICHARDSON, Mr. ROMERO-BARCELÓ, Mr. SERRANO, Mr. TORRES, Mr. TOWNS, Mr. TUCKER, Ms. VELÁSQUEZ, and Mr. YATES) introduced the following bill; which was referred to the Committee on Resources and, in addition, to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

To establish the Commonwealth of Guam, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Guam Commonwealth  
3 Act”.

4 **SEC. 2. PREAMBLE.**

5 (a) In recognition of the long-cherished aspiration of  
6 the people of Guam to direct the course of their own des-  
7 tiny, and with the belief that mutual respect, understand-  
8 ing, and compromise among people form a more perfect  
9 Union, the people of the United States of America, nur-  
10 tured in the ideals of liberty and democracy, conscious of  
11 their obligations under the Treaty of Paris of 1899 and  
12 the Charter of the United Nations, do hereby embrace the  
13 establishment of the Commonwealth of Guam, ever mind-  
14 ful that the right of self-determination and the heritage  
15 of the Chamorro people of Guam shall be protected.

16 (b) This Act reflects the will of the people of Guam  
17 to attain a greater measure of self-government in concert  
18 with the United States of America, and reaffirms the prin-  
19 ciple that governments derive their just powers only from  
20 the consent of the governed.

21 (c) To this end, the Senate and House of Representa-  
22 tives of the United States of America in Congress assem-  
23 bled, now adopt this Act.

1                   **TITLE I—POLITICAL**  
2                   **RELATIONSHIP**

3   **SEC. 101. CREATION OF THE COMMONWEALTH AND FULL**  
4                   **SELF-GOVERNMENT.**

5           (a) The Island of Guam, and its adjacent islands and  
6 waters shall upon the enactment of this Act become a self-  
7 governing Commonwealth known as the “Commonwealth  
8 of Guam”. This Act, the provisions of the United States  
9 Constitution, treaties, and laws of the United States appli-  
10 cable to Guam, and the Constitution of Guam shall be the  
11 supreme law of the Commonwealth.

12          (b) The people of Guam shall have the right of full  
13 self-government, which shall extend to all rightful subjects  
14 of government not inconsistent with this Act and the laws  
15 of the United States applicable to Guam, and shall govern  
16 themselves in accordance with this Act through a Con-  
17 stitution of their own adoption. Such Constitution shall—

18               (1) recognize, and be consistent with, the sov-  
19 ereignty of the United States over Guam, and the  
20 supremacy of the provisions of the Constitution,  
21 treaties, and laws of the United States applicable to  
22 Guam;

23               (2) provide for a republican form of govern-  
24 ment;

1           (3) provide for three branches of government;

2           and

3           (4) contain a bill of rights.

4           (c) The Government of the Commonwealth shall have  
5 the power to sue in its own name, and, with the consent  
6 of the Legislature, may be sued upon any contract entered  
7 into with respect to, or any tort committed incident to,  
8 the exercise by the Government of the Commonwealth of  
9 Guam or any of its lawful powers.

10          (d) The Government of the Commonwealth of Guam  
11 shall have the power to establish, maintain, and operate  
12 a public educational system to the same extent as the  
13 several States.

14   **SEC. 102. SELF-DETERMINATION AND UNITED STATES CITI-**  
15                                   **ZENSHIP RIGHTS.**

16          (a) The Congress recognizes the inalienable right of  
17 self-determination of the indigenous Chamorro people of  
18 Guam, defined as all those born on Guam before August  
19 1, 1950, and their descendants. The exercise of such right  
20 of self-determination shall be provided for in a Constitu-  
21 tion of the Commonwealth of Guam.

22          (b) The Government of Guam shall ensure that, not-  
23 withstanding the provisions of the preceding paragraph,  
24 nothing herein shall be interpreted as depriving any quali-  
25 fied resident of Guam of the right to participate as a voter

1 in any referendum or plebiscite held under the ratification  
2 procedure for this Act set forth in section 1204 hereof.

3 (c) The United States Government shall, by means  
4 of additional federally funded programs, and the Common-  
5 wealth of Guam may promote—

6 (1) the maintenance and preservation of the  
7 Chamorro language, culture, and traditions;

8 (2) the enhancement of economic, social, and  
9 educational opportunities for Chamorros; and

10 (3) training of Chamorros for employment as  
11 professionals, skilled workers, and leaders in busi-  
12 ness and industry.

13 (d) The establishment of such additional programs  
14 shall not affect the continued eligibility for the benefits  
15 of existing programs of members of all minority groups  
16 presently qualifying for such programs under current law.

17 (e) Nothing in this Act or in the Constitution of the  
18 Commonwealth of Guam shall impair the United States  
19 citizenship of the residents of Guam or their descendants,  
20 or the entitlement of legally admitted aliens permanently  
21 residing in Guam, to the respective rights and privileges  
22 accorded to each such class of persons under the first sen-  
23 tence of the fourteenth amendment of the United States  
24 Constitution.

1 (f) Notwithstanding any other provisions of law or  
2 of this Act, the Commonwealth of Guam shall establish  
3 a trust to be known as the “Chamorro Land Trust” for  
4 the benefit of the indigenous Chamorro people of Guam  
5 and composed of certain lands returned by the United  
6 States before and after the effective date of this Act to  
7 the Commonwealth of Guam. Nothing in this section shall  
8 inhibit or prevent the direct return of lands to the original  
9 owners, or the establishment of leasehold arrangements  
10 with them, by the Government of the Commonwealth of  
11 Guam.

12 (g) The Constitution of the Commonwealth of Guam  
13 shall establish reasonable residency requirements for the  
14 citizens of such Commonwealth for the purposes of the  
15 right to vote in Commonwealth elections or to hold any  
16 elective office established by the Constitution of Guam.

17 **SEC. 103. MUTUAL CONSENT.**

18 In order to respect the self-government granted to the  
19 Commonwealth of Guam under this Act, the United States  
20 agrees to limit the exercise of its authority so that the  
21 provisions of this Act may be modified only with the mu-  
22 tual consent of the Government of the United States and  
23 the Government of the Commonwealth of Guam.

1           **TITLE II—APPLICABILITY OF**  
2                           **FEDERAL LAW**

3   **SEC. 201. APPLICABILITY OF UNITED STATES CONSTITU-**  
4                           **TION.**

5           Those portions of the United States Constitution  
6 which apply to Guam on the effective date of this Act  
7 shall, unless specifically modified by this Act, continue to  
8 apply under this Act. In addition, the following provisions  
9 of and amendments to the Constitution of the United  
10 States shall apply to the Commonwealth of Guam and  
11 shall have the same force and effect in Guam as in the  
12 United States or in any State of the United States: Article  
13 IV, section 2, clause 2 and section 4; the tenth amend-  
14 ment, and the first sentence of the fourteenth amendment.

15   **SEC. 202. EFFECT OF FEDERAL LAW.**

16           Except as otherwise intended by this Act, no Federal  
17 laws, rules or regulations passed after the date of this Act  
18 shall apply to the Commonwealth of Guam unless mutu-  
19 ally consented to by the United States and the Govern-  
20 ment of the Commonwealth of Guam.

21   **SEC. 203. JOINT COMMISSION.**

22           (a)(1) There is hereby created a Joint Commission  
23 on the Applicability of Federal Law (hereinafter referred  
24 to as the “Commission”) to be composed of 7 members:  
25 3 members and their successors appointed by the Presi-

1 dent of the United States and 4 members and their succes-  
2 sors appointed by the Governor with the advice and con-  
3 sent of the legislature of the Commonwealth of Guam. The  
4 appointees by the Government of Guam shall be citizens  
5 of the Commonwealth of Guam who are or have been 10  
6 years continuously resident on Guam at the time of their  
7 appointment. Said appointees shall serve at the pleasure  
8 of the President of the United States and the Governor  
9 of the Commonwealth of Guam, respectively. Any vacancy  
10 which may occur on the Commission shall not affect its  
11 powers or functions but shall be filled in the same manner  
12 in which the original appointment was made. Appoint-  
13 ments shall be made within 60 days after the effective date  
14 of this Act.

15 (2) The Commission shall adopt its own internal reg-  
16 ulations to govern its procedures and may delegate author-  
17 ity on particular issues to some of its members.

18 (3) A majority of the Commission shall constitute a  
19 quorum for the transaction of its business. The Commis-  
20 sion may provide for the taking of testimony, discussion  
21 of issues with members of the Federal Government or  
22 Government of Guam, and the reception of evidence at  
23 meetings at which there are present not less than three  
24 members of the Commission. The Chairman of the Com-  
25 mission shall call a meeting to organize the Commission

1 within 30 days after he and a majority of the members  
2 of the Commission have been appointed.

3 (b) The Commission shall—

4 (1) be used for regular consultations between  
5 the Government of the United States and the Gov-  
6 ernment of the Commonwealth of Guam on all mat-  
7 ters affecting the relationship between them;

8 (2) study existing statutes and regulations af-  
9 fecting the relationship between Guam and the Unit-  
10 ed States;

11 (3) review the policies and procedures of the  
12 Federal agencies as such policies and procedures re-  
13 late to the relationship between Guam and the  
14 United States;

15 (4) compile data as may be necessary for the  
16 conduct of the Commission's work or for the imple-  
17 mentation of this Act;

18 (5) draft such modifications in existing laws,  
19 regulations, policies, and procedures as will, in the  
20 judgment of the Commission, best serve to carry out  
21 the purposes of the Commission or this Act;

22 (6) obtain, if possible, the modification of these  
23 laws, regulations, and procedures by negotiation and  
24 mediation, such as issues concerning land claims and  
25 war claims by the people of Guam; and

1           (7) seek to obtain the maximum economic de-  
2           velopment and political autonomy for the Common-  
3           wealth of Guam without impairing United States  
4           national security interests.

5           The heads of Federal departments and agencies are au-  
6           thorized and directed to furnish whatever assistance is re-  
7           quested by the Commission, without reimbursement, ex-  
8           cept classified information directly related to national  
9           security interests.

10          (c) The Commission is authorized to appoint and fix  
11          the compensation of an Executive Secretary and such  
12          other additional personnel as may be necessary to enable  
13          the Commission to carry out its functions without regard  
14          to the Federal Property and Administrative Services Act  
15          of 1949 and civil service laws, rules, and regulations, but  
16          any Federal employee subject to those laws, rules, and reg-  
17          ulations, who may be detailed to the Commission (which  
18          detail is hereby authorized) shall retain his civil service  
19          status without interruption or loss of status or privilege.  
20          In addition, the Commission may enter into contracts in  
21          order to carry out its mandate.

22          (d) The United States will bear the cost of the work  
23          of the Commission.

1 **SEC. 204. DELEGATION OF AUTHORITY.**

2 The Congress hereby authorizes the President or his  
3 designee to delegate to the Governor of Guam total or par-  
4 tial performance of functions now vested in administrative  
5 agencies in the Federal Government. The President or his  
6 designee and the Governor of Guam shall consult from  
7 time to time on the implementation of this provision.

8 **TITLE III—FOREIGN AFFAIRS**  
9 **AND DEFENSE**

10 **SEC. 301. UNITED STATES AUTHORITY.**

11 The United States shall have responsibility for an au-  
12 thority with respect to matters relating to foreign affairs  
13 and defense that affect the Commonwealth of Guam.

14 **SEC. 302. CONSULTATION WITH GUAM.**

15 (a) The United States agrees to consult with the  
16 Commonwealth of Guam in advance of negotiations to-  
17 ward any treaties or international agreements, including  
18 Executive Agreements, which affect the well-being of the  
19 people of Guam.

20 (b) No military security zones shall be established  
21 and no foreign military personnel shall be stationed on the  
22 Island of Guam without approval of the Government of  
23 the Commonwealth except in time of declared war, and  
24 no military bases will be established without consultation  
25 with the Governor of the Commonwealth of Guam.

1 (c) The United States shall consult with the Govern-  
2 ment of the Commonwealth of Guam with respect to any  
3 proposed plan to increase or decrease Department of  
4 Defense activities within the Commonwealth.

5 **SEC. 303. UNITED STATES CONSULAR AND TRADE**  
6 **ASSISTANCE.**

7 (a)(1) The United States shall assist and facilitate  
8 the establishment by Guam of offices in the United States  
9 and abroad.

10 (2) The United States shall assist the Commonwealth  
11 of Guam to become a member or participate in appro-  
12 priate regional and other international organizations to in-  
13 clude, but not be limited to, the South Pacific Forum, the  
14 regional organizations of the United Nations Specialized  
15 agencies, and the Asian Development Bank. Under such  
16 authority Guam shall be free to accept and grant financial  
17 and technical assistance, to enter into bilateral and multi-  
18 lateral agreements to promote joint ventures private and  
19 public, exchange programs, and to become a party to all  
20 agreements between and among foreign entities involving  
21 regional and subregional affairs. The Commonwealth may  
22 enter into agreements with sovereign states, and the politi-  
23 cal entities resulting from the Trust Territory of the Pa-  
24 cific Islands, relative to reciprocal trade and tax questions  
25 and their application to the respective jurisdictions.

1 (b) The Government of the United States shall seek  
2 to obtain from foreign countries favorable treatment for  
3 exports from the Commonwealth of Guam and will encour-  
4 age other countries to consider the Commonwealth of  
5 Guam a developing territory.

6 **SEC. 304. NUCLEAR WASTE.**

7 (a) The United States shall not utilize the water sur-  
8 rounding the Commonwealth of Guam or the island for  
9 dumping or storage of nuclear waste.

10 (b) The United States shall clean up and make safe  
11 for human habitation all chemical waste dump sites used  
12 by the military in the past and at present, and shall not,  
13 at any time, use the island and the surrounding waters  
14 of Guam as a depository for hazardous chemicals in the  
15 future.

16 (c) The United States shall compensate, in a manner  
17 to be decided by the District Court of Guam, any person  
18 injured as a result of chemical, nuclear, or other hazard-  
19 ous materials stored, used, or disposed of by agencies of  
20 the United States Government in the Commonwealth of  
21 Guam or its surrounding waters.

## **TITLE IV—COURTS**

### **SEC. 401. JUDICIAL RELATIONSHIP OF GUAM TO THE UNITED STATES.**

The relations between the courts established by the Constitution or laws of the United States and the local courts of Guam with respect to appeals, certiorari, removal of causes, the issuance of writs of habeas corpus, and other matters or proceedings shall be governed by the laws of the United States pertaining to the relations between the courts of the United States, including the Supreme Court of the United States, and the courts of the several States in such matters and proceedings.

### **SEC. 402. JURISDICTION OF DISTRICT COURT.**

(a) The District Court of Guam established by section 22 of the Organic Act of Guam, as amended, is continued by this Act as the “District Court of Guam”.

(b) The District Court of Guam shall have the jurisdiction of a district court of the United States, including, but not limited to, the diversity jurisdiction provided for in section 1332 of title 28, United States Code, and that of a bankruptcy court of the United States.

### **SEC. 403. APPLICABLE DISTRICT COURT RULES.**

Where appropriate, the provisions of part II of title 18 and of title 28, United States Code, and notwithstanding the provision in rule 54(a), Federal Rules of Criminal

1 Procedure, relating to the prosecution of criminal offenses  
2 on Guam by information, the rules of practice and proce-  
3 dure heretofore or hereafter promulgated and made effec-  
4 tive by the Congress or the Supreme Court of the United  
5 States pursuant to titles 11, 18, and 28, United States  
6 Code, shall apply to the District Court of Guam and ap-  
7 peals therefrom; except that the terms, “Attorney for the  
8 government” and “United States Attorney”, as used in  
9 the Federal Rules of Criminal Procedure, Federal Rules  
10 of Civil Procedure and Federal Rules of Appellate Proce-  
11 dure shall, when applicable to cases arising under the laws  
12 of Guam, including the Guam Commonwealth income tax,  
13 mean the Attorney General of Guam or such other person  
14 or persons as may be authorized by the laws of Guam to  
15 act therein.

16 **SEC. 404. DISTRICT COURT JUDGE, UNITED STATES ATTOR-**  
17 **NEY, MARSHAL.**

18 (a) The President shall appoint, by and with the ad-  
19 vice and consent of the Senate, a judge for the District  
20 Court of Guam who shall hold office for the term of 10  
21 years and until his successor is chosen and qualified unless  
22 sooner removed by the President for cause. The judge  
23 shall receive a salary payable by the United States which  
24 shall be at the rate prescribed for judges of the United  
25 States district courts. The chief judge of the Ninth Judi-

1 cial Circuit of the United States may assign a judge of  
2 a local court of record, a judge of the High Court of the  
3 Trust Territory of the Pacific Islands, a circuit or district  
4 judge of the Ninth Circuit, or a recalled senior judge of  
5 the District Court of Guam or of the District Court for  
6 the Northern Mariana Islands, and the Chief Justice of  
7 the United States may assign any other United States cir-  
8 cuit or district judge with the consent of the judge so as-  
9 signed and of the chief judge of his circuit, to serve tempo-  
10 rarily as a judge in the District Court of Guam whenever  
11 it is made to appear that such an assignment is necessary  
12 for the proper dispatch of the business of the court.

13 (b) The President shall appoint, by and with the ad-  
14 vice and consent of the Senate, a United States attorney  
15 and United States marshal for Guam to whose offices the  
16 provisions of chapters 31 and 33 of title 28, United States  
17 Code, respectively, shall apply.

18 (c) The judge of the District Court of Guam and the  
19 United States attorney and marshal serving on the effec-  
20 tive date of this section shall continue to hold their posi-  
21 tions under this Act until the expiration of their current  
22 terms of office.

**TITLE V—TRADE****2 SEC. 501. GUAM-UNITED STATES FREE TRADE AREA.**

3 (a) The Commonwealth of Guam will remain outside  
4 the customs territory of the United States, and no duty,  
5 tariff, or quota restrictions shall be imposed or collected  
6 by the United States. Economic, trade, and commercial  
7 relationships between the United States and the Common-  
8 wealth of Guam shall be conducted within the framework  
9 of the free trade area between the United States and the  
10 Commonwealth of Guam as established by subsection (b).

11 (b) The Commonwealth of Guam shall not impose du-  
12 ties, quotas, or other restrictions on products of the Unit-  
13 ed States imported into Guam, nor shall the United States  
14 impose duties, quotas, or other restrictions on “products  
15 of Guam” imported into the United States, nor shall the  
16 United States treat products of Guam as having origi-  
17 nated in any other country.

18 (c) The term “products of Guam” shall mean articles  
19 that contain at least 30 percent value added in Guam.  
20 Value added includes—

21 (1) all actual labor costs involved in the growth,  
22 production, manufacture, or assembly of the specific  
23 merchandise, including fringe benefits, on-the-job  
24 training, and the cost of engineering supervisory,  
25 quality control, and similar personnel;

1           (2) dies, molds, tooling, and depreciation on  
2 machinery and equipment which are allocable to the  
3 specific merchandise; and

4           (3) research, development, design, engineering,  
5 and blueprint costs insofar as they are allocable to  
6 the specific merchandise; and costs of inspecting and  
7 testing the specific merchandise.

8           (d) The Commonwealth of Guam may impose, in-  
9 crease, reduce, or eliminate duties and other restrictions—

10           (1) on products that originate in any area out-  
11 side the customs territory of the United States and  
12 that are imported into Guam; and

13           (2) on exports from Guam, whether or not  
14 products of Guam.

15           (e) The Governor of Guam shall make a certificate  
16 that the origin of the products as defined in subsection  
17 (c) above is the Commonwealth of Guam pursuant to the  
18 provisions of this Act. An agent of the United States Cus-  
19 toms Service stationed on Guam shall then perform such  
20 customs inspections as are necessary for compliance with  
21 this Act and the appropriate laws of the United States.  
22 Upon completion of such inspections such products shall  
23 enter the United States without further inspection by the  
24 United States Customs Service.

1 (f) Nothing herein contained shall be construed to  
2 have any effect on any obligations or benefits accruing to  
3 the Commonwealth of Guam or the United States under  
4 the Generalized System of Preferences.

5 (g) Except as provided for in subsection (b) above  
6 the Trade and Development Act of 1974 shall continue  
7 to apply to the Commonwealth of Guam.

## 8 **TITLE VI—TAXATION**

### 9 **SEC. 601. MIRROR IMAGE TAX.**

10 (a) The income tax laws in force in the United States  
11 of America and those which may hereafter be enacted shall  
12 be held to be likewise in force in Guam.

13 (b) The income tax laws in force in Guam pursuant  
14 to subsection (a) of this section shall be deemed to impose  
15 a separate Commonwealth income tax, payable to the Gov-  
16 ernment of Guam, which tax is designated the “Guam  
17 Commonwealth Income Tax”.

18 (c) The administration and enforcement of the Guam  
19 Commonwealth Income Tax shall be performed pursuant  
20 to the laws of Guam. Any function needful to the adminis-  
21 tration and enforcement of the income tax laws in force  
22 in Guam pursuant to subsection (a) of this section shall  
23 be performed by any duly authorized officer or employee  
24 of the Government of Guam.

1           (d)(1) The income tax laws in force in Guam pursu-  
2 ant to subsection (a) of this section include, but are not  
3 limited to, the following provisions of the Internal Revenue  
4 Code of 1954, where not manifestly inapplicable or incom-  
5 patible with the intent of this section: Subtitle A (not in-  
6 cluding chapter 2 and section 931); chapters 24 and 25  
7 of subtitle C, with reference to the collection of income  
8 tax at source on wages; and all provisions of subtitle F  
9 which apply to the income tax, including provisions as to  
10 crimes, other offenses and forfeitures contained in chapter  
11 75. For the period after 1950 and prior to the effective  
12 date of the repeal of any provision of the Internal Revenue  
13 Code of 1939 which corresponds to one or more of those  
14 provisions of the Internal Revenue Code of 1954 which  
15 are included in the income tax laws in force in Guam pur-  
16 suant to subsection (a) of this section, such income tax  
17 laws include, but are not limited to, such provisions of the  
18 Internal Revenue Code of 1939.

19           (2) The Governor or his delegate or other official duly  
20 authorized to act under the laws of Guam shall have the  
21 same administrative and enforcement powers and rem-  
22 edies with regard to the Commonwealth of Guam Income  
23 Tax as the Secretary of the Treasury and other United  
24 States officials of the executive branch have with respect  
25 to the United States income tax. Rules and regulations

1 required for enforcement of the Commonwealth of Guam  
2 income tax shall be prescribed pursuant to the laws of  
3 Guam. The Governor or his delegate or other official duly  
4 authorized to act under the laws of Guam shall have au-  
5 thority to issue, from time to time, in whole or in part,  
6 the text of the income tax laws in force in Guam pursuant  
7 to subsection (a) of this section.

8       (e) In applying as the Commonwealth of Guam In-  
9 come Tax the income tax laws in force in Guam pursuant  
10 to subsection (a) of this section, except where it is mani-  
11 festly otherwise required, the applicable provisions of the  
12 Internal Revenue Code of 1954 and 1939 shall be read  
13 so as to substitute “Guam” for “United States,” “Gov-  
14 ernor or his delegate or other official duly authorized to  
15 act under the laws of Guam” for “Secretary or his dele-  
16 gate,” “Governor or his delegate or other official duly au-  
17 thorized to act under the laws of Guam” for “Commis-  
18 sioner of Internal Revenue” and “Collector of Internal  
19 Revenue” for “Collector of Internal Revenue,” “District  
20 Court of Guam” for “District Court” and with other  
21 changes in nomenclature and other language, including  
22 the omission of inapplicable language, where necessary to  
23 effect the intent of this section.

1 **SEC. 602. ENFORCEMENT INSTITUTIONS.**

2 (a) Any act or failure to act with respect to the Guam  
3 Commonwealth Income Tax which constitutes a criminal  
4 offense under Chapter 75 of Subtitle F of the Internal  
5 Revenue Code of 1986, or the corresponding provisions of  
6 the Internal Revenue Code of 1939, as included in the in-  
7 come tax laws in force in Guam pursuant to this section,  
8 shall be an offense against the Government of Guam and  
9 may be prosecuted in the name of the Government of  
10 Guam by the appropriate officers thereof.

11 (b) The Government of Guam shall have a lien with  
12 respect to the Guam Commonwealth Income Tax in the  
13 same manner and with the same effect and subject to the  
14 same conditions, as the United States has a lien with re-  
15 spect to the United States income tax. Such lien in respect  
16 of the Guam Commonwealth Income Tax shall be enforce-  
17 able in the name of and by the Government of Guam.  
18 Where filing of a notice of lien is prescribed by the income  
19 tax laws in force in Guam pursuant to subsection (a) of  
20 this section, such notice shall be filed in the Office of the  
21 Clerk of the District Court of Guam or such other court  
22 as the Guam Legislature may provide.

23 (c)(1) The District Court of Guam shall have exclu-  
24 sive original jurisdiction over all judicial proceedings in  
25 Guam, both criminal and civil, regardless of the degree

1 of the offense or of the amount involved, with respect to  
2 the Guam Commonwealth Income Tax.

3 (2) Suits for the recovery of any Guam Common-  
4 wealth Income Tax alleged to have been erroneously or  
5 illegally assessed or collected, or of any penalty claimed  
6 to have been collected without authority, or of any sum  
7 alleged to have been excessive or in any manner wrongfully  
8 collected, under the income tax laws in force in Guam,  
9 pursuant to subsection (a) of this section, may, regardless  
10 of the amount of claim, be maintained against the Govern-  
11 ment of Guam subject to the same statutory requirements  
12 as are applicable to suits for the recovery of such amounts  
13 maintained against the United States in the United States  
14 District Court of Guam with respect to the United States  
15 income tax. When any judgment against the Government  
16 of Guam under this paragraph has become final, the Gov-  
17 ernor shall order the payment of such judgments out of  
18 any unencumbered funds in the Treasury of Guam.

19 (3) Execution shall not issue against the Governor  
20 or any officer or employee of the Government of Guam  
21 on a final judgment in any proceeding against him for any  
22 acts or for the recovery of money exacted by or paid to  
23 him and subsequently paid into the Treasury of Guam,  
24 in performing his official duties under the income tax laws  
25 in force in Guam pursuant to subsection (a) of this sec-

1 tion, if the court certifies that probable cause existed, or  
2 such officer or employee acted under the direction of the  
3 Governor or his delegate or other official duly authorized  
4 to act under the laws of Guam. When such certificate has  
5 been issued, the Governor shall order the payment of such  
6 judgment out of any unencumbered funds in the Treasury  
7 of Guam.

8 (4) A civil action for the collection of the Guam Com-  
9 monwealth Income Tax, together with fines, penalties, and  
10 forfeitures, or for the recovery of any erroneous refund  
11 of such tax, may be brought in the name of and by the  
12 Government of Guam in the District Court of Guam or  
13 in any district court of the United States or in any court  
14 having the jurisdiction of a district court of the United  
15 States.

16 (5) The jurisdiction conferred upon the District  
17 Court of Guam by this subsection may be subject to trans-  
18 fer to any local court by the Legislature of Guam.

19 **SEC. 603. REBATE OF TAXES.**

20 The Government of the Commonwealth of Guam may  
21 by local law provide for the rebate or reduction of any  
22 taxes received by it in order to assist new industries com-  
23 ing to Guam or to assist Guam's economic development.

1 **SEC. 604. GUAM INCOME TAX AUTHORITY.**

2 (a) The Commonwealth of Guam shall have the power  
3 to determine under the laws of Guam the nature and  
4 amount of taxes imposed upon the income and property  
5 of persons within its jurisdiction, from whatever source  
6 derived.

7 (b) The income tax established in section 601 of this  
8 Act shall be repealed one year following certification by  
9 the Chief Executive of Guam that Guam has enacted into  
10 law a comprehensive local income tax to replace that set  
11 forth in section 601. Upon this repeal the income tax laws  
12 of the United States, except for chapters 2 and 21 of the  
13 Internal Revenue Code of 1954, shall not be applicable  
14 to Guam or to the persons within the jurisdiction of Guam  
15 who have met their tax obligations imposed by the laws  
16 of Guam.

17 **SEC. 605. BONDS TAX EXEMPTION.**

18 All bonds or other obligations issued by the Common-  
19 wealth of Guam or by its authority shall be exempt, as  
20 to principal and interest, from taxation by the Government  
21 of the United States, or by any State or Territory or any  
22 political subdivision thereof, or by the District of  
23 Columbia.

# 1           **TITLE VII—IMMIGRATION**

## 2   **SEC. 701. GUAM IMMIGRATION AUTHORITY.**

3           (a) The Congress recognizes that Guam is a small  
4 and densely populated insular commonwealth with limited  
5 infrastructure and resources, that it is that portion of the  
6 United States which is in closest proximity to nations of  
7 Asia and the Pacific which supply a large proportion of  
8 the immigrants coming to the United States, that signifi-  
9 cant numbers of such immigrants have in recent years  
10 chosen to make Guam their home, and that the admission  
11 of substantial additional numbers of immigrants to Guam  
12 threatens to produce a severe impact on the limited infra-  
13 structure, health, education, housing, and other services  
14 available in Guam. Congress therefore further recognizes  
15 that there is a necessary and compelling need henceforth  
16 to limit the number of persons permitted to immigrate to  
17 Guam, and therefore the Commonwealth of Guam shall  
18 have the authority to control entry of all aliens into the  
19 Commonwealth of Guam to include the admission, exclu-  
20 sion, and expulsion of such aliens.

21           (b) The Immigration and Nationality Act, and Fed-  
22 eral regulations applicable thereto, shall remain applicable  
23 to Guam for 2 years from enactment of this Act. The  
24 Commonwealth of Guam shall, within the 2-year period  
25 of this subsection, enact a comprehensive law on immigra-

1 tion for Guam, such law to become effective at the end  
2 of the said 2-year period. Enactment of local law by the  
3 Legislature of Guam under this authority, and the actions  
4 of the Commonwealth of Guam pursuant to such authority  
5 shall be duly coordinated with the Immigration and Na-  
6 tionality Service, the Department of Labor, and the  
7 Department of State.

8 (c)(1) Such actions by the Commonwealth of Guam  
9 shall not impair the free movement of United States citi-  
10 zens to and from Guam.

11 (2) Such authority shall not include naturalization of  
12 aliens for United States citizenship.

13 (3) The Governor of Guam shall continue to have the  
14 authority to issue United States passports within existing  
15 regulations.

16 (4) Entry of aliens into Guam under the authority  
17 of subsection (a) above, shall not affect, either favorably  
18 or unfavorably, an alien's entry to any other part of the  
19 United States. This title shall not preclude a person who  
20 previously has been lawfully admitted for permanent resi-  
21 dence in the United States and who is otherwise admissi-  
22 ble from being readmitted in Guam upon return to the  
23 United States.

24 (d) Guam shall not be considered as a port of entry  
25 for the entrance into the United States of aliens lawfully

1 admitted for permanent residence into the United States  
2 except as provided for in subsection (b) or in those cases  
3 where the Governor of Guam has made labor determina-  
4 tions.

5 **SEC. 702. GUAM-ONLY VISA.**

6 United States consular officials, and other officials  
7 authorized to issue visas for entry into the United States,  
8 are authorized to issue visas for travel only to the Com-  
9 monwealth of Guam for any alien seeking to enter Guam  
10 as a nonimmigrant in order to encourage investors and  
11 tourists to come to Guam. Regulations governing the issu-  
12 ance of such visas shall be coordinated with the Governor  
13 of Guam. Such regulations shall consider the points of ori-  
14 gin, duration of permitted stay, the means by which the  
15 aliens could alter visas to permit entry into the United  
16 States, and other appropriate conditions to assure the reg-  
17 ulation serves the best interests of the Commonwealth of  
18 Guam. The United States and the Commonwealth of  
19 Guam shall adopt appropriate measures for the implemen-  
20 tation and the enforcement of this section upon or after  
21 entry of the aliens into Guam.

22 **TITLE VIII—LABOR**

23 **SEC. 801. FEDERAL EMPLOYMENT.**

24 In all vacancies in the Federal Civil Service occurring  
25 in Guam, residents of Guam possessing the requisite

1 standards of age, health, character, education, knowledge,  
2 and experience shall be given preference over transfers of  
3 persons from off Guam or the recruiting of persons from  
4 outside Guam.

5 **SEC. 802. GUAM LABOR LAWS.**

6 Except and to the extent prohibited by Congress, the  
7 Commonwealth of Guam shall have authority to enact and  
8 enforce all laws regulating or affecting employment in the  
9 Commonwealth. All applicable laws of the United States  
10 which regulate employment on Guam on the effective date  
11 of this Act shall remain applicable to Guam until replaced  
12 as to their applicability to Guam by duly enacted law of  
13 the Guam Legislature.

14 **TITLE IX—TRANSPORTATION**  
15 **AND TELECOMMUNICATIONS**

16 **SEC. 901. MARITIME SHIPPING.**

17 (a) No provision of the laws of the United States,  
18 including, without limitation, the vessel documentation  
19 laws of the United States, shall apply to prevent the Unit-  
20 ed States registration of, and use of, any foreign-built ves-  
21 sel (including vessels engaged in towing, barges, dredges,  
22 vessels or boats leased, rented, or chartered to another for  
23 any use, including, without limitation, vessels used to take  
24 out chartered fishing and diving parties or sightseeing  
25 tours) for any purpose whatsoever within the internal wa-

1 ters, harbors, territorial sea and adjacent Exclusive  
2 Economic Zone around Guam.

3 (b) The shipment of fish or fish products from Guam  
4 to any coastwise point of the United States shall not be  
5 subject to the coastwise laws of the United States.

6 (c) The application of the coastwise laws of the Unit-  
7 ed States to Guam pursuant to 46 U.S.C. 883 shall be  
8 periodically examined by the Commission to determine,  
9 mutually, the desirability of the continued applicability of  
10 such laws to Guam. Such determination by the Commis-  
11 sion shall be based solely on the criteria of whether such  
12 laws or any or a part thereof as applied to Guam constrain  
13 Guam's economic development and, if such a determina-  
14 tion is made, the Commission shall recommend such laws  
15 should not continue to apply to Guam: *Provided*, That so  
16 long as the coastwise laws are applicable to Guam the  
17 United States Government shall be responsible for ensur-  
18 ing adequate and reliable cargo service between Guam and  
19 the United States as determined mutually in the Commis-  
20 sion.

21 **SEC. 902. AIRLINES.**

22 (a) The Governor of Guam shall have the authority  
23 to sponsor any qualified air service carrier to come to  
24 Guam subject only to presidential consultation concerning  
25 articulated foreign policy and national defense interests of

1 the United States. The Commonwealth of Guam shall be  
2 exempt from all bilateral treaties between the United  
3 States and foreign states with respect to scheduling and  
4 to technical specifications of aircraft, other than safety re-  
5 quirements, for foreign or United States charter passenger  
6 flights to and from Guam where such flights originate  
7 from foreign jurisdictions. This provision shall not be ap-  
8 plied in such a manner as to impair regularly scheduled  
9 passenger and cargo flights from any of the several United  
10 States States and Territories to and from Guam.

11 (b) The Commonwealth of Guam shall remain an “el-  
12 igible point” for purposes of being ensured essential air  
13 transportation under applicable provisions of the Federal  
14 Aviation Act of 1958, as amended by Public Law 98–213,  
15 section 10, with passenger and other service to be sched-  
16 uled to provide regular and satisfactory delivery of postal  
17 mail and cargo to and from the United States.

18 (c) In addition to any other requirement in compli-  
19 ance with Federal law for new, additional, or changed  
20 routes, United States domestic air carriers shall obtain the  
21 concurrence of the Governor of Guam on any application  
22 filed for such service to Guam.

1 **SEC. 903. TELECOMMUNICATIONS.**

2 The Commonwealth of Guam shall be defined as do-  
3 mestic for the purposes of setting rates in telecommuni-  
4 cations by the Federal Communications Commission.

5 **TITLE X—LAND, NATURAL**  
6 **RESOURCES AND UTILITIES**

7 **SEC. 1001. AUTHORITY OVER LAND AND RESOURCES.**

8 (a) The Government of the Commonwealth of Guam  
9 shall have power of eminent domain over property within  
10 the Commonwealth in accord with the Constitution of  
11 Guam.

12 (b) The Commonwealth of Guam shall have jurisdic-  
13 tion over all living and nonliving natural resources of the  
14 seabed, subsoil, tidelands, and adjacent territorial waters,  
15 as defined by the United States law, of the Island of  
16 Guam. The Commonwealth shall exercise rights to deter-  
17 mine the conditions, including pollution control, and terms  
18 of all scientific research, management, exploration, and ex-  
19 ploitation of all ocean resources and all sources of energy  
20 and prevention of pollution within the 200-mile Exclusive  
21 Economic Zone, including pollution originating outside the  
22 zone that poses a threat within the zone.

23 (c) The United States may, upon written notice to  
24 the Government of the Commonwealth of Guam, acquire  
25 for public purposes in accordance with Federal laws and  
26 procedures, any interest in real property in the Common-

1 wealth only by voluntary means, under such terms and  
2 conditions as may be negotiated by the parties. The Unit-  
3 ed States will continue to recognize and respect the scar-  
4 city and special importance of land in the Commonwealth  
5 of Guam. If the United States must acquire any interest  
6 in real property, it will follow the policy of seeking to ac-  
7 quire only the minimum area necessary to accomplish the  
8 public purpose for which the real property is required, of  
9 seeking only the minimum interest in real property nec-  
10 essary to support such public purpose, and of seeking first  
11 to satisfy its requirement by acquiring an interest in pub-  
12 lic rather than private real property. No interest in real  
13 property on Guam will be acquired by the United States  
14 unless duly authorized by the Congress of the United  
15 States and for which appropriations are available.

16 (d) The United States agrees not to exercise within  
17 the Commonwealth the power of eminent domain except  
18 in time of war and then only to the extent necessary and  
19 in compliance with applicable United States and Common-  
20 wealth of Guam laws, and with full recognition of due  
21 process required by the Constitutions of Guam and the  
22 United States.

23 (e) The Commonwealth of Guam is exempt from the  
24 Federal regulations governing the transfer or sale of ex-  
25 cess Federal real property. All excess real properties of

1 the United States on the Island of Guam released after  
2 establishment of the Commonwealth will be conveyed in  
3 fee simple to the Government of the Commonwealth of  
4 Guam without any condition, limitation or reversion clause  
5 in said conveyance.

6 (f) All land heretofore transferred to the Government  
7 of Guam by the United States are released from any and  
8 all provisions limiting the use of such land, and are  
9 conveyed in fee simple.

10 **SEC. 1002. TRANSFER OF EXCESS FEDERAL REAL PROP-**  
11 **ERTY.**

12 All real property, including undeveloped land and de-  
13 veloped recreational facilities, controlled or owned by any  
14 United States military service or Federal agency on Guam  
15 and not necessary for direct and continuous operational,  
16 logistical, or security use as a military facility or other  
17 Federal function shall be transferred as excess Federal  
18 real property to the Government of Guam: *Provided*, That  
19 all national parks, historical sites, monuments, and ceme-  
20 teries shall be exempt from this provision. Such transfers  
21 will be, whenever possible, at no cost to the people of  
22 Guam, or, when appropriate, at cost no higher than the  
23 valuation of the property at the time of original acquisition  
24 by the Federal authority, regardless of any subsequent al-  
25 terations or additions to the property. Final determination

1 of which Federal real property is excess to Federal needs,  
2 and the authority to mandate prompt and fair transfer  
3 to the Government of Guam by the Federal proprietor,  
4 shall be with the Joint Commission after consultations  
5 with the proprietor.

6 **SEC. 1003. ACCESS TO FEDERAL PROPERTY.**

7 (a) All recreational facilities, and all historical and  
8 archaeological sites on real property retained under Fed-  
9 eral, civil, or military authority shall be open to access and  
10 use by the residents of Guam so long as military security  
11 requirements are not compromised.

12 (b) Except where prevented by military security re-  
13 quirements, easements for roadways or other means of  
14 public access through property retained under Federal,  
15 civil, or military authority shall be granted the Govern-  
16 ment of Guam when such easements constitute the only  
17 practicable means of land access by the Government of  
18 Guam or the public to localities within the jurisdiction of  
19 the Government of Guam.

20 (c) The Joint Commission shall determine, after con-  
21 sultation with the general proprietor, which Federal rec-  
22 reational facilities and which easements over Federal prop-  
23 erty shall be open to the Government of Guam and to the  
24 general public on Guam and the manner of access.

1 **SEC. 1004. AUTHORITY OVER UTILITIES.**

2       Within 90 days after the enactment of this Act, the  
3 United States shall transfer to the Commonwealth of  
4 Guam all rights, title, and interest possessed by the Unit-  
5 ed States in the island's power, water, sewer, and other  
6 utility systems, except for those portions of the systems  
7 which are located within the confines of property owned  
8 by the United States and which are used solely for the  
9 purposes of the United States, and which do not serve or  
10 impact upon the normal operations of the island's utility  
11 system. The Government of the Commonwealth of Guam  
12 may decline to accept any portion of such utilities which  
13 it believes would act as a detriment to effective use of the  
14 utilities it owns. The United States shall provide access  
15 for the Commonwealth of Guam, or its agents, to all utili-  
16 ties and transmission lines which the Commonwealth owns  
17 on Federal property on Guam.

18                   **TITLE XI—UNITED STATES**  
19                   **FINANCIAL ASSISTANCE**

20 **SEC. 1101. RETURN OF TAXES AND FEES.**

21       All customs duties and Federal income taxes derived  
22 from Guam, the proceeds of all taxes collected under the  
23 internal revenue laws of the United States on articles pro-  
24 duced in Guam and transported to the United States, its  
25 Territories, or possessions, or consumed in Guam, and the  
26 proceeds of any other taxes which may be levied by the

1 Congress on the inhabitants of Guam (including, but not  
2 limited to, compensation paid to members of the Armed  
3 Forces and pensions paid to retired civilian and military  
4 employees of the United States, or their survivors, who  
5 are residents of, or who are domiciled in, Guam), and all  
6 quarantine, passport, immigration, and naturalization fees  
7 collected in Guam shall be covered into the Treasury of  
8 Guam and held in account for the Government of Guam  
9 in accordance with the annual budgets except that nothing  
10 in this Act shall be construed to apply to any tax imposed  
11 by Chapter 2 or 21 of the Internal Revenue Code of 1954.

12 **SEC. 1102. EQUAL FINANCE FOR GUAM CITIZENS WITH**  
13 **STATES.**

14 The laws of the United States providing Federal ben-  
15 efits and financial assistance and which have a general  
16 application to the several States shall be applicable to  
17 Guam, including section 228 or title II and title XVI of  
18 the Social Security Act (Supplemental Security Income).  
19 The formula for granting such financial assistance to  
20 Guam and its residents shall be the same as the formula  
21 applied to the several states and their residents unless  
22 such formula cannot, on its face, be applied to Guam or  
23 it is specifically stated to the contrary in this Act.

1 **SEC. 1103. RETURN OF ECONOMIC ZONE FEES.**

2 The Commonwealth shall have paid to the Treasury  
3 of Guam all licensing and other fees obtained by permit-  
4 ting foreign vessels to fish or other exploitation of the 200-  
5 mile Exclusive Economic Zone of Guam.

6 **SEC. 1104. FEDERAL PAYMENT.**

7 (a) The Governor of Guam, in preparing an annual  
8 budget for the Government of the Commonwealth of  
9 Guam, shall develop meaningful expenditure and revenue  
10 comparisons based on data supplied by the Bureau of the  
11 Census and other independent, reliable sources and iden-  
12 tify elements of cost and benefits to Guam which result  
13 from the unusual role of Guam as one of the Nation's  
14 principal military bastions in the Far East despite its  
15 small size. The results of the studies conducted by the  
16 Governor under this subsection shall be made available to  
17 the Guam Legislature and to the Federal Office of Man-  
18 agement and Budget for their use in reviewing and revis-  
19 ing the Governor's request with respect to the level of ap-  
20 propriation for the annual Federal payment to the Com-  
21 monwealth of Guam. Such Federal payment should oper-  
22 ate to encourage efforts on the part of the Government  
23 of Guam to maintain and increase its level of revenues  
24 and to seek such efficiencies and economies in the manage-  
25 ment of its programs as are possible.

1 (b) The Governor, in studying and identifying the  
2 costs and benefits to Guam brought about by its role in  
3 the nation's national security, should to the extent fea-  
4 sible, among other elements, consider—

5 (1) revenues unobtainable because of the rel-  
6 ative lack of taxable commercial and industrial prop-  
7 erty;

8 (2) revenues unobtainable because of the rel-  
9 ative lack of taxable business income;

10 (3) potential revenues that would be realized if  
11 exemptions from Guam taxes were eliminated;

12 (4) net costs, if any, after considering other  
13 compensation for tax base deficiencies and direct  
14 and indirect taxes paid, of providing services to or-  
15 ganizations and corporate offices doing business only  
16 with the Defense Department;

17 (5) recurring and nonrecurring costs of unreim-  
18 bursed services to the Defense Department;

19 (6) recurring and nonrecurring costs of unreim-  
20 bursed services rendered Guam by the Defense De-  
21 partment; and

22 (7) relative tax burden on Guam residents com-  
23 pared to that of resident in other jurisdictions in the  
24 Pacific.

1 (c) The Governor shall submit his request, with re-  
2 spect to the amount of an annual Federal payment, to the  
3 Guam Legislature. The Guam Legislature shall by act ap-  
4 prove, disapprove, or modify the Governor's request. After  
5 the action of the Legislature, the Governor shall, by De-  
6 cember 1st of each calendar year, in accordance with the  
7 provisions in the Budget and Accounting Act, 1921 (31  
8 U.S.C. 2), submit such request to the President for sub-  
9 mission to the Congress. Each request regarding an an-  
10 nual Federal payment shall be submitted to the President  
11 7 months prior to the beginning of the fiscal year for  
12 which such request is made and shall include a request  
13 for an annual Federal payment for the next following  
14 fiscal year.

15 **SEC. 1105. TRANSITION ASSISTANCE TO THE COMMON-**  
16 **WEALTH.**

17 The Government of the United States in order to as-  
18 sist Guam to make the political and economic transition  
19 to Commonwealth agrees to assist the Commonwealth of  
20 Guam as follows:

21 (1) The United States agrees to—

22 (A) finance the costs of institutional  
23 changes connected with the change in Guam's  
24 political relationship with the United States, to  
25 include staff, contracts, and referendum costs

1 of the Guam Commission on Self-Determina-  
2 tion;

3 (B) help meet the capital needs of Guam,  
4 in accordance with the following section, nec-  
5 essary to Guam's long-term, self-sustaining de-  
6 velopment; and

7 (C) establish an economic development  
8 fund to assist expansion of the private sector.

9 (2) There is hereby authorized such sums as  
10 may be necessary to implement a long-term capital  
11 improvement program approved by the Congress  
12 permitting the Commonwealth of Guam to establish  
13 an infrastructure base adequate for development of  
14 the private sector and to strengthen the utility of  
15 Guam for United States national security purposes.

16 (3) Guam shall submit a plan for Congressional  
17 approval showing the total amounts proposed, the  
18 distribution of funds by projects, phases, or pro-  
19 grams with an assessment of needs, costs, benefits  
20 and provision of local funds where available. The  
21 capital improvement plan shall take into account all  
22 related economic development projects and plans by  
23 the Commonwealth of Guam.

24 (4) There is hereby authorized a revolving fund  
25 to establish an Economic Development Fund on

1 Guam with authority to assist in the financing of the  
2 private sector needs of Guam in its efforts to achieve  
3 a higher standard of living for its people as members  
4 of the American community and to develop the eco-  
5 nomic resources needed to meet the financial respon-  
6 sibilities of local self-government. To this end, the  
7 Economic Development Fund is authorized to pro-  
8 vide financial and other assistance to increase in-  
9 vestments (including loans, tax incentives, guaran-  
10 tees and equity capital) and to start or expand com-  
11 mercial businesses on Guam in order to provide em-  
12 ployment and ownership opportunities for the resi-  
13 dents of Guam. Participation by private banks and  
14 savings and loan institutions in the Economic Devel-  
15 opment Fund shall be encouraged. Funds shall be  
16 made available to the Economic Development Fund  
17 by Congress after the following conditions have been  
18 met:

19 (A) The submission of a set of procedures  
20 to Congress for the participation of private  
21 lending institutions and for the processing of  
22 applications for assistance, indicating the role  
23 of the Economic Development Fund's staff, out-  
24 side consultants, and board review, and to guide

1 reviewers in making assistance and determining  
2 eligibility.

3 (B) Submission of an economic develop-  
4 ment plan, to be updated annually, by the Gov-  
5 ernor of Guam to Congress, showing the pro-  
6 posed amount, the proposed distribution of the  
7 funds, and the terms on which the funds will be  
8 made available. Such plan will take into account  
9 any capital improvement projects and other pro-  
10 grams related to economic development. The  
11 funds granted to the Economic Development  
12 Fund shall be a revolving fund, available to the  
13 Economic Development Fund until expended.

14 (C) The Economic Development Fund  
15 shall be headed by a five-member Board of Di-  
16 rectors with financial experience for fixed terms  
17 and selected by the Governor of Guam. The  
18 Economic Development Fund shall issue a pub-  
19 lic and audited report annually, setting forth  
20 the administrative and programmatic develop-  
21 ments for the year with full disclosure of the  
22 utilization of its funds, the recipients of its as-  
23 sistance, and the applications in process.

1 **TITLE XII—TECHNICAL AMEND-**  
2 **MENTS AND INTERPRETA-**  
3 **TION**

4 **SEC. 1201. INTERPRETATION AND JURISDICTION.**

5 (a) It is the intention of Congress that this Act pro-  
6 vide complete internal self-government for the Common-  
7 wealth of Guam and, to that end, that this Act be inter-  
8 preted liberally to accomplish that purpose.

9 (b) When ruling upon the laws of the Commonwealth,  
10 the courts of the United States shall give the same def-  
11 erence to the laws of the Commonwealth as they give to  
12 the laws of the several States. Jurisdiction to interpret the  
13 provisions of this Act is vested in appropriate courts of  
14 the United States and in the local courts of Guam.

15 **SEC. 1202. CONTINUED EFFECTIVENESS OF LOCAL LAWS.**

16 The laws of Guam in force on the date of enactment  
17 of this Act, except as amended by this Act, are hereby  
18 continued in force, subject to modification or repeal by the  
19 Legislature of Guam.

20 **SEC. 1203. ACTS REPEALED AND CONTINUED.**

21 (a) All laws or parts of laws inconsistent with this  
22 Act are hereby repealed to the extent of such inconsis-  
23 tency.

24 (b) Upon the enactment of this Act, the following sec-  
25 tions of the Organic Act of Guam (Act of August 1, 1950,

1 64 Stat. 384), as amended, are repealed: Sections 1, 2,  
2 and 3; fourth sentence of section 11, sections 25, 27, 33,  
3 and section 34.

4 (c) Upon the effective date of the Constitution adopt-  
5 ed by the people of Guam, the following provisions of the  
6 Organic Act of Guam (Act of August 1, 1950, 64 Stat.  
7 384), as amended, and in effect at that time, are repealed:  
8 Sections 5(a) through (t), 6, 7, 8, 9, 9-A, 10; the first  
9 three sentences of section 11; sections 12, 13, 14, 15, 16,  
10 17, 18, 19, 20, 21, 22, 22A, 22B, 22C, 22D, 24, 26, 29,  
11 30, and section 31.

12 (d) The following sections of the Organic Act of  
13 Guam (Act of August 1, 1950, 64 Stat. 384), as amended,  
14 shall continue in force and shall be deemed to be a part  
15 of this Act: Section 5(u), beginning at the fifth sentence,  
16 all the remainder of sections 11, 21-A, 24-A, section 28  
17 as modified by Article 10 of this Act; 32, and section 35.

18 (e) Public Law 94-584 (90 Stat. 2899), as amended,  
19 is repealed as it affects Guam.

20 **SEC. 1204. EFFECTIVE DATE OF THE GUAM COMMON-**  
21 **WEALTH ACT.**

22 This Act, upon approval by Congress, shall be sub-  
23 mitted to the registered voters of Guam for ratification  
24 through a plebiscite to be held in accordance with the laws  
25 of Guam. This Act will become effective upon the approval

1 of this Act by a majority of the voters who participate  
2 in such plebiscite, and at that time, except as provided  
3 in section 1203 of this Act, the Organic Act of Guam,  
4 August 1, 1950, 64 Stat. 384, shall be repealed.

○

HR 1056 IH—2

HR 1056 IH—3

HR 1056 IH—4